红日资本有限公司
RED SUN CAPITAL LIMITED

11 September 2026

To: The Independent Board Committee of Max Sight Group Holdings Limited

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
CENTRAL CHINA INTERNATIONAL CAPITAL LIMITED
FOR AND ON BEHALF OF CWT LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF
MAX SIGHT GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY CWT LIMITED AND/OR PARTIES ACTING
IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer, details of which are set out in the Composite Document dated 11 September 2026, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

On 26 July 2026, the Vendors (as vendors) and the Offeror (as purchaser) entered into the SPA, pursuant to which the Vendors have agreed to sell, and the Offeror has agreed to purchase, the Sale Shares, being an aggregate of 600,000,000 Shares, representing 75.0% of the entire issued share capital of the Company as at the Latest Practicable Date, for a consideration of HK$52,500,000, equivalent to HK$0.0875 per Sale Share.

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Immediately following Completion, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them are interested in a total of 600,000,000 Shares, representing 75.00% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them).

THE INDEPENDENT BOARD COMMITTEE

An Independent Board Committee, comprising all non-executive Directors (namely Mr. Riccardo Costi and Ms. Wong Shin Yee, Freda) and all independent non-executive Directors (namely, Mr. Ngai James, Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa), has been established by the Company to make recommendations to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

We, Red Sun Capital, have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee in relation to the Offer. Pursuant to Rule 2.1 of the Takeovers Code, our appointment has been approved by the Independent Board Committee. Our role as the independent financial adviser is to give our recommendation to the Independent Board Committee as to (i) whether the Offer is fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether the Independent Shareholders should, or should not, accept the Offer.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, the Vendors or the Offeror and any of their respective associates, or any party acting, or presumed to be acting, in concert with any of them and accordingly, are qualified to give independent advice to the Independent Board Committee in respect of the Offer.

In the previous two years, save for this appointment as the independent financial adviser for the Offer, we did not act as a financial adviser to the Company, the Offeror and its concert parties. Apart from normal professional fees paid or payable to us in connection with the current appointment as the independent financial adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Composite Document and the information and representations provide to us by the Directors and the management of the Company (the "**Management**"). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, were true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date and the Shareholders will be notified of any material changes to such information and representations as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have also assumed that all statements of belief, opinion and expectation made by the Directors in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers, the Management and/or the Directors. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Company, the Vendor, the Offeror and their respective shareholder(s) and subsidiaries or affiliates, and their respective histories, experience and track records, or the prospects of the markets in which they respectively operate. Our opinion is necessarily based on financial, economic, market and other conditions in effect and the information made available to us at the Latest Practicable Date. This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely for their consideration of the Offer.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in the Composite Document (other than those relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document 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 their individual circumstances. In particular, the Independent Shareholders who are resident overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions, and if in any doubt, should consult their own professional adviser.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL TERMS OF THE OFFER

As set out in the Letter from CCIC, CCIC, the financial adviser to the Offeror in respect of the Offer, on behalf of the Offeror and in compliance with the Takeovers Code, is making the Offer on the terms set out in the Composite Document issued in accordance with the Takeovers Code on the following basis:

For each Offer Share... HK$0.0875 in cash

The Offer Price of HK$0.0875 per Offer Share is equal to the purchase price per Sale Share payable by the Offeror under the SPA.

The Offer is unconditional in all respects and is not conditional upon acceptance being received in respect of a minimum number of Offer Shares or any other conditions. By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including 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. As at Latest Practicable Date, the Company does not have any other dividends or distributions announced, declared, recommended or made but unpaid and the Company does not intend to declare any dividend and/or make any distributions before the close of the Offer.

Acceptance of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the Latest Practicable Date, the Company has 800,000,000 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company. Further details of the terms of the Offer and the procedures for acceptance and settlement and acceptance period are set out in Appendix I to this Composite Document and the accompanying Acceptance Form.

As at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them has not received any irrevocable commitment to accept or not to accept the Offer.

As set out in the Letter from CCIC to the Composite Document, the Offer Price of HK$0.0875 per Offer Share, which is the same as the price per Share paid by the Offeror pursuant to the SPA, represents:

(i) a discount of approximately 51.92% to the closing price of HK$0.1820 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 21.88% to the closing price of HK$0.1120 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 22.98% to the average closing price of approximately HK$0.1136 per Share as quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;

(iv) a discount of approximately 24.37% to the average closing price of approximately HK$0.1157 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;

(v) a discount of approximately 26.78% to the average closing price of approximately HK$0.1195 per Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;

(vi) a premium of approximately 375.54% over the audited consolidated net asset value per Share attributable to owners of the Company at 31 December 2025 (being the date to which the latest audited financial statements of the Company were made up) of approximately HK$0.0184 per Share (which was calculated by dividing the sum of the audited consolidated net asset value attributable to Shareholders as at 31 December 2025 of approximately HK$14.70 million by 800,000,000 Shares in issue as at the Latest Practicable Date); and

(vii) a premium of approximately 511.89% over the unaudited consolidated net asset value per Share attributable to owners of the Company as at 30 June 2026 of approximately HK$0.0143 per Share (which was calculated by dividing the sum of the unaudited consolidated net asset value attributable to Shareholders as at 30 June 2026 of approximately HK$11.44 million by 800,000,000 Shares in issue as at the Latest Practicable Date).

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have taken into consideration the following principal factors and reasons:

1. Financial information of the Group and outlook

(i) Historical financial information of the Group

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the GEM of the Stock Exchange. The Group is principally engaged in (i) provision of photography services through automatic identity documentation photo booths at different locations in Hong Kong (i.e. the Photography Services Business); and (ii) provision of medical services by operating medical centres in Hong Kong with a focus on general practice to offer primary care services (including diagnosing and treating acute illnesses and managing chronic conditions, routine health screenings, vaccinations and specialist referrals) (i.e. the Medical Services Business).

