
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all of your shares in Huakang Biomedical Holdings Company Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms of the Offers contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.

ANSELME LIMITED

(Incorporated in the British Virgin Islands with limited liability)

HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

華康生物醫學控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8622)

COMPOSITE DOCUMENT RELATING TO MANDATORY UNCONDITIONAL CASH OFFERS BY



**FOR AND ON BEHALF OF ANSELME LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY ANSELME LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Joint financial advisers to the Offeror



Independent Financial Adviser to the Independent Board Committee



Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Composite Document.

A letter from Kingston Securities containing, among other things, details of the terms of the Offers is set out on pages 12 to 22 of this Composite Document.

A letter from the Board is set out on pages 23 to 31 of this Composite Document. A letter from the Independent Board Committee is set out on pages 32 to 33 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee, is set out on pages 34 to 65 of this Composite Document.

The procedures for acceptance and settlement of the Offers and other related information are set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance. The relevant Forms of Acceptance should be received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer) by no later than 4:00 p.m. (Hong Kong time) on Thursday, 11 December 2025 or such later time and/or the date as the Offeror may determine and the Offeror and the Company may jointly announce in accordance with the requirements under the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Forms of Acceptance to any jurisdiction outside Hong Kong should read the section headed “Important Notice” contained in this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders and Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdictions. Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers.

The Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at www.huakangbiomedical.com as long as the Offers remain open.

20 November 2025

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.”

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be jointly made by the Offeror and the Company in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all references to time and date contained in this Composite Document and the Forms of Acceptance refer to Hong Kong time and dates.

Event	Time and Date
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2025

Despatch date of this Composite Document and the Forms of Acceptance (<i>Note 1</i>)	Thursday, 20 November
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Offers open for acceptance (<i>Note 1</i>)	Thursday, 20 November
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Latest time and date for acceptance of the Offers (<i>Notes 2, 3 and 5</i>)	by 4:00 p.m. on Thursday, 11 December
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Closing Date (<i>Notes 3 and 5</i>)	Thursday, 11 December
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Announcement of the results of the Offers (or its extension or revision, if any) on the website of the Stock Exchange (<i>Notes 3 and 5</i>)	no later than 7:00 p.m. on Thursday, 11 December
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Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offers (<i>Notes 4 and 5</i>)	Monday, 22 December
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Notes:

1. The Offers, which are unconditional in all respects, are made on the date of posting of this Composite Document, and are capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed “6. Right of Withdrawal” in Appendix I to this Composite Document.
2. Beneficial owners of Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of HKSCC and HKSCC Operational Procedures.
3. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The Offers will be closed for acceptances on the Closing Date. The latest time and date for acceptance of the Offers will be 4:00 p.m. on Thursday, 11 December 2025 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement in respect of the result of the Offers will be issued jointly by the Offeror and the Company on the website of the Stock Exchange by 7:00 p.m. on Thursday, 11 December 2025 stating whether the Offers have

EXPECTED TIMETABLE

been extended, revised or expired for acceptance. In the event that the Offeror decides to revise or extend the Offers, and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offers are closed to those Offer Shareholders and Offer Optionholders who have not accepted the Offers.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable in respect of the Offer Shares tendered under the Share Offer will be despatched to the Offer Shareholders by ordinary post at their own risk as soon as possible, and remittances in respect of the cash consideration payable for the Share Options tendered under the Option Offer will be despatched to the Offer Optionholders by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) of the duly completed Forms of Acceptance and all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.
5. If any severe weather condition is in force in Hong Kong:
 - (i) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offers and the latest date for despatch of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and the latest date for despatch of remittances will remain on the same Business Day; or
 - (ii) at any local time at or after 12:00 noon on the latest date for acceptance of the Offers and the latest date for despatch of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the next Business Day and the latest date for despatch of remittances will be rescheduled to the next Business Day which does not have any of those warnings in force at 12:00 noon and/or thereafter (or another Business Day thereafter that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this Composite Document, "severe weather" refers to the scenario where Typhoon Signal No. 8 or above, a Black Rainstorm Warning (as issued by the Hong Kong Observatory), or the "Extreme Conditions" warning (as announced by the Hong Kong government) is in force in Hong Kong.

Save as mentioned above, if the latest time for acceptance of the Offers does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will jointly notify the Offer Shareholders and Offer Optionholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICE

NOTICE TO OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The Offeror intends to make the Offers available to all Offer Shareholders and Offer Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

Please refer to the section headed “Availability of the Offers – Overseas Shareholders and Overseas Optionholders” of the “Letter from Kingston Securities” contained in this Composite Document for further information.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the GEM Listing Rules and/or the Takeovers Code.

DEFINITIONS

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings:

“2020 Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 13 January 2020
“acting in concert”	has the meaning ascribed to it under the Takeovers Code and “concert parties” shall be construed accordingly
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“Capital 9”	Capital 9 Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to the Offeror in respect of the Offers
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	Thursday, 11 December 2025, being the closing date of the Offers, or if the Offers are extended, any subsequent closing date of the Offers as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Company”	Huakang Biomedical Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8622)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement

DEFINITIONS

“Completion Date”	9 October 2025, being the date on which the last of the Conditions is fulfilled (or otherwise waived in accordance with the Sale and Purchase Agreement, where applicable), which was immediately upon signing of the Sale and Purchase Agreement by the Offeror and on which Completion actually occurred in accordance with the Sale and Purchase Agreement
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to the Offer Shareholders and Offer Optionholders in connection with the Offers in compliance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Independent Board Committee to the Offer Shareholders and Offer Optionholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Zhou”	Dr. Zhou Xunyong, the sole beneficial owner and the sole director of the Offeror
“Eligible Participant”	full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any subsidiaries) and any suppliers and customers eligible for Share Options under the 2020 Share Option Scheme
“Encumbrances”	any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or other security interests of any kind, including retention arrangements or other encumbrances and any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

DEFINITIONS

“Facility Agreement”	the loan facility agreement dated 25 September 2025 entered into by Kingston Securities as the lender, the Offeror as the borrower and Dr. Zhou as guarantor in relation to a guaranteed and secured loan facility, which is secured by all existing Shares owned by the Offeror, the Sale Shares and the Offer Shares to be acquired by the Offeror under the Offers (if any), in the principal amount of up to HK\$33.0 million for financing the settlement of the consideration payable by the Offeror pursuant to the Offers
“First Sale and Purchase Agreement”	the sale and purchase agreement dated 1 September 2025 entered into between Mr. Yu Chi Mau as vendor and the Offeror as purchaser in respect of the sale and purchase of the 120,752,000 Shares, at the consideration of HK\$15,214,752, representing HK\$0.126 per Share, of which a substantial portion of such consideration was settled by way of a promissory note and the relevant amount must be paid by the Offeror within 12 months from 1 September 2025. Accordingly, Mr. Yu Chi Mau is deemed to be a party acting in concert with the Offeror and Dr. Zhou by virtue of class (9) of the definition of “acting in concert” under the Takeovers Code
“Form(s) of Acceptance”	collectively, the PINK Form(s) of Option Offer Acceptance and the WHITE Form(s) of Share Offer Acceptance
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees Limited”	a wholly-owned subsidiary of HKSCC

DEFINITIONS

“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board (comprising all of the non-executive Directors as at the Latest Practicable Date, namely, Dr. Bu Su, Dr. Xu Ming, Dr. Chow Kwok Fai Joseph, Ms. Wang Yachun and Mr. Tsui Wing Tak) who have no direct or indirect interest in the Offers, established for the purpose of advising the Offer Shareholders in respect of the Share Offer and the Offer Optionholders in respect of the Option Offer and as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rules 2.1 and 2.8 of the Takeovers Code
“Independent Financial Adviser” or “Sorrento Capital”	Sorrento Capital Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company, which appointment has been approved by the Independent Board Committee, for the purpose of advising the Independent Board Committee, the Offer Shareholders and the Offer Optionholders in respect of the Offers, as to whether the Offers are fair and reasonable, and as to the acceptance of the Offers
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Joint Announcement”	the announcement dated 9 October 2025 jointly issued by the Offeror and the Company in relation to, among other things, the Offers pursuant to Rule 3.5 of the Takeovers Code
“Joint Financial Advisers”	Kingston CF and Capital 9, the joint financial advisers to the Offeror

DEFINITIONS

“Kingston CF”	Kingston Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to the Offeror in respect of the Offers
“Kingston Securities”	Kingston Securities Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offers for and on behalf of the Offeror
“Latest Practicable Date”	18 November 2025, being the latest practicable date prior to the printing of this Composite Document for the purpose of ascertaining certain information contained herein
“Loan Facility”	the loan facility granted by Kingston Securities as lender to the Offeror as borrower in an aggregate amount of up to HK\$33.0 million for the financing of the Offers in accordance with the Facility Agreement
“Offer Optionholder(s)”	holder(s) of Share Option(s), other than the Offeror and parties acting in concert with it
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on 9 October 2025 (i.e. the date of the Joint Announcement) and ending on the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offers in accordance with the Takeovers Code
“Offer Share(s)”	all of the issued Share(s), other than those already owned and/or agreed to be acquired by the Offeror, Dr. Zhou and parties acting in concert with any one of them
“Offer Shareholder(s)”	holder(s) of Share(s), other than the Offeror, Dr. Zhou and parties acting in concert with any one of them
“Offeror” or “Purchaser”	Anselme Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Dr. Zhou, both being substantial Shareholders of the Company
“Offers”	collectively, the Share Offer and the Option Offer

DEFINITIONS

“Option Offer”	the unconditional mandatory cash offer made by Kingston Securities on behalf of the Offeror for the cancellation of the Share Options in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer will be made, which is the “see-through” price, being the amount by which the Share Offer Price exceeds the relevant exercise price of the relevant Share Option, for the cancellation of each Share Option held by the Offer Optionholders
“Optionholder(s)”	holder(s) of the Share Options
“Overseas Optionholder(s)”	Offer Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“ PINK Form(s) of Option Offer Acceptance”	PINK form(s) of acceptance and cancellation of the Share Options in respect of the Option Offer accompanying this Composite Document
“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, Macau and Taiwan
“Registrar”	Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, situated at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong, being the agent to receive the WHITE Form of Share Offer Acceptance under the Share Offer
“Relevant Period”	the period from 9 April 2025, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 October 2025 entered into between the Offeror and the Vendor in relation to the sale and purchase of the Sale Shares

DEFINITIONS

“Sale Share(s)”	138,672,000 Shares agreed to be acquired by the Offeror pursuant to the Sale and Purchase Agreement, representing approximately 27.71% of the total number of issued Shares as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Offer”	the mandatory unconditional cash offer being made by Kingston Securities on behalf of the Offeror to acquire all the Offer Shares in accordance with the Takeovers Code
“Share Offer Price”	the price of HK\$0.126 per Offer Share payable by the Offeror to the Shareholder for each Offer Share accepted under the Share Offer
“Share Option(s)”	the outstanding share options granted by the Company pursuant to the 2020 Share Option Scheme
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Vendor”	Mr. Li King Yeung, who held 138,672,000 Shares representing approximately 27.71% of the total number of issued Shares immediately prior to Completion. Immediately after Completion and as at the Latest Practicable Date, Mr. Li King Yeung ceased to hold any issued Share
“ WHITE Form(s) of Share Offer Acceptance”	WHITE form(s) of acceptance of the Share in respect of the Share Offer accompanying this Composite Document
“%”	per cent.