We set out below a summary of the financial information of the Group (i) for the years ended 31 December 2024 and 2025 as extracted from the annual reports of the Group for the year ended 31 December 2024 (the "**2024 Annual Report**") and 31 December 2025 (the "**2025 Annual Report**"), respectively; and (ii) for the six months ended 30 June 2025 and 2026 as extracted from the interim report of the Group for the six months ended 30 June 2025 and the interim results announcement of the Group for the six months ended 30 June 2026 (the "**2026 Interim Results Announcement**"), respectively:

Summary of the Group's consolidated statement of financial position

	As at 30 June		**As at 31 December**	
	2026	**2025**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Non-current assets	15,052	22,435	17,415	19,032
Current assets	14,403	21,203	18,483	26,778
Total assets	*29,455*	*43,638*	*35,898*	*45,810*
Current liabilities	11,948	14,795	13,462	13,149
Non-current liabilities	4,956	10,376	6,974	8,498
Total liabilities	*16,904*	*25,171*	*20,436*	*21,647*
Net assets	**12,551**	**18,467**	**15,462**	**24,163**
Equity attributable to owners of the Company	**11,444**	**17,952**	**14,699**	**24,035**

Consolidated financial position of the Group as at 30 June 2026 compared to 31 December 2025

Total assets of the Group amounted to approximately HK$29.5 million as at 30 June 2026, which decreased from approximately HK$35.9 million as at 31 December 2025, represented a decrease of approximately 17.8%. The decrease was mainly attributable to the year-on-year reduction in cash and bank balances of approximately HK$3.7 million, such was mainly due to the net effects of the Group's (i) net cash generated from operating activities of approximately HK$1.4 million; and (ii) net cash used in financing activities of approximately HK$5.1 million, which was primarily due to the capital element of lease rentals paid of approximately HK$4.3 million.

The total assets of the Group as at 30 June 2026 mainly comprised (i) right-of-use assets of approximately HK$11.3 million, which mainly comprised of properties leased for own use as its office, warehouse, premises for automatic ID photo booths and medical centres through tenancy agreements; and (ii) cash and bank balances of approximately HK$9.2 million.

Total liabilities of the Group amounted to approximately HK$16.9 million as at 30 June 2026, which decreased from approximately HK$20.4 million as at 31 December 2025, represented a decrease of approximately 17.2%. Such decrease was mainly attributable to the reduction in lease liabilities (under current and non-current liabilities) of approximately HK$2.4 million due to the Group's leases approach closer to their respective expiry dates. The total liabilities of the Group as at 30 June 2026 mainly comprised (i) lease liabilities (non-current and current portions) of approximately HK$12.1 million; (ii) other payables and accrued charges of approximately HK$3.0 million; and (iii) amounts due to non-controlling shareholders of approximately HK$0.8 million.

Consolidated financial position of the Group as at 31 December 2025 compared to 31 December 2024

Total assets of the Group amounted to approximately HK$35.9 million as at 31 December 2025, which decreased notably from approximately HK$45.8 million as at 31 December 2024, represented a decrease of approximately 21.6%. The notable decrease was mainly attributable to the year-on-year reduction in cash and bank balances of approximately HK$8.4 million, such was mainly due to the net effects of the Group's (i) net cash generated from operating activities of approximately HK$7.0 million; and (ii) net cash used in financing activities of approximately HK$15.8 million, which was primarily due to (a) the capital element of lease rentals paid of approximately HK$8.9 million; and (b) dividends paid to owners of the Company of approximately HK$4.8 million.

The total assets of the Group as at 31 December 2025 mainly comprised (i) right-of-use assets of approximately HK$13.6 million, which mainly comprised of properties leased for own use as its office, warehouse, premises for automatic ID photo booths and medical centres through tenancy agreements; and (ii) cash and bank balances of approximately HK$12.9 million.

Total liabilities of the Group amounted to approximately HK$20.4 million as at 31 December 2025, which decreased slightly from approximately HK$21.6 million as at 31 December 2024, represented a decrease of approximately 5.6%. Such decrease was mainly attributable to the repayment of approximately HK$1.0 million for the amount due to non-controlling shareholders. The remaining amounts due to non-controlling shareholders were related to two companies, each being a minority shareholder of a subsidiary of the Company operating a clinic respectively and that the subject amount is unsecured, interest-free and repayable on demand in nature. The total liabilities of the Group as at 31 December 2025 mainly comprised (i) lease liabilities (non-current and current portions) of approximately HK$14.5 million; (ii) other payables and accrued charges of approximately HK$3.2 million; and (iii) amounts due to non-controlling shareholders of approximately HK$1.2 million.

The Group's net assets amounted to approximately HK$15.5 million as at 31 December 2025, which decreased from approximately HK$24.2 million as at 31 December 2024, represented a decrease of approximately 36.0%, mainly due to (i) the decrease in the year-on-year reduction in cash and bank balances of approximately HK$8.4 million; and partially offset by (ii) the decrease in the amounts due to non-controlling shareholders of approximately HK$1.0 million, details of which are as set out in the preceding paragraphs.

Summary of the Group's consolidated statement of profit or loss

	Six months ended 30 June		**Year ended 31 December**	
	2026	**2025**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*
Revenue	17,255	26,148	44,495	66,246
— Photography service income	6,646	14,264	21,190	43,415
— Medical service income	10,609	11,884	23,305	22,831
Gross profit	4,347	8,218	12,069	20,277
(Loss)/Profit for the period/year	(2,911)	(751)	(3,963)	470
(Loss) for the period/year attributable to owners of the Company	(3,255)	(1,138)	(4,598)	(399)

*Consolidated financial performance of the Group for the six months ended 30 June 2026 ("**1H2026**") and 30 June 2025 ("**1H2025**")*

Based on the 2026 Interim Results Announcement, the Group's revenue decreased by approximately HK$8.8 million or 33.7% from approximately HK$26.1 million for 1H2025 to approximately HK$17.3 million for 1H2026 primarily attributable to the decrease in photography service income of approximately HK$7.6 million mainly due to (i) the Group having transitioned from provision of services to the sales of strips/product after the expiry of the Previous Contract (defined hereunder), and both the unit price and quantity also recorded a decrease. Further details of which are as set out under the section headed "Consolidated financial performance of the Group for the years ended 31 December 2025 ("FY2025") and 31 December 2024 ("FY2024")" below; and (ii) the widespread adoption of digital ID photography services offered by the Personal Document Submission Kiosk facilitated by the Immigration Department of The Government of the HKSAR (defined hereunder), which first introduced kiosk back in May 2019[1] and the functionalities and services of the kiosks, including photo taking functions, that were made available to the public end-users have been enhanced over time[2], along with the increasing use of digital ID photo for e-visa application, led to a decline in demand for physical ID photo.

The Group's revenue from the Medical Services Business amounted to approximately HK$10.6 million for 1H2026 as compared to approximately HK$11.9 million for 1H2025, representing a decrease of approximately 10.9%, which was mainly attributable to a decrease in the number of patient visits per clinic and price competition, as advised by the Management.

As a result of the reduction in revenue as well as a decrease in gross margin in the sales of its products under the Photography Services Business, the Group's gross profit decreased to approximately HK$4.3 million for 1H2026 from approximately HK$8.2 million for 1H2025, represented a decrease of approximately 47.6%, which led to a loss attributable to owners of the Company of approximately HK$3.3 million for 1H2026 after taking into account the administrative expenses and finance costs of approximately HK$6.7 million and HK$0.4 million for 1H2026, respectively.

1 Publication by the Digital Policy Office of the Government of the HKSAR (source: www.digitalpolicy.gov.hk/en/our_work/success_stories/application_for_hksar_passport_at_the_self_service_kiosks/)

2 Publication by the Government of HKSAR (source: www.info.gov.hk/gia/general/202412/12/P2024121200559.htm)

*Consolidated financial performance of the Group for the years ended 31 December 2025 ("**FY2025**") and 31 December 2024 ("**FY2024**")*

We noted from the 2025 Annual Report that the Group's revenue decreased by approximately HK$21.7 million or 32.8% from approximately HK$66.2 million for FY2024 to approximately HK$44.5 million for FY2025 primarily attributable to the decrease in photography service income of approximately HK$22.2 million mainly due to (i) a significant service contract having expired (the "**Previous Contract**") and transitioned from provision of services to the sales of strips/product, and both the unit price and quantity also recorded a decrease. Under the Previous Contract, the Group provided photography services, which included providing site attendants to support end-users in meeting specific ID imaging requirements prior to having their ID photo captured through the Group's automatic ID photo booths and technicians to validate that the captured ID photo met the applicable requirements using customised software prior to printing; and (ii) the widespread adoption of digital ID photography services offered by the Personal Document Submission Kiosk facilitated by the Immigration Department of The Government of the Hong Kong Special Administrative Region ("**HKSAR**"), which first introduced kiosk back in May 2019[3] and the functionalities and services of the kiosks, including photo taking functions, that were made available to the public end-users have been enhanced over time[4], along with the increasing use of digital ID photo for e-visa application, led to a decline in demand for physical ID photo.

The Group recorded revenue from the Medical Services Business of approximately HK$23.3 million for FY2025 as compared to approximately HK$22.8 million for FY2024, represented a slight increase of approximately 2.2%. The Management advised that the number of patient visits per clinic was broadly stable for FY2025 as compared to FY2024.

As a result of the reduction in revenue as well as a decrease in gross margin in the sales of its products under the Photography Services Business, the Group's gross profit decreased to approximately HK$12.1 million for FY2025 from approximately HK$20.3 million for FY2024, represented a decrease of approximately 40.4%, which led to a loss attributable to owners of the Company of approximately HK$4.6 million for FY2025 after taking into account the administrative expenses and finance costs of approximately HK$15.7 million and HK$1.1 million for FY2025, respectively.

3 Publication by the Digital Policy Office of the Government of the HKSAR (source: www.digitalpolicy.gov.hk/en/our_work/success_stories/application_for_hksar_passport_at_the_self_service_kiosks/)

4 Publication by the Government of HKSAR (source: www.info.gov.hk/gia/general/202412/12/P2024121200559.htm)

(ii) Historical dividend of the Group

As at the Latest Practicable Date, the Company has not declared any dividend or other distributions which have not yet paid, and the Company does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing of the Offer.

If after the date of the Composite Document, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares, the Offeror will reduce the Offer Price by the gross amount of the dividend, distribution and/or return of capital paid or made by the Company in respect of each Offer Share to such Independent Shareholders who accept or have accepted the Offer, and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, this Composite Document or any other announcement in relation to the Offer to the Offer Price will be deemed to be a reference to the Offer Price as so reduced. Any such reduction will only apply to those Offer Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital.

For FY2025 and the current accounting period (up to and including the Latest Practicable Date), the Company did not declare any dividend. For FY2023, the Company declared an interim dividend of HK$0.00375 per Share and a special dividend of HK$0.005625 per Share. For FY2024, the Company declared a special dividend of HK$0.006 per Share.

(iii) Business outlook and prospects of the Group

As set out in the Letter from the Board, the Group is principally engaged in the Photography Services Business and the Medical Services Business.

According to the 2024 Annual Report and 2025 Annual Report, the Group mainly derived its revenue from its Photography Services Business and its Medical Services Business. During FY2024 and FY2025, the Group derived a majority of its revenue and segment profit from its Photography Services Business, representing on average approximately 56.6% of the Group's revenue, which is calculated based on approximately 65.5% for FY2024 and approximately 47.6% for FY2025. In addition, a majority of the Group's reportable segment assets was also related to its Photography Services Business as at 31 December 2025. Geographically, the Group mainly carries out its businesses in Hong Kong.

Based on the 2025 Annual Report, for the Photography Services Business, following the maturity of a significant service contract in 2025 (i.e. the Previous Contract), the Group successfully retained the consumer associated with the related contract, transitioning from provision of services to sales of products as further detailed under sub-paragraph headed "Consolidated financial performance of the Group for the years ended 31 December 2025 ("FY2025") and 31 December 2024 ("FY2024")" in this letter above. Consequently, the gross profit generated from the related service line decreased by around 60% as compared to FY2024 as the Group used to provide photography services, which included providing site attendants to support end-users in meeting specific ID imaging requirements prior to having their ID photo captured through the Group's automatic ID photo booths and technicians to validate that the captured ID photo met the applicable requirements using customised software prior to printing under the Previous Contract, but under the existing contract with the same licensor, the Group is only selling strips/products. Concurrently, the widespread adoption of digital ID photography services offered by the Personal Document Submission Kiosk facilitated by the Immigration Department of The Government of the HKSAR, along with the increasing use of digital ID photo for e-visa application, has led to a decline in demand for physical ID photo.

Based on statistics published by the Census and Statistics Department of Hong Kong ("**C&SD**") dated 15 April 2026, the total number of establishments providing photographic production services, photo printing and photo finishing services have been broadly stable between 1,910 to 1,950[5] during 2023 to 2025. The photographic related services are classified under the sub-industry titled "Other professional, scientific and technical activities" classification set by C&SD, and the corresponding business receipts index[6] as published by C&SD, which measures the service receipts, receipts from sales of goods, commissions, rental, interest and other income of a company, were at approximately 128.6 (2024) and 131.7 (2025), indicating that the sub-industry has been largely stable. On this basis, barring unforeseen circumstances, the industry of photographic related services is expected to be largely stable.

Based on our analysis and data above, in particular, the number of establishments providing photography services in Hong Kong and the continued enhancements of the kiosks deployed by the HKSAR Government, we are of the view that the Photography Services Business of the Group may continue to face market demand challenges, competition from other market participants in the photography services over time.