DEFINITIONS

Certain amounts and percentage figures included in this Composite Document are subject to rounding adjustments. Accordingly, figures shown as totals in certain paragraphs and tables in this Composite Document may not be an arithmetic aggregation of the figures preceding them.

In the case of inconsistency, the English text of this Composite Document shall prevail over the Chinese text.

*** The English translation of Chinese names or words in this Composite Document, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

LETTER FROM KINGSTON SECURITIES

20 November 2025

To the Offer Shareholders and Offer Optionholders,

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFERS BY



FOR AND ON BEHALF OF ANSELME LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY ANSELME LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Offers.

As disclosed in the Joint Announcement, on 9 October 2025, the Offeror (as purchaser) and the Vendor (as vendor) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares, being 138,672,000 Shares, representing approximately 27.71% of the total issued share capital of the Company as at the date of the Joint Announcement, at a total consideration of HK\$17,472,672, which is equivalent to HK\$0.126 per Sale Share. Completion took place on the Completion Date, being immediately upon signing of the Sale and Purchase Agreement by the Offeror and the Vendor.

Upon Completion, the Offeror, Dr. Zhou, and the parties acting in concert with any of them are interested in a total of 259,424,000 Shares, representing approximately 51.84% of the total issued share capital of the Company. Save for the above, none of the Offeror, Dr. Zhou and the parties acting in concert with any one of them was interested in any other Shares and Share Options. Pursuant to Rule 26.1 and Rule 13.5 of the Takeovers Code, the Offeror is required to make mandatory unconditional cash offers (i) to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) to cancel all the outstanding Share Options. Kingston Securities is, on behalf of the Offeror, making the Offers in compliance with the Takeovers Code on the terms set out in this Composite Document.

LETTER FROM KINGSTON SECURITIES

This letter forms part of this Composite Document which sets out, among others, principal terms of the Offers, information on the Offeror and the intention of the Offeror on the Group. Details of the terms and procedures of acceptance of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

The Offer Shareholders and Offer Optionholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as well as the appendices as contained in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offers.

MANDATORY UNCONDITIONAL CASH OFFERS

Principal terms of the Offers

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

The Share Offer

For each Offer Share HK\$0.126 in cash

The Share Offer Price of HK\$0.126 per Offer Share under the Share Offer is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free and clear of any lien 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 Share Offer is made, being the date of this Composite Document.

As at the Latest Practicable Date, no outstanding dividend declared by the Company remained unpaid, and it was advised by the Board that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Share Offer.

The Option Offer

For each Share Option HK\$0.001 in cash

The Option Offer Price will be the see-through price which represents the amount by which the Share Offer Price exceeds the exercise price of the relevant Share Options of HK\$0.125 per Share Option.

LETTER FROM KINGSTON SECURITIES

As at the Latest Practicable Date, the identities and/or categories of the Optionholders of the outstanding Share Options are as follows:

Categories of Optionholders	Exercise Price HK\$	Outstanding Share Options
Director		
Mr. Zhang Chunguang	0.125	4,000,000
Employees of the Group	0.125	<u>15,504,000</u>
		<u><u>19,504,000</u></u>

The Share Offer is extended to all Offer Shareholders and the Option Offer is extended to all Offer Optionholders (whether their respective Share Options are vested or not) in accordance with the Takeovers Code. Following acceptance of the Option Offer, the Share Options, together with all rights attaching thereto, will be entirely cancelled and renounced.

The Offers are unconditional in all respects and are not conditional upon any minimum level of acceptances being received or any other conditions.

Comparison of value of the Offer Price

The Share Offer Price of HK\$0.126 per Offer Share represents:

- (i) a discount of approximately 76.67% to the closing price of HK\$0.540 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 68.10% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on 9 October 2025, being the date of the Joint Announcement;
- (iii) a discount of approximately 68.18% to the average closing price of approximately HK\$0.396 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 date of the Joint Announcement;
- (iv) a discount of approximately 68.34% to the average closing price of approximately HK\$0.398 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 date of the Joint Announcement;

LETTER FROM KINGSTON SECURITIES

- (v) a discount of approximately 68.26% to the average closing price of approximately HK\$0.397 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 date of the Joint Announcement;
- (vi) a premium of approximately 7.69% over the audited consolidated net assets value per Share of approximately HK\$0.117 as at 31 December 2024, calculated based on the Group's audited consolidated net assets of approximately RMB54,048,000 (equivalent to approximately HK\$58,364,649) as at 31 December 2024 and 500,472,000 Shares in issue as at the Latest Practicable Date; and
- (vii) a premium of approximately 10.53% over the unaudited consolidated net assets value per Share of approximately HK\$0.114 as at 30 June 2025, calculated based on the Group's unaudited consolidated net assets of approximately RMB52,061,000 (equivalent to approximately HK\$57,087,560) as at 30 June 2025 and 500,472,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.70 per Share on 30 October 2025 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.295 per Share on 9 April 2025, 10 April 2025, 11 April 2025, 14 April 2025 and 16 April 2025.

Value of the Offers

As at the Latest Practicable Date, the Company had a total of 500,472,000 Shares in issue and 19,504,000 outstanding Share Options.

Assuming no Share Options have been exercised prior to the close of the Offers, there will be 500,472,000 issued Shares. Excluding the 259,424,000 Shares held by the Offeror at as the Latest Practicable Date, and assuming no change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offers, (a) 241,048,000 Shares (representing approximately 48.16% of the total issued share capital of the Company as at the Latest Practicable Date) will be subject to the Share Offer and the value of the Share Offer will be HK\$30,372,048.00; and (b) the total consideration required to satisfy the cancellation of all outstanding Share Options will be approximately HK\$19,504.00.

Assuming all Share Options have been exercised prior to the close of the Offers, there will be 519,976,000 issued Shares. Excluding the 259,424,000 Shares held by the Offeror as at the Latest Practicable Date; and assuming no other change in the issued share capital of the Company from the Latest Practicable Date up to the close of the Offers, (a) 260,552,000 Shares will be subject to the Share Offer and the value of the Share Offer will be HK\$32,829,552.00; and (b) the total consideration required to satisfy the cancellation of all the outstanding Share Options will be nil.

LETTER FROM KINGSTON SECURITIES

On the basis of full acceptance of the Offers, the maximum cash consideration payable by the Offeror under the Offers (assuming no Share Options have been exercised prior to the close of the Offers) would be HK\$30,391,552.00 and the maximum cash consideration payable by the Offeror under the Offers (assuming all Share Options have been exercised prior to the close of the Offers) would be HK\$32,829,552.00.

Confirmation of financial resources

The Offeror has financed and satisfied the consideration payable under the Sale and Purchase Agreement by internal resources. The Offeror intends to finance and satisfy the consideration payable under the Offers by the Loan Facility provided by Kingston Securities pursuant to the Facility Agreement. The Offeror has entered into the Facility Agreement under which the Offeror is required to pledge all existing Shares held by the Offeror, the Sale Shares and all the Offer Shares that may be acquired by the Offeror pursuant to the Offers as collateral throughout the term of the Loan Facility. The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) relating to the aforesaid loan facility will depend to any significant extent on the business of the Company.

Kingston CF, being one of the Joint Financial Advisers to the Offeror in respect of the Offers, is satisfied that, as at the Latest Practicable Date, sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration payable by the Offeror upon full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, the Offer Shareholders will sell their tendered Shares to the Offeror which shall be fully paid and free and clear of any lien 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 Share Offer is made, being the date of despatch of this Composite Document. As at the Latest Practicable Date, no outstanding dividend declared by the Company remains unpaid, and it is advised by the Board that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Share Offer.

By accepting the Option Offer, the Offer Optionholders will agree to the cancellation of their tendered Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of despatch of this Composite Document.

The Offers will remain open for acceptance from the date of this Composite Document until 4:00 p.m. on the Closing Date. Acceptance of the Offers tendered by the Offer Shareholders and Offer Optionholders shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code, details of which are set out in paragraph headed “6. Right of Withdrawal” in Appendix I to this Composite Document.

LETTER FROM KINGSTON SECURITIES

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by the relevant Offer Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and the amount of such duty will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Offer Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the Option Offer.

Payment

Payment in cash in respect of acceptance of the Offers will be made as soon as possible but in any event not later than seven (7) Business Days after the date on which the duly completed Form(s) of Acceptance and the relevant documents of title of the Offer Shares or the Share Options (as the case may be) are received by the Registrar in respect of the Share Offer or the Company in respect of the Option Offer to render each such acceptance under the Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a Hong Kong cent will be payable and the amount of the consideration payable to any person who accepts the Offers will be rounded up to the nearest Hong Kong cent.

Taxation advice

Offer Shareholders and Offer Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with it, the Company, Kingston Securities, Kingston CF, Capital 9, Sorrento Capital, Registrar, and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, associates, professional advisers or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Availability of the Offers – Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all Offer Shareholders and Offer Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offers to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws

LETTER FROM KINGSTON SECURITIES

or regulations of the relevant jurisdictions. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal advice. It is the responsibilities of Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdictions).

Based on the record in the register of members and register of Optionholders of the Company, (i) there is no Overseas Shareholder; and (ii) there are five Overseas Optionholders (holding in total 9,504,000 Share Options, representing approximately 1.83% of the enlarged share capital of the Company (assuming all Share Options have been exercised)) whose addresses are in the PRC, as at the Latest Practicable Date.

Any acceptance of the Offers by any Overseas Shareholders and/or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and/or Overseas Optionholders to the Offeror that the local laws and requirements have been complied with and such acceptances shall be valid and binding in accordance with all applicable laws. Overseas Shareholders and Overseas Optionholders should consult their respective professional advisers if in doubt.

INFORMATION ON THE GROUP

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 13 December 2018, the Shares of which are listed on GEM of the Stock Exchange. The Group is (a) a medical device group specialised in the research and development, manufacture and sale of a wide range of in-vitro diagnostic (“**IVD**”) reagents and auxiliary reproductive supplies and equipment in the PRC. The Group has diversified its business to healthcare products and supplements in the PRC, Hong Kong and Canada. As at the Latest Practicable Date, the Group has a total of 31 biological reagents, including 28 male fertility IVD reagents, 2 parasite antibody detection reagents, and 1 Epstein-Barr virus antibody detection reagent; and (b) research and development and sales of women’s health products, including female reproductive system solutions, health foods and antibacterial products.

Further information on the Group are set out in the paragraph headed “Information on the Group” in the “Letter from the Board” in this Composite Document.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 15 May 2025 for the purpose of holding the Shares. As at the Latest

LETTER FROM KINGSTON SECURITIES

Practicable Date, the Offeror is wholly and beneficially owned by Dr. Zhou who is also the sole director of the Offeror.

Dr. Zhou Xun Yong, aged 50, is an entrepreneur and researcher with over 6 years of experience in biotechnology and health innovation. Dr. Zhou's main topic of research is enzyme-based theory for food products, cosmetics, daily chemicals and tea, and held over 20 patents as at the Latest Practicable Date. He has published many research papers on enzyme-based theory in international academic journals and conferences as well as a book with the title of “酶基免疫平衡”. Dr. Zhou is principally engaged in the development in biological enzyme solutions and cell therapy technologies through his other companies, including Nanjing Hezhen Holding Group Co., Ltd.* (南京和臻控股集團有限公司), which is owned by him as to 99% and is principally engaged in using healthcare generative pre-training transformer and enzyme therapy knowledge to co-create a sharing platform to provide customers with a new generation of health solutions and its 70%-owned subsidiary, Changsha Kerong Health Technology Co., Ltd.* (長沙可容健康科技股份有限公司), which is principally engaged in digital health services to customers, which has established a health service team with medical experts, product experts and service experts as the core, and features artificial intelligence to provide users with health education, health consultation, and health management services. Dr. Zhou also owns 99% equity interest in Nanjing Zhencui Holding Group Co., Ltd.* (南京臻萃控股集團有限公司), which has a wholly-owned subsidiary, Zhencui (Jiangsu) Enzyme Technology Development Co., Ltd.* (臻萃(江蘇)酶科技發展有限公司) that operates a research and production plant for enzymes based products in Suqian City, Jiangsu Province, the PRC.

Dr. Zhou graduated from Tianjin University (天津大學) of the PRC with a Bachelor of Engineering degree majoring in Business Administration in December 2022 and Fudan University (復旦大學) of the PRC with a Master of Laws degree in January 2011. Dr. Zhou subsequently obtained his Doctorate degree in Business Administration from the Université Nice Sophia Antipolis in Nice, France in December 2016. He is currently the honorary chairman of the Vaccine and Immune Health Branch of the Liaoning Immunology Society (遼寧省免疫學會疫苗和免疫健康分會名譽主任委員) and a member of the National Enzyme Engineering and Fermentation Engineering Professional Committee (全國酶工程和發酵工程專業委員會委員)。

As at the Latest Practicable Date, the Offeror and Dr. Zhou are substantial Shareholders of the Company.

REASONS FOR THE ACQUISITION OF THE SALE SHARES AND THE INTENTION OF THE OFFEROR ON THE GROUP

The Offeror is optimistic about the biotechnology industry. The ultimate beneficial owner of the Offeror, Dr. Zhou, who was then an indirect majority shareholder of Hunan Keyue Biotechnology Co., Ltd.* (湖南可悅生物科技股份有限公司), together with other shareholders sold Hunan Keyue Biotechnology Co., Ltd.* (湖南可悅生物科技股份有限公司) to the Company in April 2025, which transaction was completed in June 2025. As the Group has been engaged in the

* For identification purpose only

LETTER FROM KINGSTON SECURITIES

business of healthcare products in the PRC for years, Dr. Zhou, who is in biotechnology and health innovation industry, was actively looking for business opportunities to grow his business. The Offeror is of the view that the Company has built up an extensive network and reputation in the biotechnology industry, which upon becoming the controlling Shareholder through the acquisition of the Sale Shares, the Offeror will be able to grow the Company's business under its direction. The Offeror and Dr. Zhou intend to leverage on his expertise in enzyme solutions and cell therapy technologies to improve the Group's product research and development, especially in relation to IVD reagents and women's health products, as well as to collaborate with Dr. Zhou's other companies to expand the Group's sales network for these products. The Group will benefit from the collaboration with Dr. Zhou's other businesses which are engaged in the provision of digital health services and new generation of health solutions that have a health service team with medical experts, product experts and service experts as well as artificial intelligence features to provide users with health education, health consultation, and health management services. Such businesses of Dr. Zhou can promote and sell the Group's products. On the other hand, the Offeror and Dr. Zhou are able to tap into the Group's sale networks and diversify the Group's product type by selling Dr. Zhou's enzymes based products.

Following the close of the Offers, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers 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, the Offeror does 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.

Nevertheless, following the close of the Offers, 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 in compliance with the GEM Listing Rules.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

Save for the proposed change(s) to the composition of the Board as mentioned below at a time no earlier than that permitted under the GEM Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate, as at the Latest Practicable Date, the Offeror had no intention to make material changes to the employment of the employees of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

LETTER FROM KINGSTON SECURITIES

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the Latest Practicable Date, the Board comprises Ms. Zhang Yujing (Chairman), Mr. Zhang Chunguang and Mr. Poon Lai Yin Michael (Compliance Officer) as executive Directors; Dr. Bu Su and Dr. Xu Ming as non-executive Directors; and Dr. Chow Kwok Fai Joseph, Ms. Wang Yachun, Mr. Tsui Wing Tak as independent non-executive Directors.

No Directors will resign before the close of the Offers. The Offeror intends to nominate Dr. Zhou to be an executive Director and the new chairman of the Board with effect from after the despatch of this Composite Document or such other date as permitted under the applicable laws, rules and regulations, the GEM Listing Rules and the Takeovers Code. The biographical details of Dr. Zhou are set out in the paragraph headed “Information on the Offeror” above.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on GEM of the Stock Exchange after the close of the Offers.

The sole director of the Offeror and the new director to be appointed to the Board (namely Dr. Zhou) 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 Offers, which may include but not limited to placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. No arrangements have been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the GEM Listing Rules and the Takeovers Code as and when appropriate.

PROCEDURES FOR ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement of the Offers set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

LETTER FROM KINGSTON SECURITIES

COMPULSORY ACQUISITION

The Offeror does not intend to exercise or apply any right which may be available to them to acquire compulsorily any Shares outstanding after the close of the Offers.

GENERAL

All documents and remittances to be sent to the Offer Shareholders and the Offer Optionholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company and in the case of joint Offer Shareholders, to such Offer Shareholder whose name appears first in the register of members of the Company, or in the case of joint Offer Optionholders, to such Offer Optionholder whose name appears first in the records of the Company. None of the Company, the Offeror, Dr. Zhou and parties acting in concert with any one of them, Kingston Securities, Kingston CF, Capital 9, Sorrento Capital, Registrar and (as the case may be) any of their respective ultimate beneficial owners, directors, officers, agents and associates nor other parties involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document before deciding whether or not to accept the Offers.

If you are in doubt about your position in connection with the Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Yours faithfully,
For and on behalf of
Kingston Securities Limited
Chu, Nicholas Yuk-yui
Director

LETTER FROM THE BOARD



HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

華康生物醫學控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8622)

Executive Directors:

Ms. Zhang Yujing (*Chairman*)
Mr. Zhang Chunguang
Mr. Poon Lai Yin Michael

Non-executive Directors:

Dr. Bu Su
Dr. Xu Ming

Independent Non-executive Directors:

Dr. Chow Kwok Fai Joseph
Ms. Wang Yachun
Mr. Tsui Wing Tak

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in the PRC:

1-3/F and 5/F, Building D, Shenzhen Junxuan
No. 16 Yinkui Road
Kui Xin Community
Kui Chong Office
Dapeng New District, Shenzhen
The PRC

Principal Place of Business in Hong Kong:

Room B, 10 Floor
Connaught Harbourfront House
No. 35-36 Connaught Road West
Sheung Wan
Hong Kong

20 November 2025

To the Offer Shareholders and Offer Optionholders,

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFERS BY



**FOR AND ON BEHALF OF ANSELME LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY ANSELME LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other matters, the Sale and Purchase Agreement and the Offers.

LETTER FROM THE BOARD

As disclosed in the Joint Announcement, the Company was informed that on 9 October 2025, the Offeror (as purchaser) and the Vendor (as vendor) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares, being 138,672,000 Shares, representing approximately 27.71% of the total issued share capital of the Company as at the date of the Joint Announcement, at a total consideration of HK\$17,472,672, which is equivalent to HK\$0.126 per Sale Share. Completion took place on the Completion Date, being immediately upon signing of the Sale and Purchase Agreement by the Offeror.

Upon Completion, the Offeror, Dr. Zhou, and the parties acting in concert with any of them were interested in a total of 259,424,000 Shares representing approximately 51.84% of the total issued share capital of the Company. Save for the above, none of the Offeror, Dr. Zhou and the parties acting in concert with any one of them was interested in any other Shares and Share Options. Pursuant to Rule 26.1 and 13.5 of the Takeovers Code, the Offeror is required to make mandatory unconditional cash offers (i) to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it); and (ii) to cancel all the outstanding Share Options. Kingston Securities is, on behalf of the Offeror, making the Offers in compliance with the Takeovers Code on the terms set out in this Composite Document.

The purpose of this Composite Document is to provide you with, among others, (i) the terms of the Offers; (ii) the recommendation from the Independent Board Committee to the Offer Shareholders and the Offer Optionholders; and (iii) the advice from the Independent Financial Adviser in respect of the Offers, together with the Form(s) of Acceptance.

INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 and Rule 2.8 of the Takeovers Code, the Independent Board Committee, comprising all non-executive Directors, namely, Dr. Bu Su, Dr. Xu Ming, Dr. Chow Kwok Fai Joseph, Ms. Wang Yachun and Mr. Tsui Wing Tak, who have no direct or indirect interest in the Offers, has been established to make recommendations to the Offer Shareholders and Offer Optionholders as to whether the Share Offer and the Option Offer are fair and reasonable and as to the acceptance of the Share Offer and the Option Offer.

INDEPENDENT FINANCIAL ADVISER

Sorrento Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and as to whether the Offers are fair and reasonable and as to acceptance of the Offers pursuant to Rule 2.1 of the Takeovers Code.

You are advised to read the “Letter from the Independent Board Committee” addressed to the Offer Shareholders and the Offer Optionholders, the “Letter from the Independent Financial Adviser” and the additional information contained in the appendices to this Composite Document before taking any actions in respect of the Offers.

LETTER FROM THE BOARD

MANDATORY UNCONDITIONAL CASH OFFERS

Immediately prior to Completion, the Offeror was interested in 120,752,000 Shares, which represented approximately 24.13% of the total issued share capital of the Company. Immediately following Completion, the Offeror was in aggregate interested in a total of 259,424,000 Shares, representing approximately 51.84% of the total issued share capital of the Company. Save for the above, none of the Offeror, Dr. Zhou and the parties acting in concert with any one of them was interested in any other Shares and Share Options. Pursuant to Rule 26.1 and Rule 13.5 of the Takeovers Code, the Offeror is required to make mandatory unconditional cash offers (i) to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it; and (ii) to cancel all the outstanding Share Options.

As at the Latest Practicable Date, the Company had (i) a total of 500,472,000 Shares in issue; and (ii) 19,504,000 outstanding Share Options conferring rights to subscribe for 19,504,000 new Shares with exercise price of HK\$0.125 per Share Option. Save for the Share Options mentioned above, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Principal terms of the Offers

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

The Share Offer

For every Offer Share HK\$0.126 in cash

The Share Offer Price of HK\$0.126 per Offer Share under the Share Offer is equal to the price per the Sale Share paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free and clear of any lien 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 Share Offer is made, being the date of the despatch of this Composite Document.

As at the Latest Practicable Date, no outstanding dividend declared by the Company remains unpaid, and it was advised by the Board that the Company has no intention to make, declare or pay any future dividend or make other distributions until after the close of the Share Offer.

LETTER FROM THE BOARD

The Option Offer

For every Share Option HK\$0.001 in cash

The Option Offer Price will be the see-through price which represents the amount by which the Share Offer Price exceeds the exercise price of the relevant Share Options of HK\$0.125 per Share Option.