5 Census and Statistics Department published statistics for photographic related services (with industry subclass code 752100 and 752200) "Table 215–16010: Number of establishments, persons engaged and vacancies (other than those in the civil service) analysed by industry sub-class" (source: www.censtatd.gov.hk/en/web_table.html?id=215–16010#)

6 Census and Statistics Department published statistics "Table 660–69001 : Business receipts indices for service industries and service domains" (source: www.censtatd.gov.hk/en/web_table.html?id=660–69001)

As for the Medical Services Business of the Group, being one of the private medical service providers operating five clinics in Hong Kong as at 31 December 2025, it accounted for approximately 34.5% and 52.4% of the Group's revenue for FY2024 and FY2025 respectively, approximately 38.6% of the Group's reportable segment profit for FY2025 and approximately 43.8% of the Group's reportable segment assets as at 31 December 2025, respectively. According to information on the Hong Kong's Domestic Health Accounts (DHA) 2023/24 published by the Health Bureau[7] on 16 October 2025, private healthcare expenditure for 2023/24 totalled to approximately HK$121,135 million, representing a year-on-year increase of approximately 6.6% (the "**Private Healthcare Expenditure Growth**") as compared to approximately HK$113,665 million for 2022/23. Having taken into account (i) the effects of general inflation in Hong Kong in 2024 of approximately 1.7%; and (ii) based on the statistics published by the C&SD, the number of doctors has continued to increase, from 16,533 in 2024 to 16,905 in 2025, representing a year-on-year increase of approximately 2.3%, the Private Healthcare Expenditure Growth as published by the DHA, after taking into account the rate of inflation and the increase in the number of doctors, indicated that the private healthcare industry expenditure in Hong Kong is considered to be largely stable with a moderate overall growth in real terms[8], based on the Private Healthcare Expenditure Growth less the rate of inflation, and after taking into account that there has been an increase in number of doctors, thus the growth in the private healthcare industry expenditure is also met with an increased in competition. On this basis, we considered that the overall prospects for market participants in the private healthcare sector to be stable.

Having considered (i) the historical performance of the Group for FY2024 and FY2025, which recorded loss attributable to owners of the Company of approximately HK$0.4 million and HK$4.6 million respectively, and loss attributable to owners of the Company of approximately for HK3.3 million for 1H2026; and (ii) our analysis on the Photography Services Business and the Medical Services Business under this section, we are of the view that, barring unforeseen circumstances, the Group's existing businesses will continue to face challenges as the Management works to improve the Group's overall financial performance.

For information regarding the Offeror's intention in relation to the Group, please refer to the section headed "5. Information on the Offeror and the intention of the Offeror in relation to the Group" in this letter below.

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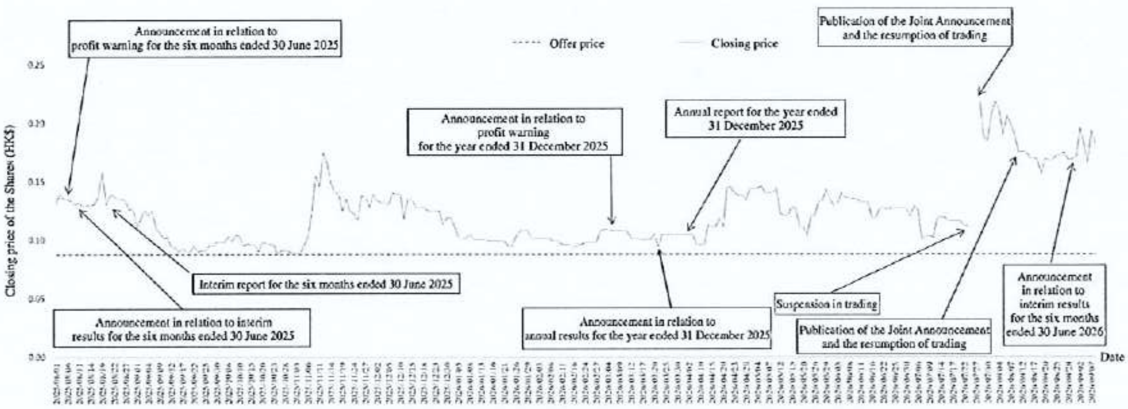
7 Information published by the Health Bureau (source: (i) www.info.gov.hk/gia/general/202510/16/P2025101500854.htm; and (ii) www.healthbureau.gov.hk/statistics/en/dha.htm)

8 "real terms" refers to monetary value after adjusted for inflation

2. Historical Share price performance

We have reviewed and analysed the closing price of Shares (i) for approximately 12 months immediately prior to the Last Trading Day commencing on 1 August 2025, being the first trading day of the closest full calendar month, and up to and including the Last Trading Day (the "**First Review Period**"); and (ii) from the day immediately following the date of the Joint Announcement up to and including the Latest Practicable Date (the "**Second Review Period**" together with the First Review Period, the "**Review Period**") below:

Share price performance during the Review Period



Source: website of the Stock Exchange (www.hkex.com.hk)

The Offer Price of HK$0.0875 represents (i) a discount of approximately 24.57% to the average closing Share price of approximately HK$0.116 per Share for the First Review Period; (ii) a discount of approximately 51.92% to the average closing Share price of approximately HK$0.182 per Share for the Second Review Period; (iii) a discount of approximately 21.88% to the closing price of HK$0.112 per Share as quoted on the Stock Exchange on the Last Trading Day; and (iv) a discount of approximately 51.92% to the closing price of HK$0.182 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

First Review Period

During the first few months of the First Review Period, namely from the commencement of the First Review Period, i.e. 1 August 2025, to end of October 2025, the closing Share price was broadly in a downward trend, which fluctuated between the range from HK$0.088 (24 October 2025) to HK$0.158 (19 August 2025) per Share. On 6 August 2025, the Company issued a profit warning announcement in relation to its unaudited consolidated interim results for the six-months ended 30 June 2025. Subsequently on 8 August 2025, the Company published its interim results announcement for the six months ended 30 June 2025, which recorded a loss attributable to equity shareholders of the Company of approximately HK1.1 million as compared to a loss attributable to equity shareholders of the Company of approximately HK0.2 million for the six months ended 30 June 2024.

Based on our review on the closing Share price for the remaining months of the First Review Period, namely from 3 November 2025 to 24 July 2026 (up to and including the Last Trading Day), the closing Share price traded between HK$0.088 per Share (4 November 2025) to HK$0.175 per Share (12 November 2025). On 6 March 2026, the Company issued a profit warning announcement in relation to its unaudited consolidated financial statements of the Group for the year ended 31 December 2025. Subsequently on 23 March 2026, the Company published its annual results announcement for the year ended 31 December 2025, which recorded a loss attributable to owners of the Company of approximately HK4.6 million as compared to a loss attributable to owners of the Company of approximately HK0.4 million for the year ended 31 December 2024.

It is further noted that the Offer Price was lower than the range of closing price of Shares during the First Review Period and represents (i) a discount of approximately 50.0% to the highest closing price of Shares during the First Review Period of HK$0.175 per Share; (ii) a discount of approximately 0.57% to the lowest closing price of Shares during the First Review Period of HK$0.088 per Share; and (iii) a discount of approximately 24.57% to the average daily closing price of Shares during the First Review Period of approximately HK$0.116 per Share.