As at the Latest Practicable Date, the identities and/or categories of the Optionholders of the outstanding Share Options are as follows:

Categories of Optionholders	Exercise Price HK\$	Outstanding Share Options
Director		
Mr. Zhang Chunguang	0.125	4,000,000
Employees of the Group	0.125	<u>15,504,000</u>
		<u>19,504,000</u>

The Share Offer is extended to all Offer Shareholders and the Option Offer is extended to all Offer Optionholders (whether their respective Share Options are vested or not) in accordance with the Takeovers Code. Following acceptance of the Option Offer, the Share Options, together with all rights attaching thereto, will be entirely cancelled and renounced.

The Offers are unconditional in all respects, and are not conditional upon any minimum level of acceptances being received or any other conditions.

Comparison of value of the Offer Price

The Share Offer price of HK\$0.126 per Offer Share represents:

- (i) a discount of approximately 76.67% to the closing price of HK\$0.540 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 68.10% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on 9 October 2025, being the date of the Joint Announcement;

LETTER FROM THE BOARD

- (iii) a discount of approximately 68.18% to the average closing price of approximately HK\$0.396 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 date of the Joint Announcement;
- (iv) a discount of approximately 68.34% to the average closing price of approximately HK\$0.398 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 date of the Joint Announcement;
- (v) a discount of approximately 68.26% to the average closing price of approximately HK\$0.397 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 date of the Joint Announcement;
- (vi) a premium of approximately 7.69% to the audited consolidated net assets value per Share of approximately HK\$0.117 as at 31 December 2024, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately RMB54,048,000 (equivalent to approximately HK\$58,364,649) as at 31 December 2024 by 500,472,000 Shares in issue as at the Latest Practicable Date; and
- (vii) a premium of approximately 10.53% to the unaudited consolidated net assets value per Share of approximately HK\$0.114 as at 30 June 2025, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately RMB52,061,000 (equivalent to approximately HK\$57,087,560) as at 30 June 2025 by 500,472,000 Shares in issue as at the Latest Practicable Date.

Highest and lowest Share prices

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.70 per Share on 30 October 2025 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.295 per Share on 9 April 2025, 10 April 2025, 11 April 2025, 14 April 2025 and 16 April 2025.

Value of the Offers

Your attention is drawn to the section headed "Value of the Offers" in the "Letter from Kingston Securities" in this Composite Document which sets out the value of the Offers.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Company is an exempt company incorporated in the Cayman Islands with limited liability on 13 December 2018, the Shares of which are listed on GEM of the Stock Exchange. The Group is (a) a medical device group specialised in the research and development, manufacture and sale of a wide range of in-vitro diagnostic (“IVD”) reagents and auxiliary reproductive supplies and equipment in the PRC. The Group has diversified its business to healthcare products and supplements in the PRC, Hong Kong and Canada. As at the Latest Practicable Date, the Group has a total of 31 biological reagents, including 28 male fertility IVD reagents, 2 parasite antibody detection reagents, and 1 Epstein-Barr virus antibody detection reagent; and (b) research and development and sales of women’s health products, including female reproductive system solutions, health foods and antibacterial products.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial information and general information of the Group.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 ordinary shares, and there are 500,472,000 in issue and 19,504,000 outstanding Share Options conferring rights to subscribe for 19,504,000 new Shares with exercise price of HK\$0.125 per Share Option. Save for the Share Options mentioned above, the Company does not have any outstanding options, warrants or derivatives or convertible rights affecting the Shares.

The following table sets out the shareholding structure of the Company (i) immediately before Completion; (ii) immediately after Completion and as at the Latest Practicable Date (assuming none of the Share Options had been exercised); and (iii) immediately after Completion and as at the Latest Practicable Date (assuming all Share Options had been exercised).

LETTER FROM THE BOARD

Shareholders	Immediately before Completion		Immediately after Completion and as at the Latest Practicable Date (assuming none of the Share Options have been exercised)		Immediately after Completion and as at the Latest Practicable Date (assuming all Share Options have been exercised)	
			Approximate		Approximate	
	Number of Shares	% of issued Shares	Number of Shares	% of issued Shares	Number of Shares	% of issued Shares
Vendor	138,672,000	27.71	–	–	–	–
Sub-total	138,672,000	27.71	–	–	–	–
Offeror, Dr. Zhou and parties acting in concert with any one of them						
Offeror ^(Note 1)	120,752,000	24.13	259,424,000	51.84	259,424,000	49.89
Sub-total	120,752,000	24.13	259,424,000	51.84	259,424,000	49.89
Directors						
Zhang Chunguang	–	–	–	–	4,000,000	0.77
Poon Lai Yin Michael	4,000,000	0.80	4,000,000	0.80	4,000,000	0.77
Sub-total	4,000,000	0.80	4,000,000	0.80	8,000,000	1.54
Optionholders^(Note 2)						
Public Shareholders	237,048,000	47.36	237,048,000	47.36	237,048,000	45.59
Sub-total	237,048,000	47.36	237,048,000	47.36	252,552,000	48.57
Total	500,472,000	100.00	500,472,000	100.00	519,976,000	100.00

Notes:

1. The Offeror is beneficially wholly-owned by Dr. Zhou.
2. The Offer Optionholders include Mr. Zhang Chunguang (an existing Executive Director) and Mr. Zhang Shuguang (former Executive Director and former chairman of the Board) who are brothers. None of the Offer Optionholders is a party acting in concert with the Offeror, Dr. Zhou and/or a connected person of the Company. All the Optionholders are employees of the Group.

LETTER FROM THE BOARD

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from Kingston Securities” in, and in Appendix IV to, this Composite Document.

INTENTION OF THE OFFEROR ON THE GROUP

Your attention is drawn to the section headed “Reasons for the acquisition of the Sale Shares and intention of the Offeror on the Group” in the “Letter from Kingston Securities” in, and Appendix IV to, this Composite Document.

The Board notes that the Offeror intends to continue the existing businesses of the Group. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers 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, the Offeror does 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. As at the Latest Practicable Date, save for the proposed changes to the composition of the Board and the chairman of the Board, the Offeror did not have any intention to make material changes to the employment of the employees of the Group upon the close of the Offers. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

Your attention is drawn to the section headed “Proposed change to the Board composition of the Company” in the “Letter from Kingston Securities” in this Composite Document.

The Board noted from the “Letter from Kingston Securities” in this Composite Document that the Offeror intends to nominate Dr. Zhou Xunyong as an executive Director and the new chairman of the Board being with effect from after the despatch of this Composite Document or such other date as permitted under the applicable laws, rules and regulations, the GEM Listing Rules and the Takeovers Code. For details of the biographies of the new Director, please refer to the paragraphs headed “Proposed change to the Board composition of the Company” in the “Letter from Kingston Securities”. Further announcement(s) will be made upon any changes to the composition to the Board as and when appropriate.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed “Public float and maintenance of the listing status of the Company” in the “Letter from Kingston Securities” in this Composite Document.

LETTER FROM THE BOARD

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Board notes that the Offeror intends the Company to remain listed on GEM of the Stock Exchange after the close of the Offers.

The sole director of the Offeror and the new Director to be appointed to the Board (namely, Dr. Zhou) 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 Offers.

RECOMMENDATION

Your attention is drawn to the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” in this Composite Document, which contain, among others, the advice of the Independent Financial Adviser and the Independent Board Committee in relation to the Offers and the principal factors considered by them in arriving at their recommendations, and in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

ADDITIONAL INFORMATION

Your attention is drawn to additional information set out in the appendices to this Composite Document. You are also recommended to read carefully the “Letter from Kingston Securities” in, and Appendix I to this Composite Document as well as and the accompanying Forms of Acceptance.

If you are in doubt about your position in connection with the Offers, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

By order of the Board
Huakang Biomedical Holdings Company Limited
Zhang Yujing
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offers.



HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED

華康生物醫學控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8622)

20 November 2025

To the Offer Shareholders and Offer Optionholders,

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFERS BY



FOR AND ON BEHALF OF ANSELME LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF HUAKANG BIOMEDICAL HOLDINGS COMPANY LIMITED (OTHER THAN THOSE ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY ANSELME LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

Reference is made to the composite document dated 20 November 2025 issued jointly by the Company and the Offeror (the “**Composite Document**”), of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in this Composite Document.

We have been appointed by the Board to form the Independent Board Committee for the purpose of advising the Offer Shareholders in respect of the Share Offer and the Offer Optionholders in respect of the Option Offer, as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Sorrento Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Offers, as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Details of its advice and the principal factors considered by it in arriving at its advice and recommendations are set out in the “Letter from the Independent Financial Adviser” in this Composite Document.

We also wish to draw your attention to “Letter from Kingston Securities”, “Letter from the Board” and the additional information set out in this Composite Document, including the appendices to this Composite Document and the accompanying Forms of Acceptance in respect of the Offers and acceptance and settlement procedures for the Offers.

RECOMMENDATIONS

Having considered the Offers, the information contained in this Composite Document and having taken into account the advice and recommendations of the Independent Financial Adviser and the principal factors taken into consideration by it in arriving at its opinion, we concur with the view of the Independent Financial Adviser and consider that the Share Offer Price and the Offers are both not fair and not reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend that the Independent Shareholders not to accept the Offers.

However, the Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Offers, if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Offers.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Offers are recommended to read carefully the procedures for accepting the Offers as detailed in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,

**Independent Board Committee of
Huakang Biomedical Holdings Company Limited**

Dr. Bu Su
Non-executive Director

Dr. Xu Ming
Non-executive Director

Dr. Chow Kwok Fai Joseph
*Independent non-executive
Director*

Ms. Wang Yachun
Independent non-executive Director

Mr. Tsui Wing Tak
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Sorrento Capital Limited, the independent financial adviser to the Independent Board Committee, the Offer Shareholders and the Offer Optionholders, in respect of the Offers which has been prepared for the purpose of inclusion in the Composite Document.



Room 1208, 12/F
Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong

20 November 2025

*To the Independent Board Committee, the Offer Shareholders
and the Offer Optionholders*

Dear Sirs or Madams,

**MANDATORY UNCONDITIONAL CASH OFFERS BY
KINGSTON SECURITIES LIMITED
FOR AND ON BEHALF OF ANSELME LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
HUAANG BIOMEDICAL HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY ANSELME LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our engagement to advise the Independent Board Committee, the Offer Shareholders and the Offer Optionholders in respect of the terms of the Offers and the acceptance of which, particulars of which are set out in a composite offer and response document (the “**Composite Document**”) dated 20 November 2025, in which this letter is reproduced. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as ascribed to them in the Composite Document.

On 9 October 2025, Anselme Limited, as purchaser (the “**Offeror**”) and Mr. Li King Yeung, as seller (the “**Vendor**”) entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Offeror has conditionally agreed to acquire, the full legal and beneficial title and interest in the Sale Shares, being 138,672,000 Shares, representing approximately 27.71% of the total issued share capital of the Company as at the date of the Joint Announcement, at a total consideration of HK\$17,472,672, which is equivalent to HK\$0.126 per Sale Share. Completion of the Sale and Purchase Agreement took place

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

immediately upon signing of the Sale and Purchase Agreement on 9 October 2025 pursuant to the terms and conditions of the Sale and Purchase Agreement after the conditions precedent under the Sale and Purchase Agreement being fulfilled or waived.