Second Review Period

During the Second Review Period, the closing price per Share ranged from HK$0.156 to HK$0.218 (the "**Second Review Period Price Range**") with an average closing price per Share of approximately HK$0.182. The closing price per Share as at the Latest Practicable Date was HK$0.182. The Offer Price represents (i) a discount of approximately 51.92% to the average daily closing price of Shares during the Second Review Period; and (ii) a discount of approximately 51.92% to the closing price of Shares as at the Latest Practicable Date.

It is noted that the closing price of Shares experienced a notable increase after publication of the Joint Announcement during the Second Review Period, with the highest closing price of HK$0.218 per Share. As confirmed by the Directors, save for the information as set out in the Joint Announcement and the 2026 Interim Results Announcement, the Directors were not aware of any matters related to the Group which might have a material effect on the price of Shares. We consider that such fluctuation in the price of Shares after the release of the Joint Announcement may be attributable to market reactions to the Offer by the Offeror and/or prospects of the Group being controlled by the Offeror.

Taken together, the Offer Price is below the range of closing price of the Shares during the Review Period, thus is lower than the closing price of the Shares during the Review Period at all times.

It was also noted during our work that prior to the commencement of the First Review Period, the Company issued an announcement on the possible disposal the Shares held by Causeway Treasure Holding Limited, namely Vendor 1, pursuant to Rule 3.7 of the Takeovers Code and Rule 17.10 of the GEM Listing Rules dated 22 May 2025 (the "**May Announcement**"). As per the May Announcement, a memorandum of understanding (the "**MOU**") was entered into by Vendor 1 at the material time. However, the parties to the MOU (as supplemented) failed to execute a formal agreement in relation to the sale of the Shares held by Vendor I and the MOU was terminated as per the announcement of the Company dated 4 July 2025. This may or may not have led to continued market speculations on the possible disposal of the Shares held by Vendor I, thus the price of the Shares during the First Review Period may or may not have been distorted, despite the then financial performance of the Group at the material time, the analysis of which has been set out under section headed "(i) Historical financial information of the Group" in this letter.

Shareholders should note that the information set out above is not an indicator of the future performance of Shares and that the price of Shares in the future may increase or decrease from its closing price as at the Latest Practicable Date.

3. Liquidity of Shares

The table below sets out the trading volume of Shares during the Review Period:

Month/period	**Number of trading days in the month/ period**	**Average daily trading volume per trading day in the month/ period**	**Percentage of average daily trading volume to total number of Shares in issue** *(Note 1)* *Approximate %*	**Percentage of average daily trading volume to total number of Shares held by public Shareholders** *(Note 2)* *Approximate %*
First Review Period				
2025				
August	21	3,656,000	0.46%	1.83%
September	22	354,909	0.04%	0.18%
October	20	141,200	0.02%	0.07%
November	20	1,261,200	0.16%	0.63%
December	21	73,143	0.01%	0.04%
2026				
January	21	149,333	0.02%	0.07%
February	17	38,118	<0.01%	0.02%
March	22	168,364	0.02%	0.08%
April	19	445,474	0.06%	0.22%
May	19	259,789	0.03%	0.13%
June	21	147,810	0.02%	0.07%
July *(up to and including the Last Trading Day)*	17	184,941	0.02%	0.09%

Month/period	**Number of trading days in the month/ period**	**Average daily trading volume per trading day in the month/ period**	**Percentage of average daily trading volume to total number of Shares in issue** *(Note 1)* *Approximate %*	**Percentage of average daily trading volume to total number of Shares held by public Shareholders** *(Note 2)* *Approximate %*
Second Review Period				
2026				
July *(from 28 July 2026)*	4	7,326,000	0.92%	3.66%
August	21	985,524	0.12%	0.49%
September *(up to and including the Latest Practicable Date)*	6	1,913,333	0.24%	0.96%

Source: www.hkex.com.hk

Notes:

1. Calculated based on the total number of the Shares in issue at the end of month/period.

2. Calculated based on the total number of the Shares held by public shareholders (i.e. excluding the shares held by the Vendors/Offeror and parties acting in concert with it) of 200,000,000 Shares at the end of each month/period.

3. During the Review Period, the trading in the Shares had been halted on 27 July 2026 and trading was resumed on 28 July 2026.

As set out in the table above, during the First Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of (i) less than 0.01% to approximately 0.46%, with an average daily trading volume of approximately 0.07% of the total number of issued Shares; and (ii) approximately 0.02% to approximately 1.83%, with an average daily trading volume of approximately 0.29% of the total number of Shares held by public Shareholders. Although the trading volume of the Shares fluctuated from month to month and that the average daily trading volume to total number of Shares in issue exceeded 0.1% in August 2025 and November 2025, and the average daily trading volume to total number of Shares held by public Shareholders exceeded 0.2% in August 2025, November 2025 and April 2026, the Company confirmed that, save for the published information at the relevant time, the Management was not aware of any material unpublished information that may have affected the daily trading volume at the material time. The average daily trading volume of Shares during the First Review Period of approximately 588,767 Shares was generally thin and not active. It is also noted that, during the First Review Period, there were a total of 240 trading days, of which 68 days recorded no trading of Shares.

During the Second Review Period, the percentage of average daily trading volume of the Shares by month/period were in the range of (i) approximately 0.12% to approximately 0.92%, with an average daily trading volume of approximately 0.43% of the total number of issued Shares; and (ii) approximately 0.49% to approximately 3.66%, with an average daily trading volume of approximately 1.70% as to the total number of Shares held by public Shareholders.

Given the percentage of average daily trading volume to total number of Shares in issue and to total number of Shares held by public Shareholders are not more than 0.05% and 0.20% for most of the months/period during the First Review Period, it is noted that the trading liquidity of the Shares has been generally low in the open market during the First Review Period. Considering the thin historical average daily trading volume of Shares during the First Review Period, it is uncertain that the overall liquidity of Shares could be maintained and that there would be sufficient liquidity in Shares for the Independent Shareholders to realise a significant number of Shares over a prolonged period in the open market without exerting downward pressure on the Share price. Independent Shareholders who wish to sell his/her/its Shares should carefully consider whether to sell his/her/its Shares in the open market or accept the Offer, based on the then market price of Shares during the Offer Period. We, therefore, consider that the Offer provides the Independent Shareholders with an assured exit at the Offer Price if they wish to realise their investments in Shares.

Summary

Under the sections headed "1. Financial information of the Group and outlook", "2. Historical Share price performance" and "3. Liquidity of Shares", we noted that (i) the Group recorded loss attributable to owners of the Company for each of FY2024 and FY2025; (ii) from the 2026 Interim Results Announcement that the Group recorded a loss attributable to owners of the Company of approximately HK$3.3 million for 1H2026, as compared to the loss attributable to owners of the Company of approximately HK$1.1 million for 1H2025; and (iii) the historical trading liquidity of the Shares has been generally low in the open market during the Review Period. On this basis, we are of the view that the Offer Price is fair and reasonable. Nonetheless, in addition to our analysis on the historical financial information of the Group, our historical price and trading volume analysis, we have further conducted analysis on comparable companies below.

4. Comparable companies analysis

In assessing the fairness and reasonableness of the Offer Price, we have considered analysis on the price-to-book ratios (the "**P/B Ratio**"), the price-to-sale ratios (the "**P/S Ratio**") and price-to-earnings ratios (the "**P/E Ratio**") of companies which are listed on the GEM of the Stock Exchange and are engaged in similar businesses to those of the Group for comparison purposes. It is noted that the P/B Ratio, P/S Ratio and P/E Ratio are the commonly used valuation benchmarks in evaluating the valuation of a company.

However, we noted that the Group recorded a loss for the year attributable to its owners for FY2025, thus we do not consider the P/E Ratio analysis to be applicable for the Group.

Based on (i) the total equity attributable to owners of Company of approximately HK$11.4 million as at 30 June 2026; (ii) the revenue of the Group of approximately HK$44.5 million for FY2025; and (iii) the total implied value of the Company under the Offer[9], being approximately HK$70.0 million, the implied P/B Ratio of the Company under the Offer would be approximately 6.14 times (the "**Implied P/B Ratio**") the implied P/S Ratio of the Company under the Offer would be approximately 1.57 times (the "**Implied P/S Ratio**").

For the purpose of our analysis, we have searched for comparable companies based on the following criteria: (i) the shares of which are listed on the GEM of the Stock Exchange excluding listed companies which were under pro-longed suspension (i.e. continuous suspension for over one month) as at the Last Trading Day and/or Latest Practicable Date; (ii) engages in principal business similar to those of the Group namely, the photography services and related business, such as processing, validation and printing photographs in Hong Kong, which contributed an average over 50% of its total revenue for the latest two completed financial year. While the Medical Services Business generated approximately 52.4% of the Group's total revenue for FY2025, it only generated approximately 34.5% of the Group's total revenue for FY2024. Furthermore, the Medical Services Business only generated approximately 38.6% of the Group's segment profit for FY2025 and only accounted for approximately 43.8% of the Group's reportable segment assets as at 31 December 2025, thus the Photography Services Business is chosen over the Medical Services Business as the main principal business for the purposes of identifying comparable company(ies); and (iii) a market capitalisation of not less than HK$50.0 million and not more than HK$100.0 million as at the Last Trading Day (the "**Market Capitalisation Criteria**"), which was determined with reference to the implied market capitalisation of the Company of approximately HK$70.0 million under the Offer and the average historical market capitalisation of the Company during the First Review Period, being approximately HK$92.5 million (together the "**Initial Criteria**"). Based on the Initial Criteria, using our best endeavour, we have not identified any comparable companies that satisfied all the Initial Criteria.

For the purpose of our analysis, we have expanded our criteria to include companies listed on the Main Board as well as GEM of the Stock Exchange, and increased the Market Capitalisation Criteria to include listed companies with a market capitalisation of not more than HK$150 million as at the Last Trading Day while keeping the other Initial Criteria the same (together the "**Final Criteria**"). Based on the Final Criteria, using our best endeavour, we have identified one comparable company, namely, China-HongKong Photo Products Holdings Limited (stock code: 1123) ("**CHKPP**" or the "**Comparable Company**") and such is exhaustive. Given the niche nature of the photography services and related business in Hong Kong, there are only two listed companies on the Stock

9 Based on the Offer Price of HK$0.0875 per Offer Share and 800,000,000 Shares in issue as at the Latest Practicable Date, the implied value of the Company under the Offer is calculated to be approximately HK$70.0 million.

Exchange operating in this business arena, namely the Company and CHKPP, which fulfilled the Final Criteria. As such, the comparison against the Comparable Company is a fair and representative comparison for the purpose of our analysis. Nonetheless, Shareholders should note that the principal activities, size, profitability and financial position of the Comparable Company may vary from that of the Group as no companies are completely identical to each other and that to ensure the Comparable Company is comparable, it is selected based on the Final Criteria, which was set based on the characteristics of the Company as further explained in the preceding paragraph.

On this basis, our analysis and the comparison made in this section is solely for reference and as one of the benchmarks for the purpose of assessing the fairness and reasonableness of the Offer Price and that we have considered our analysis as set out under section headed "PRINCIPAL FACTORS AND REASONS CONSIDERED" in this letter together and as a whole rather than individually in isolation when assessing the fairness and reasonableness of the Offer Price.

The table below sets out the market capitalisation, equity attributable to its owners, total revenue, the P/B Ratio and the P/S Ratio of the Comparable Company and the Company under the Offer for comparison purposes.

Company name (stock code)	Principal business *(Note 1)*	Market capitalisation as at the Latest Practicable Date *HK$'million*	Equity attributable to the owners of the company *(Note 2)* *HK$'million*	Total revenue *(Note 3)* *HK$'million*	P/B Ratio *(Note 2)* *times*	P/S Ratio *(Note 3)* *times*
China-HongKong Photo Products Holdings Limited (i.e. CHKPP) (1123)	(i) the marketing and distribution of photographic developing and processing and printing products and sale of photographic merchandises, skincare products, consumer electronic products and household appliances, and commercial and professional audio and visual ("AV") products; (ii) the provision of technical services for photographic developing and processing products, imaging solution, professional AV advisory and custom design and installation services; and (iii) the property investment in Hong Kong and the PRC *(Note 4)*	165.9	684.2	998.1	0.24	0.17
		Implied market capitalisation of the Company under the Offer *HK$'million*	Equity attributable to the owners of the Company *HK$'million*	Revenue of the Group *HK$'million*	Implied P/B Ratio of the Company *times*	Implied P/S Ratio of the Company *times*
The Company (8483)		70.0	11.4	44.5	6.14	1.57

Note:

1. Based on information as set out in the latest published annual report of CHKPP.

2. For illustration purpose, the market capitalisation and the P/B Ratio are calculated based on, where applicable, the closing price of the share of the Comparable Company on the Latest Practicable Date, the total number of issued shares based on the then latest monthly return of the subject listed company published on the website of the Stock Exchange, its equity attributable to owners of the company for the latest published financial statements in the interim or annual results publication (whichever is later) of the Comparable Company (for P/B Ratio) as at the Latest Practicable Date.