Immediately prior to Completion, the Offeror directly and beneficially owned 120,752,000 Shares, representing approximately 24.13% of the total issued share capital of the Company. Immediately following Completion and as at the date of the Joint Announcement and the Latest Practicable Date, the Offeror, Dr. Zhou and the parties acting in concert with any one of them are interested in a total of 259,424,000 Shares, representing approximately 51.84% of the total issued share capital of the Company. Save for the above, none of the Offeror, Dr. Zhou and the parties acting in concert with any one of them was interested in any other Shares and Share Options. Pursuant to Rules 26.1 and 13.5 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offers (i) to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it); and (ii) to cancel all the outstanding Share Options.

Kingston Securities is, for and on behalf of the Offeror and in compliance with the Takeovers Code, making the Offers on the terms set out in the Composite Document on the following basis:

For each Offer Share HK\$0.126 in cash

For each Share Option HK\$0.001 in cash

Further details of the terms and conditions of the Offers, including the procedures for acceptance of the Offers, are set out in the Composite Document.

As set out in the Letter from the Board, the Company has (i) a total of 500,472,000 Shares in issue; and (ii) 19,504,000 outstanding Share Options conferring rights to subscribe for 19,504,000 new Shares with exercise price of HK\$0.125 per Share Option as at the Latest Practicable Date. Save for the Share Options, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares as at the Latest Practicable Date.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all of the non-executive Directors, namely, Dr. Bu Su, Dr. Xu Ming, Dr. Chow Kwok Fai Joseph, Ms. Wang Yachun and Mr. Tsui Wing Tak, who have no direct or indirect interest in the Offers, has been established by the Company in accordance with Rule 2.1 and Rule 2.8 of the Takeovers Code to make recommendation to the Offer Shareholders and the Offer Optionholders as to whether the Share Offer and the Option Offer are fair and reasonable and as to the acceptance of the Share Offer and the Option Offer. We, Sorrento Capital Limited, have been appointed, with approval of the Independent Board

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Committee, as the independent financial adviser to the Independent Board Committee in respect of the Offers.

BASIS AND ASSUMPTIONS OF OUR OPINION

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Composite Document and have assumed that all information and representations made or referred to in the Composite Document as provided by the management of the Group, the executive Directors, and/or the Offeror were true at the time they were made and continue to be true as at the date of the Composite Document. We have also relied on our discussion with the management of the Group and the executive Directors regarding the Group and the Offers, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the management of the Group, the executive Directors and the Offeror respectively in the Composite Document were reasonably made after due enquiry. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Composite Document nor to doubt the truth, accuracy and completeness of the information and representations provided by the management of the Group, the executive Directors and the Offeror. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group, the Offeror and their respective associates nor have we carried out any independent verification of the information supplied. We have not considered the tax implications on the Offer Shareholders and the Offer Optionholders of their acceptances or non-acceptances of the Offers since these are particular to their own individual circumstances. In particular, the Offer Shareholders and the Offer Optionholders who are residents outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offers and, if in any doubt, should consult their own professional adviser. Shareholders will be notified as soon as possible of any material change on the information or to our opinion contained in this letter after the Latest Practicable Date throughout the Offer Period.

We are independent from and not connected with the Company, the Offeror, the Vendor, or any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. Apart from the normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Offeror, the Vendor, or any of their respective substantial shareholders, or any party acting, or presumed to be acting, in concert with any of them. During the last two years, we have not been engaged as any financial adviser to the Company and the Offeror. Accordingly we considered suitable to give independent advice to the Independent Board Committee and the Offer Shareholders and the Offer Optionholders in respect of the Offers.

PRINCIPAL FACTORS AND REASONS CONCERNED

In considering the fairness and reasonableness of the terms of the Offers, we have taken into account the principal factors and reasons set out below:

(i) Review of financial performance/position of the Group

The Group is principally engaged in research and development, manufacturing, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment in the PRC. According to the annual reports of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”) and 2024 (the “**2024 Annual Report**”, collectively the “**Annual Reports**”) and the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”), the two business segments of the Group are (i) biological reagents (such as male fertility IVD reagents and parasite antibody detection reagents) and auxiliary reproductive supplies and equipment; and (ii) healthcare products and supplements (no revenue contribution was recorded in the year ended 31 December 2024 and the six months ended 30 June 2025).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(a) Financial performance of the Group

Set out below is a summary of the consolidated financial information on the Group for each of (i) the three years ended 31 December 2024 as extracted from the Annual Reports; and (ii) the six months ended 30 June 2024 and 2025 as extracted from the 2025 Interim Report.

	For the six months ended		For the year ended 31 December		
	30 June				
	2025	2024	2024	2023	2022
	RMB'000 (unaudited)	RMB'000 (unaudited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Revenue	12,329	11,918	25,359	24,629	25,330
Cost of sales	(3,913)	(3,929)	(8,287)	(8,536)	(8,416)
Gross profit	8,416	7,989	17,072	16,093	16,914
Other income & other gains and losses	84	499	939	985	1,744
Selling and distribution expenses	(3,520)	(3,901)	(8,526)	(8,617)	(8,951)
Administrative expenses	(5,174)	(4,258)	(10,766)	(9,874)	(9,803)
Research and development expenses	(1,839)	(1,998)	(2,825)	(2,553)	(2,483)
Provision and reversal relating to impairment losses	(268)	(600)	34	(1,763)	(373)
Finance costs	(68)	(50)	(86)	(53)	(55)
Income tax expenses	–	–	–	–	(68)
Loss for the year/period attributable to owners of the Company	<u>(2,369)</u>	<u>(1,779)</u>	<u>(4,158)</u>	<u>(5,782)</u>	<u>(3,075)</u>

Source: The Annual Reports and the 2025 Interim Report

Comparison for the six months ended 30 June 2025 versus the six months ended 30 June 2024

During the six months ended 30 June 2025, the Group recorded a revenue of approximately RMB12.3 million, representing an increase of approximately 3.5% as compared with that of approximately RMB11.9 million for the six months ended 30 June 2024 mainly due to an increase in the sales of male fertility IVD reagents and parasite antibody detection reagents. According to the 2025 Interim

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Report, male fertility IVD reagents products remained to be the Group's major products which accounted for approximately 80.6% of total revenue of the Group during the six months ended 30 June 2025 whilst the healthcare products and supplements segment has been suspended since 2024 in light of the then prolonged market competition. The Group recorded a gross profit of approximately RMB8.4 million for the six months ended 30 June 2025, representing an increase of approximately 5.3%, from approximately RMB8.0 million for the six months ended 30 June 2024 mainly due to the increase in sales volume, particularly the male fertility IVD reagents with higher profit margin (as compared with other products of the Group) during the period. The gross profit margin of the Group remained stable as to around 67.0% to 68.3% in the aforesaid periods.

Selling and distribution expenses of the Group decreased by approximately 9.8% from approximately RMB3.9 million for the six months ended 30 June 2024 to approximately RMB3.5 million for the six months ended 30 June 2025 mainly due to strict cost control of marketing activities.

Administrative expenses of the Group increased by approximately 21.5% from approximately RMB4.3 million for the six months ended 30 June 2024 to approximately RMB5.2 million for the six months ended 30 June 2025 mainly due to professional fee payable to lawyers of approximately RMB0.2 million incurred for the acquisition of 湖南可悦生物科技有限公司 (transliterated as Hunan Keyue Biotechnology Company Limited for identification purposes, the **"Target Company"**) (for details of the acquisition, please refer to the announcements of the Company dated 16 April 2025, 30 April 2025 and 26 June 2025), increase in staff cost of approximately RMB0.2 million and other costs like registration fee for renewing medical device certificates and enterprise resource planning system maintenance costs.

Research and development costs of the Group slightly decreased from approximately RMB2.0 million for the six months ended 30 June 2024 to approximately RMB1.8 million for the six months ended 30 June 2025.

Finance costs represent the interest on the unsecured borrowings and finance charges on lease liabilities of the Group which were stable at approximately RMB50,000 for the six months ended 30 June 2024 to approximately RMB68,000 for the six months ended 30 June 2025.

As a result of the substantial increase in administrative expenses as mentioned the above, the Group recorded a loss for the period attributable to owners of the Company of approximately RMB2.4 million for the six months ended 30 June 2025 representing an increase of approximately 33.2% as compared to the loss of approximately RMB1.8 million for the six months ended 30 June 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison for the year ended 31 December 2024 versus the year ended 31 December 2023

During the year ended 31 December 2024, the Group recorded a revenue of approximately RMB25.4 million, representing an increase of approximately 3.0% as compared with that of approximately RMB24.6 million for the year ended 31 December 2023 mainly due to an increase in the sales of male fertility IVD reagents and parasite antibody detection reagents. According to the 2024 Annual Report, (i) male fertility IVD reagents products remained to be the Group's major products which accounted for approximately 76.4% of total revenue of the Group for the year ended 31 December 2024; and (ii) healthcare products and supplements segment was temporarily suspended in 2024 in light of the then prolonged market competition. The Group recorded a gross profit of approximately RMB17.1 million for the year ended 31 December 2024, representing an increase of approximately 6.1%, from approximately RMB16.1 million for the year ended 31 December 2023 mainly due to increase in sales volume, particularly the parasite antibody detection reagents and improvement on gross profit margin. As advised by the Company, the gross profit margin of the Group slightly increased from approximately 65.3% for the year ended 31 December 2023 to approximately 67.3% for the year ended 31 December 2024 mainly due to economy of scale as overall sales volume increased and improvement on profit margin of parasite antibody detection reagents with highest growth in sale volume (as compared with other products of the Group) during the year.

Selling and distribution expenses of the Group slightly decreased by approximately 1.1% from approximately RMB8.6 million for the year ended 31 December 2023 to approximately RMB8.5 million for the year ended 31 December 2024.

Administrative expenses of the Group increased by approximately 9.0% from approximately RMB9.9 million for the year ended 31 December 2023 to approximately RMB10.8 million for the year ended 31 December 2024 mainly due to increase in staff cost particularly (i) the increase in bonus payable to staff in the PRC of approximately RMB190,000; and (ii) the remuneration of approximately HK\$120,000 payable to two additional non-executive Directors, namely Dr. Bu Su and Dr. Xu Ming, who were appointed in the second half of 2024 and provision of tuition fee for a Master of Science programme in Drug Regulatory Affairs and Policy to the executive Director, Mr. Poon Lai Yin Michael in the amount of HK\$300,000.

Research and development costs of the Group increased by approximately 10.7% from approximately RMB2.6 million for the year ended 31 December 2023 to approximately RMB2.8 million for the year ended 31 December 2024 mainly due to increase in cost of improving and developing the products.