3. For illustration purpose, the market capitalisation and the P/S Ratio are calculated based on, where applicable, the closing price of the share of the Comparable Company on the Latest Practicable Date, the total number of issued shares based on the then latest monthly return of the subject listed company published on the website of the Stock Exchange, and its revenue for the latest completed financial year (for P/S Ratio) as at the Latest Practicable Date.

4. According to the annual report of CHKPP for the year ended 31 March 2026, all of its revenue from external customers were from Hong Kong.

Analysis on the P/B Ratio and the P/S Ratio

Based on information as set out above, the Implied P/B Ratio under the Offer is approximately 6.14 times based on the total equity attributable to owners of Company of approximately HK$11.4 million as at 30 June 2026, is higher when compared to the P/B Ratio of the Comparable Company of approximately 0.24 times based on the total equity attributable to owners of the Comparable Company of approximately HK$684.2 million as at 31 March 2026.

We have also conducted analysis on the P/S Ratio under the Offer against that of the Comparable Company. Based on its published consolidated financial statements of the latest completed financial year, the revenue recorded by the Comparable Company for the latest completed financial year was approximately HK$998.1 million, as compared to approximately HK$44.5 million of the Group. The Implied P/S Ratio of the Company as represented by the Offer Price was approximately 1.57 times is higher than the P/S Ratio of the Comparable Company of approximately 0.17 times.

In assessing the fairness and reasonableness of the Offer Price under this section, we have considered comparison against market comparables, which primarily focused on other listed peers within the same industry. Based on the Final Criteria, one Comparable Company was identified. We have considered various valuation metrics, including P/B Ratio and P/S Ratio, which are industry specific and reflect the growth prospects, capital intensity and risk profile of the subject industry. In addition, we consider that comparison against other general offer precedent cases across different industries might distort our analysis as such information is not considered relevant for the purpose of the Shareholders in assessing the merits and demerits of the Offer Price. By benchmarking against peers engaged in the same industry, our analysis ensures consistency in evaluating whether the Offer Price is fair and reasonable. Thus, we consider the peer comparison to be more direct and relevant for the purpose of the Shareholders in assessing the merits and demerits of the Offer Price.

Summary

Having considered (i) the Group recorded loss attributable to owners of the Company for each of FY2024 and FY2025; (ii) as per the 2026 Interim Results Announcement, the Group recorded a loss attributable to owners of the Company of approximately HK$3.3 million for 1H2026, as compared to the loss attributable to owners of the Company of approximately HK$1.1 million for 1H2025; (iii) the historical trading liquidity of the Shares has been generally low in the open market during the Review Period; (iv) the Implied P/B Ratio under the Offer is higher than the P/B Ratio of the Comparable Company; and (v) the Implied P/S Ratio under the Offer is higher than the P/S Ratio of the Comparable Company, on balance, we consider the Offer Price to be fair and reasonable so far as the Independent Shareholders are concerned.

5. Information on the Offeror and the intention of the Offeror in relation to the Group

The following information on the intention of the Offeror regarding the Group has been extracted from the Letter from CCIC.

(i) Information of the Offeror

As set out in the Letter from CCIC, the Offeror is an investment holding company incorporated in the Cayman Islands with limited liability on 20 June 2024. The issued share capital of the Offeror is beneficially owned as to 1% by BTY PT Ltd and 99% by XDQX ZZRS Ltd.

BTY PT Ltd is an investment holding company incorporated in the British Virgin Islands, and beneficially and ultimately wholly-owned by Mr. Li. XDQX ZZRS Ltd is an investment holding company incorporated in the British Virgin Islands and wholly-owned by XPFF Trust.

XPFF Trust is a discretionary trust established by Mr. Li as settlor and protector, the discretionary beneficiaries of which are Mr. Li and his family members. Trident Trust Company (HK) Limited, a professional trustee, is the trustee of XPFF Trust.

Mr. Li, aged 44, is an entrepreneur with close to 15 years of entrepreneurial experience. In the early years, Mr. Li had ventured into the areas of venture capital investments, information technologies and internet-based businesses. Since 2017, Mr. Li has set foot in the food and beverage industry, having invested in and/or involved in the management of various food and beverage related businesses such as fast food chains, restaurants and foodstuff supply chain operators in Hong Kong, the PRC, Indonesia, Vietnam and Korea. Prior to his venture into the entrepreneurial path, Mr. Li had served as a Testing Manager at Nokia Corporation from May 2008 to May 2012, and as a Senior Engineer at Lucent Technologies, Inc. from May 2004 to May 2008. Mr. Li does not have prior experience in the Group's principal business operations and considers his investment in the Company a new venture into the principal businesses of the Group.

As at the Latest Practicable Date, the Offeror, its ultimate beneficial shareholders and parties acting in concert with any of them own a total of 600,000,000 Shares, representing approximately 75.0% of the total issued share capital of the Company.

(ii) Intention of the Offeror in relation to the Group

As set out in the Letter from CCIC, it is the intention of the Offeror that the Group will continue with its existing principal businesses after the close of the Offer and will maintain the listing status of the Company on the Stock Exchange. The existing principal business of the Group includes the Photography Services Business and the Medical Services Business. The Offeror will assess the Group's existing principal operations and financial position to devise business plans and strategies and explore business opportunities for the future developments of the Group and enhancements of its Shareholders' value.

Save for the Offeror's intention regarding the Group as set out above, the Offeror has no intention to (a) discontinue the employment of any employees of the Group (save for changes in the composition of the board of directors of the Group as set out under paragraph headed "(iii) Proposed change of Board composition" below); or (b) downsize, cease, dispose of any of the Group's existing business, operations; or (c) re-deploy any of the assets of the Group other than those in its ordinary and usual course of business. However, subject to the results of the review regarding the business and financial position of the Group, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to enhance its Shareholders' value (including but not limited to changing certain employee or management of the Group).

(iii) Proposed change of Board composition

As at the Latest Practicable Date, the Board comprises Mr. Jamson Chan (Chairman) and Mr. Chan Tien Kay, Timmy as executive Directors; Mr. Riccardo Costi and Ms. Wong Shin Yee, Freda as non-executive Directors; and Mr. Ngai James, Mr. Hui Chi Kwan and Mr. Kwok Tsun Wa as independent non-executive Directors.

Pursuant to the SPA, the letters of resignation of all current executive Directors, all current non-executive Directors and all current independent non-executive Directors of the Company resigning from their respective offices as Directors with effect on the earliest date as permitted by the Takeovers Code and as agreed by the

Offeror, have been delivered to the Offeror upon Completion. It is expected that Mr. Jamson Chan and Mr. Chan Tien Kay, Timmy will remain as directors of the subsidiaries of the Company.