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In December 2022, the Group conditionally purchased 19% equity interests in a company established in the PRC, namely 海南金諾賽醫療科技有限公司 (transliterated as Hainan Jinnuosai Medical Technology Company Limited for identification purposes, the “**Subject Company**”) whereby the Group paid the consideration by direct capital contribution to the Subject Company and also provided a loan to the Subject Company. However, as certain conditions have not been fulfilled, the Group should return its interests in the Subject Company to the vendor and receive a refund of the aforesaid consideration and repayment of the loan. Provision for impairment losses on relevant loan and loan interest receivables and refundable consideration paid was recorded in 2023. In March 2024, the Group, the vendor and the Subject Company reached an agreement on refund and repayment by instalments up to 31 December 2025 and the Company reverse such impairment losses for the year ended 31 December 2024. For details of the transaction, please refer to announcements of the Company dated 6 January 2023, 7 February 2023, 9 February 2023, 30 June 2023 and 14 May 2024.

Finance costs represent the interest on lease liabilities of the Group which slightly increased from approximately RMB53,000 for the year ended 31 December 2023 to approximately RMB86,000 for the year ended 31 December 2024.

As a result of the above, particularly the reversal of impairment losses on loan and loan interest receivables and refundable consideration paid in relation to the Subject Company and less net impairment losses on trade receivables, the Group recorded a loss for the year attributable to owners of the Company of approximately RMB4.2 million for the year ended 31 December 2024 representing a decrease of approximately 28.1% as compared to the loss of approximately RMB5.8 million for the year ended 31 December 2023.

Comparison for the year ended 31 December 2023 versus the year ended 31 December 2022

During the year ended 31 December 2023, the Group recorded a revenue of approximately RMB24.6 million, representing a decrease of approximately 2.8% as compared with that of approximately RMB25.3 million for the year ended 31 December 2022 mainly due to substantial decrease in the sales of healthcare products and supplements for the year ended 31 December 2023 by approximately 85.4% as compared with the year ended 31 December 2022 as the healthcare products and supplements segment of the Group was impacted by novel coronavirus (COVID-19) epidemic and increased competition in the healthcare supplement market. According to the 2023 Annual Report, male fertility IVD reagents products remained to be the Group’s major products which accounted for approximately 77.3% of total revenue of the Group for the year ended 31 December 2023. The Group recorded a gross profit of approximately

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RMB16.1 million for the year ended 31 December 2023, representing a decrease of approximately 4.9%, from approximately RMB16.9 million for the year ended 31 December 2022 mainly due to decrease of gross profit margin. As advised by the Company, the gross profit margin of the Group slightly decreased from approximately 66.8% for the year ended 31 December 2022 to approximately 65.3% for the year ended 31 December 2023 mainly due to increase in product costs such as labour costs which offset the increase in sales volume of male fertility IVD reagents during the year.

Selling and distribution expenses of the Group slightly decreased by approximately 3.7% from approximately RMB9.0 million for the year ended 31 December 2022 to approximately RMB8.6 million for the year ended 31 December 2023 mainly due to decrease in the cost of sales and marketing activities after the lifting of majority of the epidemic prevention and containment measures.

Administrative expenses of the Group were relatively stable as to approximately RMB9.9 million for the year ended 31 December 2023 and approximately RMB9.8 million for the year ended 31 December 2022.

Research and development costs of the Group were stable as to approximately RMB2.5 million for the year ended 31 December 2022 and approximately RMB2.6 million for the year ended 31 December 2023.

Provision for impairment losses on trade receivables, net of the Group significantly increased by approximately 279.1% from approximately RMB373,000 for the year ended 31 December 2022 to approximately RMB1.4 million for the ended 31 December 2023 mainly due to the deterioration of the repayability of the Group's distributors due to economic situation in the PRC.

Finance costs represent the interest on lease liabilities of the Group which slightly decreased from approximately RMB55,000 for the year ended 31 December 2022 to approximately RMB53,000 for the year ended 31 December 2023.

As a result of the above, the Group recorded a loss for the year attributable to owners of the Company of approximately RMB5.8 million for the year ended 31 December 2023 representing an increase of approximately 92.3% as compared to the loss of approximately RMB3.1 million for the year ended 31 December 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Financial position of the Group

We have further summarised below the audited consolidated statements of financial positions of the Company as at 31 December 2022, 31 December 2023 and 31 December 2024 and the unaudited consolidated statements of financial positions of the Company as at 30 June 2025 respectively:

	As at 30 June 2025	As at 31 December		
	2025	2024	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)	(audited)	(audited)
Non-current assets				
Property, plant and equipment	7,509	7,908	7,478	7,572
Right-of-use assets	1,315	1,134	2,267	696
Intangible assets	1,119	1,457	2,134	2,811
Consideration paid for acquisition of equity investment	—	—	—	1,900
	9,943	10,499	11,879	12,979
Current assets				
Inventories	3,450	2,717	3,395	3,116
Trade and bills receivables	12,019	9,949	9,683	9,470
Other receivables, deposits and prepayments	4,446	5,549	7,423	7,345
Tax recoverable	169	13	—	189
Bank balances and cash (including bank deposit)	36,725	36,495	32,935	33,303
	56,809	54,723	53,436	53,423
Total assets	66,752	65,222	65,315	66,402

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	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)	2023 <i>RMB'000</i> (audited)	2022 <i>RMB'000</i> (audited)
Non-current liabilities				
Lease liabilities	485	–	1,177	59
Deferred income – government grants	–	8	23	38
	<u>485</u>	<u>8</u>	<u>1,200</u>	<u>97</u>
Current liabilities				
Trade payables	800	664	638	829
Other payables and accrued charges	6,416	5,709	7,932	5,852
Contract liabilities	1,040	695	552	1,267
Lease liabilities	862	1,177	1,111	410
Unsecured borrowings	2,273	–	–	–
Deferred income – government grants	15	15	15	15
Amount due to an associate	2,800	2,906	2,848	1,408
	<u>14,206</u>	<u>11,166</u>	<u>13,096</u>	<u>9,781</u>
Total liabilities	<u>14,691</u>	<u>11,174</u>	<u>14,296</u>	<u>9,878</u>
Net assets	<u>52,061</u>	<u>54,048</u>	<u>51,019</u>	<u>56,524</u>
Net assets attributable owners of the Company	<u>52,029</u>	<u>54,048</u>	<u>51,019</u>	<u>56,524</u>

Source: The Annual Reports and the 2025 Interim Report

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The non-current assets of the Group comprised mainly its property, plant and equipment and the current assets of the Group comprised mainly its trade and bills receivables and bank balances and cash (including bank deposit). The net assets of the Group decreased from approximately RMB56.5 million as at 31 December 2022 to approximately RMB51.0 million as at 31 December 2023 mainly due to increase in other payables and accrued charges, amount due to an associate and lease liabilities. The net assets of the Group increased from approximately RMB51.0 million as at 31 December 2023 to approximately RMB54.0 million as at 31 December 2024 mainly due to decrease in other payables and accrued charges and lease liabilities.

Trade and bills receivables of the Group were stable between approximately RMB9.5 million and RMB9.9 million as at the end of past three financial years. However, it increased from approximately RMB9.9 million as at 31 December 2024 to approximately RMB12.0 million as at 30 June 2025 mainly due to the increase in trade receivables from third parties by approximately RMB2.2 million and the Group allows credit period from 30 to 180 days for certain customers. Other receivables, deposits and prepayments of the Group was stable at approximately RMB7.3 million as at 31 December 2022 and RMB7.4 million as at 31 December 2023. However, it decreased to approximately RMB5.5 million as at 31 December 2024 mainly due to decrease of loan receivables from the Subject Company and further decreased to approximately RMB4.4 million as at 30 June 2025 due to full repayment of such loan receivables.

Other payables and accrued charges of the Group increased from approximately RMB5.9 million as at 31 December 2022 to approximately RMB7.9 million as at 31 December 2023 mainly due to increase in other accrual and payables such as audit fees and salaries payables and then decreased to approximately RMB5.7 million as at 31 December 2024 mainly due to settlement of other accrual and payables such as audit fees and salaries payables during the year. Other payables and accrued charges of the Group increased to approximately RMB6.4 million as at 30 June 2025 mainly due to consolidated the other payables and accrued charges of the Target Company into the Group's financial statement after completion of relevant acquisition on 26 June 2025.

Total lease liabilities of the Group increased from approximately RMB0.5 million as at 31 December 2022 to approximately RMB2.3 million as at 31 December 2023 mainly due to new lease entered during the year as the Group leased certain of its factories and office premises for its operation with fixed term of around two years. Along with the amortisation during the lease term, only current portion of lease liabilities of the Group as to approximately RMB1.2 million was remained as at 31 December 2024. Given acquisition of the Target Company, its lease liabilities were consolidated to the Group and thus the total lease liabilities of the Group increased to approximately RMB1.3 million as at 30 June 2025.

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The net assets of the Group decreased from approximately RMB54.0 million as at 31 December 2024 to approximately RMB52.0 million as at 30 June 2025 mainly due to draw-down of unsecured interest bearing loans in the amount of approximately RMB2.3 million from a licensed money lender. These loans bear an interest rate of 9% per annum and repayable within 12 months after the withdrawal dates. As advised by the Company, the Group relied on equity fundraising to replenish its working capital during the past three financial years ended 31 December 2024 and the Company completed placing of new Shares under general mandates for general working capital of the Group to (i) raise a net proceeds of approximately HK\$2.6 million on 6 September 2022; (ii) raise a net proceeds of approximately HK\$2.0 million on 31 January 2024; and (iii) raise a net proceeds of approximately HK\$3.2 million on 21 March 2024. For details, please refer to the announcements of the Company dated 6 September 2022, 31 January 2024 and 21 March 2024. As disclosed on the announcement of the Company dated 31 December 2024, the Company proposed to raise a net proceeds of approximately HK\$12.4 million by placing of new Shares under general mandate. However, the Company announced on 21 January 2025 that as the conditions under the relevant placing agreement were not fulfilled on or before the long stop date, the placing agreement have lapsed. Hence, the Company had to find alternative method for fundraising and then entered into four term loan agreements with the aforesaid licensed money lender on 25 March 2025.

Given the above, particularly (i) the Company has been operating at similar scale (in terms of revenue) and making loss for the past three financial years and the latest interim period; (ii) the total liabilities, particular due to the recent term loans, have increased by approximately 31.5% as at 30 June 2025 as compared with 31 December 2024 which resulted in recurring interest burden; and (iii) the recently acquired Target Company started to record revenue of approximately RMB2.1 million for the year ended 31 December 2024 and was still loss-making, we considered that the financial performance and position of the Group in near future is unlikely to be promising and the lack of growth driver to the Share price relating to the Group's financials has already been reflected in the historical Share prices. Hence, we have to review additional information such as other public information, outlook and prospect of the Group, trading data of the Shares in open market and comparison of valuation with industry peers to complete our assessment to the fairness and reasonableness of the terms of the Offers.

(ii) Business outlook and prospects of the Group

The Group is principally engaged in research and development, manufacturing, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment in the PRC. According to the Annual reports and the 2025 Interim Report, the product portfolio of the Group increased to 31 biological reagents, including 28 male fertility IVD reagents, two parasite antibody detection reagents, and one Epstein-Barr virus antibody detection reagent whilst male fertility IVD reagents products represented the major product of the Group and contributed approximately 66.4%, 77.3%, 76.4% and 80.6%

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of total revenue of the Group during each of the financial year ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 respectively. According to the latest annual report on the development of medical device industry in China (中國醫療器械行業發展報告) published by China Society for Drug Regulation (a society managed by National Medical Products Administration (國家藥品監督管理局), (i) the number of companies in the PRC manufacturing medical devices increased from 26,465 at the end of 2020 to 32,752 at the end of 2024, representing a compound annual growth rate (CAGR) of approximately 5.5%; and (ii) the total revenue of medical device manufacturers in the PRC increased from approximately RMB872.5 billion in 2020 to approximately RMB1,200 billion, representing a CAGR of approximately 8.3%. According to the annual statistics published by the Information Centre of National Medical Products Administration (國家藥品監督管理局資訊中心), the number of companies in the PRC operating IVD business increased from 196,132 at the end of 2020 to 380,968 at the end of 2024, representing a CAGR of approximately 18.1%. We also noted from the register of medical devices on the website of by National Medical Products Administration that there are over 150 products similar to the Group's male fertility IVD reagents products supplied by over 50 companies in the PRC. Notwithstanding the significant growth of medical device industry (particularly the IVD business) in the PRC over the past five years, the revenue of the Company only increased at a CAGR of approximately 3.7% and yet the Company was still loss-making from the year ended 31 December 2020 to the year ended 31 December 2024. As advised by the Company, the Group has been facing intense competition in the PRC IVD market due to the participation of more local medical device manufacturers and foreign imported IVD products.

In October 2024, the central government of the PRC published 《關於加快完善生育支持政策體系推動建設生育友好型社會的若干措施》 (Certain Measures for Accelerating Improvement of Fertility Supportive Policy Systems and Promoting the Establishment of a Fertility-friendly Society, the “**Measures**”). The objectives of the Measures are for improving the support and service system for population development and promotion of high-quality population development. One of the Measures is to strengthen fertility health services such as research and development and application of fertility health technology and improvement to prenatal examinations. The large human population in the PRC and the supportive Measures by the PRC government would provide more business opportunity to the Group. Furthermore, as disposal income per capita in the PRC has been increasing over past few years making the Group's IVD products more affordable, the Group will continue to focus on its male fertility IVD reagents products. However, as the Company anticipates the increasing public awareness on fertility assessment and more competition by players in the PRC market would drive the quality requirement of customers, the Company intends to position itself as an integrated fertility diagnostics solutions provider by enhancing portfolio and quality of its IVD reagents products such as the development of its “Sperm Morphology Analysis Test Kit” and registration of Class II medical device of semen biochemical immunoassay equipment to the National Medical Products Administration.

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Although the Group did not recognise any revenue from its healthcare products and supplements segment in the year ended 31 December 2024 and the six months ended 30 June 2025 due to the Group's strategic decision on temporary suspension in 2024 in light of the then prolonged market competition, the Group intends to develop the women's health market by acquisition of the 91% equity interest in the Target Company at a consideration of RMB317,697.23 from vendors, namely 南京和臻控股集團有限公司 (transliterated as Nanjing Hezhen Holding Group Co., Ltd. for identification purposes), 北京巴普國際醫學研究院 (transliterated as Beijing Bapu International Medical Research Institute for identification purposes) and 長沙可容健康科技股份有限公司 (transliterated as Changsha Kerong Health Technology Co., Ltd. for identification purposes) in June 2025. According to the announcement of the Company dated 16 April 2025, (i) the owners of vendors included Dr. Zhou, Dr. Xu Ming (a non-executive Director), Dai Chao and Tao Wei; and (ii) the Target Company is principally engaged in the research and development and sales of women's health products, which cover female reproductive system solutions, health foods, antibacterial products and other fields. The Company believes that the acquisition enables it to gain extensive research and development experience, product lines and domestic market channels in the female health sector. According to the aforesaid announcement, the revenue and loss after taxation of such acquired company was approximately RMB2.1 million and approximately RMB0.9 million respectively for the year ended 31 December 2024. The completion of the acquisition of the Target Company took place on 26 June 2025 and the assets, liabilities and financial results of the Target Company have been consolidated to the Group. Therefore, it is uncertain as to whether this newly acquired company will bring immediate and material financial contribution to the Group in near future.

As disclosed paragraph headed "10. MISCELLANEOUS" in the Appendix III to the Composite Document, the Group has been liaising with 深圳市君軒生物技術有限公司 (transliterated as Shenzhen Junxuan Biological Technology Co., Ltd. for identification purposes, "**Shenzhen Junxuan**") (as landlord) for the renewal of the tenancy agreement for its existing production plant which will expire on 31 December 2025. Shenzhen Junxuan is a related company controlled by Mr. Zhang Shugang, a former executive Director and an Offer Optionholder. As at the Latest Practicable Date, no agreement was entered for the extension of the tenancy. Therefore, the continuation of the Group's operation at its existing production plant may be subject to uncertainty if the aforesaid tenancy is not extended. As advised by the Company, the Company is optimistic to enter into relevant agreement to extend the tenancy in early December 2025 subject to compliance with relevant GEM Listing Rules and the Takeovers Code. Given the extension of tenancy is not guaranteed and terms of which have not yet been fixed as at the Latest Practicable Date, the Company will start to identify suitable premises in the same or nearby districts for relocation as contingency plan in order to minimise the potential disruption to the business operation of the Group. The Company will inform the investors the latest development of the tenancy by means of announcement(s). Since there has been no material change in financial or trading position or outlook of the Group (except certain facts disclosed in the paragraph headed "4. MATERIAL CHANGE" in Appendix II to the Composite Document) and our opinion on the Offers is based on various assessment disclosed in this letter, the potential non-renewal of the existing tenancy, as a risk factor to the Group as at the Latest

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Practicable Date, does not alter our overall viewpoint of the reasonableness and fairness of the Offers so far. Nevertheless, the consequence of this risk factor to the Group, if materialized, such as time elapsed and costs to be incurred for relocation of production plant, fulfilment of relevant regulatory requirements, operation disruption, financial impact etc. as well as the investors' reaction in the market cannot be quantified at this moment. Therefore, we remain cautious on any possible impact to the business, operation, financials and outlook of the Group. Therefore, the Offer Shareholders and the Offer Optionholders are reminded to closely monitor the status of the tenancy, the subsequent development of the Group and the Share price during the Offer Period when determining whether or not to accept the Offers.

(iii) Information and principal business of the Offeror

According to the Letter from Kingston Securities, the Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 15 May 2025 for the purpose of holding the Shares. As at the Latest Practicable Date, the Offeror is wholly and beneficially owned by Dr. Zhou Xunyong who is also the sole director of the Offeror. Dr. Zhou Xunyong is principally engaged in the development in biological enzyme solutions and cell therapy technologies through several companies. For more details of the biography of Dr. Zhou Xunyong, please refer to the paragraph headed "INFORMATION ON THE OFFEROR" in the Letter from Kingston Securities.

As disclosed in the announcement of the Company dated 14 January 2025 and the relevant disclosure of interest forms, Mr. Zhang Shuguang, the former executive Director, had sold the entire issued share capital in Crystal Grant Limited to the Vendor on 10 January 2025 (the "**First Transfer**"). At the time of transaction, Crystal Grant Limited held 138,672,000 Shares, representing approximately 27.71% of the total issued Shares and the consideration was HK\$0.1175 per Share. All such Shares were then transferred to the Vendor. As disclosed in the disclosure of interests forms for relevant event on 4 February 2025, Mr. Yu Chi Mau enforced a security interest in the Shares, or rights to such Shares held as security and became the beneficial owner of 120,752,000 Shares, representing approximately 24.13% of the total issued Shares at that time and the consideration was HK\$0.1242 per Share (the "**Second Transfer**").

As disclosed in the disclosure of interests forms for relevant event on 1 September 2025, the Offeror acquired 120,752,000 Shares from Mr. Yu Chi Mau at the consideration of HK\$0.126 per Share (the "**First Acquisition**"). As advised by the Company, substantial portion of the total consideration of the First Acquisition was settled by way of a promissory note and the relevant amount must be paid by the Offeror within 12 months from 1 September 2025. Thus, Mr. Yu Chi Mau is deemed to be a party acting in concert with the Offeror and Dr. Zhou by virtue of class (9) of the definition of acting in concert under the Takeovers Code. As set out in the Letter from Kingston Securities, the Offeror completed a purchase of the Sale Shares, being 138,672,000 Shares, from the Vendor on 9 October 2025 at the total consideration of HK\$17,472,672 (i.e. HK\$0.126 per Share) (the "**Second Acquisition**"). Following the First Acquisition and the Second Acquisition, the

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Offeror, Dr. Zhou and the parties acting in concert with any one of them are interested in a total of 259,424,000 Shares, representing approximately 51.84% of the total issued share capital of the Company.

As set out in the Letter from Kingston Securities, as the Group has been engaged in the business of healthcare products in the PRC for years, Dr. Zhou, who is in biotechnology and health innovation industry, was actively looking for business opportunities to grow his business. The Offeror is of the view that the Company has built up an extensive network and reputation in the biotechnology industry, which upon becoming the controlling Shareholder through the acquisition of the Sale Shares, the Offeror will be able to grow the Company's business under its direction. The Offeror and Dr. Zhou intend to leverage on his expertise in enzyme solutions and cell therapy technologies to improve on the Group's product research and development, especially in relation to IVD reagents and women's health products, as well as to collaborate with Dr. Zhou's other companies to expand the Group's sales network for these products. For further details, please refer to the paragraph headed "REASONS FOR THE ACQUISITION OF THE SALE SHARES AND THE INTENTION OF THE OFFEROR ON THE GROUP" in the Letter from Kingston Securities. Although Dr. Zhou's academic background in various universities is not relevant to medical or biotechnology, he has participated in the field of biotechnology and healthcare for years through running several companies in the PRC owned by him. Dr. Zhou was one of the owners of the Target Company which is engaged in business of healthcare products. Given the relevancy of the business to the suspended healthcare products and supplements segment of the Group, we believe that the Group may benefit from Dr. Zhou's experience in healthcare industry with the newly acquired Target Company. As for the operation of principal business segment of the Group relating to biological reagents and auxiliary reproductive supplies and equipment, we believe that the Dr. Zhou can participate in the management with his knowledge in business administration and work experience while leverage the expertise and experience of the existing senior management and technical staff of the Group in research and development.

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

As set out in the Letter from Kingston Securities, it is the intention of the Offeror that the Group will continue with its existing principal business. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers 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, the Offeror does 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.

Nevertheless, following the close of the Offers, 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

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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 in compliance with the GEM Listing Rules. According to the intention of the Offeror mentioned above, the Offeror does not intend to introduce any major changes to the existing operations and business of the Group which cover areas of (i) biological reagents (such as male fertility IVD reagents and parasite antibody detection reagents) and auxiliary reproductive supplies and equipment; and (ii) healthcare products and supplements (including the business of newly acquired Target Company).

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

As at the Latest Practicable Date, the Board comprises Ms. Zhang Yujing (Chairman), Mr. Zhang Chunguang and Mr. Poon Lai Yin Michael (Compliance Officer) as executive Directors; Dr. Bu Su and Dr. Xu Ming as non-executive Directors; and Dr. Chow Kwok Fai Joseph, Ms. Wang Yachun, and Mr. Tsui Wing Tak as independent non-executive Directors. The Offeror intends to nominate Dr. Zhou to be an executive Director and the new chairman of the Board with effect from after the despatch of the Composite Document or such other date as permitted under the applicable laws, rules and regulations, the GEM Listing Rules and the Takeovers Code. Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and the GEM Listing Rules as and when appropriate.