The Offeror intends to nominate new Director(s) to the Board with effect from a date which is no earlier than such date as permitted under the GEM Listing Rules and the Takeovers Code or such later date as the Offeror considers to be appropriate. As at the Latest Practicable Date, the Offeror is in the process of identifying suitable candidates. Any changes to the members of the Board will be made in compliance with the Takeovers Codes and/or the GEM Listing Rules and further announcement(s) will be made as and when appropriate.

In this connection, we recommend the Shareholders, prior to deciding on whether to accept the Offer, dispose its/his/her Shares in the open market or remain as a Shareholder, to also consider the information summarised under this section, namely (a) as set out in Letter from CCIC, Mr. Li is an entrepreneur with close to 15 years of entrepreneurial experience and has participated in venture capital investments across different industries and geographies ("**Mr. Li's Experience**"), but Mr. Li does not have any direct prior managerial experience in the Group's principal businesses; (b) Mr. Jamson Chan and Mr. Chan Tien Kay, Timmy are expecting to remain as directors of the subsidiaries of the Company, which the Board can utilise their expertise and experience in the Group's existing principal businesses; (c) Mr. Li's Experience, including his experience accumulated from running different businesses as an entrepreneur can be valuable to the Group going forward; (d) the Offeror intends to nominate new director(s) to the Board, relevant details of which will be made as and when appropriate; and (e) the Offeror intends to maintain the listing of the Shares on GEM of the Stock Exchange after the close of the Offer.

For those Shareholders who holds the view that the prospects of the Group under the control of the Offeror is favourable, please take note of the principal factors and reasons considered by us as set out in point (i) to (viii) and the recommendation under the section headed "RECOMMENDATION" in this letter before deciding on whether to remain as a Shareholder. For those Shareholders who holds the view that the Group under the control of the Offeror is unfavourable, they should take into account the principal factors and reasons considered by us as set out in point (i) to (viii) and the recommendation under the section headed "RECOMMENDATION" in this letter below carefully before deciding on whether to dispose the Shares in the market, in part or in whole, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer, or accept the Offer in part or in whole, if the net proceeds from the sale of such Shares in the open market would be less than the net proceeds receivable under the Offer.

(iv) Public float and maintaining the listing status of the Company

As stated in the Letter from CCIC, the Offeror intends to maintain the listing of the Shares on the GEM of the Stock Exchange after the close of the Offer. In the event that the public float of the Company falls below 25% following the close of the Offer, the sole director of the Offeror and the new Directors (who will be nominated by the Offeror and appointed as Directors) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares following the close of the Offer.

If, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (a) a false market exists or may exist in the trading of the Shares; or (b) an orderly market does not exist or may not exist, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. If, at the close of the Offer, the Company has a Significant Public Float Shortfall (as defined in Rule 17.37F of the GEM Listing Rules), then: (a) the Stock Exchange will add a designated marker to the stock name of the Shares; and (b) the Stock Exchange will cancel the listing of the Shares if the Company fails to re-comply with Rule 17.37B of the GEM Listing Rules for a continuous period of 12 months from the commencement of the Significant Public Float Shortfall.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons for the Offer, in particular,

(i) the Group recorded a year-on-year decrease in revenue of approximately 32.8% from FY2024 to FY2025 and that it also recorded loss attributable to owners of the Company of approximately HK$0.4 million for FY2024 and approximately HK$4.6 million for FY2025;

(ii) as per the 2026 Interim Results Announcement, the Group recorded a loss attributable to owners of the Company of approximately HK$3.3 million for the 1H2026, as compared to the loss attributable to owners of the Company of approximately HK$1.1 million for the 1H2025.

(iii) the increase in loss attributable to the owners of the Company for the 1H2026 together with the losses recorded by the Group for each of the years ended 31 December 2024 and 2025, our analysis on the Photography Services Business and the Medical Services Business as detailed under the section headed "(iii) Business outlook and prospects of the Group" in this letter, indicate that the Group's businesses have been facing challenges to maintain profitability;

(iv) prior to the commencement of the First Review Period, the Company issued the May Announcement on the possible disposal the Shares held by Causeway Treasure Holding Limited, namely Vendor 1, pursuant to Rule 3.7 of the Takeovers Code and Rule 17.10 of the GEM Listing Rules dated 22 May 2025. As per the May

Announcement, the MOU was entered into by Vendor 1 at the material time. However, the parties to the MOU (as supplemented) failed to execute a formal agreement in relation to the sale of the Shares held by Vendor I and the MOU was terminated as per the announcement of the Company dated 4 July 2025. This may or may not have led to continued market speculations on the possible disposal of the Shares held by Vendor I, thus the price of the Shares during the First Review Period may or may not have been distorted, despite the then financial performance of the Group at the material time, the analysis of which has been set out under section headed "(i) Historical financial information of the Group" in this letter;

(v) the daily trading volume of Shares during the First Review Period was generally thin and not active. It is also noted that out of a total of 240 trading days during the First Review Period, there were 68 days with no trading of Shares;

(vi) the Offer Price of HK$0.0875 represents (a) a premium of approximately 375.5% over the audited consolidated net asset value per Share attributable to owners of the Company of approximately HK$0.0184 per Share as at 31 December 2025; and (b) a premium of approximately 511.89% over the unaudited consolidated net asset value per Share attributable to owners of the Company of approximately HK$0.0143 per Share as at 30 June 2026;

(vii) the Implied P/B Ratio under the Offer of approximately 6.14 times is higher than that of the P/B Ratio of the Comparable Company of approximately 0.24 times; and

(viii) the Implied P/S Ratio under the Offer of approximately 1.57 times is higher than that of the P/S Ratio of the Comparable Company of approximately 0.17 times,

we are of the opinion that the Offer is, on balance, fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer if the net amount receivable under the Offer would exceed the net proceeds from the sales of such Shares in the open market.

The Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Offer, if the net proceeds from the sales of such Shares in the open market would exceed the net amount receivable under the Offer. In any event, the Independent Shareholders should note that there is no certainty that the trading volume and/or the trading price level of the Shares during the Second Review Period will be sustainable during or after the Offer Period.

Those Independent Shareholders who, after considering the information on the Offeror and their intentions regarding the Group, are confident in the future prospects of the Group following the Offer, may consider retaining their Shares or tendering less than all their Shares under the Offer.

As each individual Independent Shareholder would have different investment objectives and/or circumstances, we recommend any Independent Shareholders who may require advice in relation to any aspect of the Offer and/or the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser. Furthermore, for Independent Shareholders wishes to accept the Offer, they should carefully read the procedures for accepting the Offer as set out in the Composite Document, its appendices and the accompanying Acceptance Form.

Yours faithfully,
For and on behalf of
Red Sun Capital Limited

Lewis Lai
Managing Director

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 19 years of experience in the corporate finance industry.