Save for the abovementioned proposed change(s) to the composition of the Board, as at the Latest Practicable Date, the Offeror has no intention to make material changes to the employment of the employees of the Group. However, the Offeror reserves the right to make any changes that they deem necessary or appropriate to the benefit of the Group.

As set out in the Letter from Kingston Securities, the Offeror intends to the Company to remain listed on GEM of the Stock Exchange after the close of the Offers. The sole director of the Offeror and the new director to be appointed to the Board (namely Dr. Zhou) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

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(v) The Share Offer Price and historical Share price performance

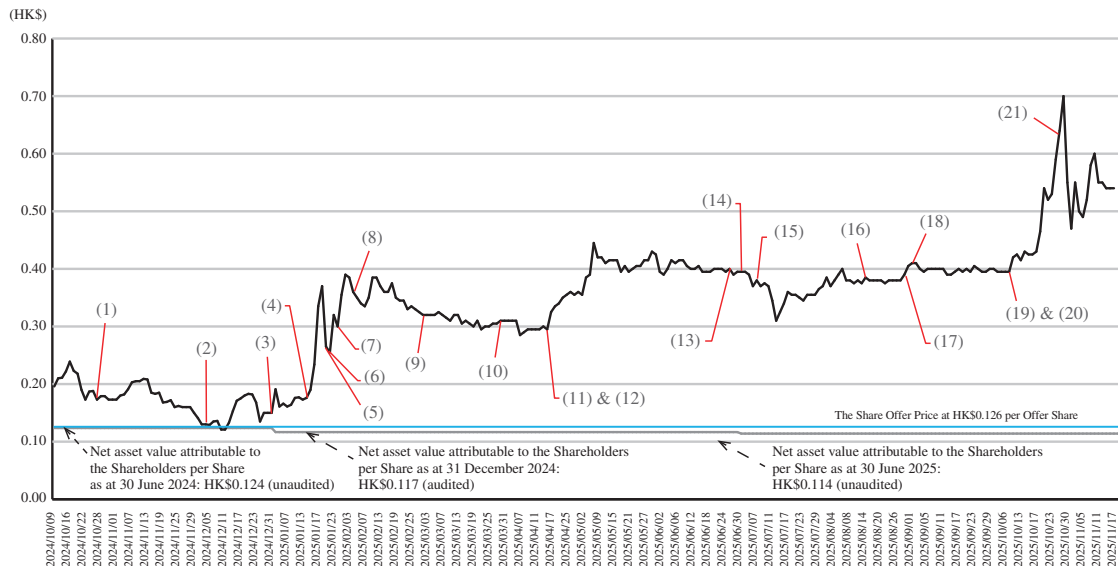
The Share Offer Price of HK\$0.126 per Offer Share represents:

- i. a discount of approximately 76.67% to the closing price of HK\$0.54 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- ii. a discount of approximately 68.10% to the closing price of HK\$0.395 per Share as quoted on the Stock Exchange on the date of the Joint Announcement;
- iii. a discount of approximately 68.18% to the average closing price of HK\$0.396 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 date of the Joint Announcement;
- iv. a discount of approximately 68.34% to the average closing price of approximately HK\$0.398 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 date of the Joint Announcement;
- v. a discount of approximately 68.26% to the average closing price of HK\$0.397 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 date of the Joint Announcement;
- vi. a premium of approximately 7.69% over the audited consolidated net assets per Share of approximately HK\$0.117 as at 31 December 2024, which was calculated based on the Group's audited consolidated net assets of approximately RMB54,048,000 (equivalent to approximately HK\$58,364,649) as at 31 December 2024 and 500,472,000 Shares in issue as at the Latest Practicable Date; and
- vii. a premium of approximately 10.53% over the unaudited consolidated net assets per Share of approximately HK\$0.114 as at 30 June 2025, which was calculated based on the Group's unaudited consolidated net assets of approximately RMB52,061,000 (equivalent to approximately HK\$57,087,560) as at 30 June 2025 and 500,472,000 Shares in issue as at the Latest Practicable Date.

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As the lowest closing price of the Shares was HK\$0.121 during the Review Period (as defined below), the Shares were traded at premium up to approximately 93.23%, approximately 281.58% and approximately 514.05% to the values of net assets attributable to the Shareholders per Share of approximately HK\$0.124 as at 30 June 2024, approximately HK\$0.117 as at 31 December 2024 and approximately HK\$0.114 as at 30 June 2025 respectively (calculated based on the then latest published financial statements contained in the interim report of the Company for the six months ended 30 June 2024, the 2024 Annual Report and the 2025 Interim Report) throughout almost the entire Review Period. As we are of the view that the price performance of the Shares during the past full year can sufficiently and fairly reflect the market perception on the Company's performance, outlook and effects of certain specific events without the possible effect from the announcements of the Offers, which may be relevant to our analysis, we have plotted the closing price level of the Shares traded on the Stock Exchange for a 12-month period ("**Pre-Announcement Period**") from 9 October 2024 to 9 October 2025, being the date on which the trading of the Shares was halted in the afternoon trading session, and further up to the Latest Practicable Date (the "**Post-Announcement Period**", collectively the "**Review Period**") for the purpose of further comparing the Share Offer Price of HK\$0.126 per Share with the market price of the Shares as follows:

Closing price of the Shares during the Review Period



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The numbers (1) to (21) in the chart above represent the announcements/events below:

1. Announcement of the appointment of Dr. Xu Ming as a non-executive Director dated 25 October 2024;
2. Announcement of the appointment of Ms. Shih Mei Ling as an independent non-executive Director dated 3 December 2024;
3. Announcement of the placing of new Shares at HK\$0.126 under general mandate dated 31 December 2024;
4. Announcement of the First Transfer dated 14 January 2025;
5. Announcement of the lapse of the placing of new Shares dated 21 January 2025;
6. Announcement of the change of independent non-executive Director from Ms. Chow Ching Man to Mr. Tsui Wing Tak dated 22 January 2025;
7. Announcement of the proposed acquisition of the Target Company by entering into of a memorandum of understanding dated 24 January 2025;
8. Disclosure of interests forms in relation to the Second Transfer on 2 February 2025;
9. Announcement of the resignation of Ms. Shih Mei Ling as independent non-executive Director dated 28 February 2025;
10. Annual results announcement of the Company for the year ended 31 December 2024 dated 28 March 2025;
11. Announcement of the discloseable transaction in relation to the acquisition of the Target Company dated 16 April 2025;
12. Announcement of the change of executive Director from Mr. He Jiaming to Ms. Zhang Yujing dated 16 April 2025;
13. Announcement of the completion of acquisition of the Target Company dated 26 June 2025;
14. Announcement of the appointment of Ms. Wang Yachun as independent non-executive Director dated 30 June 2025;
15. Announcement of the resignation of Dr. Cheng Faat Ting Gary as independent non-executive Director dated 8 July 2025;
16. Interim results announcement of the Company for the six months ended 30 June 2025 dated 15 August 2025;
17. Announcement of the resignation of Mr. Zhang Shuguang as executive Director dated 29 August 2025;
18. Disclosure of interests forms in relation to the First Acquisition on 1 September 2025;
19. Announcement of the trading halt dated 9 October 2025;
20. Joint Announcement in relation to, among others, the Second Acquisition and the Offers dated 9 October 2025; and
21. Announcement of the delay in despatch of the Composite Document dated 28 October 2025 (the “**Delay Announcement**”).

Source: The Stock Exchange

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(a) Pre-Announcement Period

As shown in the chart above, closing prices of the Shares were above the Share Offer Price during almost the entire Pre-Announcement Period. From the beginning of the Pre-Announcement Period to 11 December 2024, the closing prices of the Shares were generally on a downtrend. During this period, the Company announced the appointment of (i) Dr. Xu Ming as a non-executive Director on 25 October 2024; and (ii) Ms. Shih Mei Ling as an independent non-executive Director on 3 December 2024.

Since 12 December 2024, the closing prices of the Shares have started to rise and have been generally on an uptrend until reaching HK\$0.39 per Share on 28 January 2025. During the period, the Company announced (i) a placing of new Shares at HK\$0.126 under general mandate on 31 December 2024; (ii) the First Transfer on 14 January 2025; (iii) the lapse of the aforesaid placing of new Shares on 21 January 2025; (iv) the change of independent non-executive Director from Ms. Chow Ching Man to Mr. Tsui Wing Tak on 22 January 2025; and (v) the entering into of a memorandum of understanding in relation to a proposed acquisition of the Target Company on 24 January 2025.

In early February 2025, the closing prices of the Shares fluctuated between HK\$0.335 per Share and HK\$0.385 per Share. During the period, the Second Transfer took place on 2 February 2025. From 12 February 2025, the closing prices of the Shares have started to decrease until reaching HK\$0.285 per Share on 7 April 2025. During the period, the Company announced (i) the resignation of Ms. Shih Mei Ling as independent non-executive Director on 28 February 2025; and (ii) its annual results for the year ended 31 December 2024 on 28 March 2025.

Afterward, the closing prices of the Shares have started to rise again until reaching HK\$0.445 per Share on 8 May 2025. During the period, the Company announced (i) the discloseable transaction in relation to the acquisition of the Target Company on 16 April 2025; and (ii) the change of executive Director from Mr. He Jiaming to Ms. Zhang Yujing on 16 April 2025.

Then, the closing prices of the Shares fluctuated between HK\$0.31 per Share and HK\$0.43 per Share during the rest of the Pre-Announcement Period. During this period, the Company announced (i) the completion of acquisition of the Target Company on 26 June 2025; (ii) the appointment of Ms. Wang Yachun as independent non-executive Director on 30 June 2025; (iii) the resignation of Dr. Cheng Faat Ting Gary as independent non-executive Director on 8 July 2025; (iv) its unaudited interim results for the six months ended 30 June 2025 on 15 August 2025; and (v) resignation of Mr. Zhang Shuguang as executive Director on 29 August 2025. On 1 September 2025, the First Acquisition took place.

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Given the announcements of the Company published on the Stock Exchange are official and reliable source of information for the public to assess the development of the Group including but not limited to the business performance, financial position, fund-raising, acquisition and change in substantial shareholder and key management, we are of the view that investors normally took into consideration the abovementioned announcements (or events referred in such announcements) when making their investment decisions in respect of the Shares and the price trend of the Shares during the Pre-Announcement Period.

Since 1:00 p.m. on 9 October 2025, trading of the Shares was halted pending the release of an announcement by the Company in relation to inside information of the Company and pursuant to Takeovers Code. Before the time of trading halt, the closing price of the Shares was HK\$0.395 per Share.

Having considered the public information of the Company and Share prices during the Pre-Announcement Period, we consider that the general upward price trend of the Shares during the Pre-Announcement Period was mainly due to market reaction to the financial performance and corporate actions of the Company (such as fundraising and acquisition) as well as the change in substantial Shareholders.

(b) Post-Announcement Period

At 9:00 a.m. on 10 October 2025, trading of the Shares was resumed after the publication of the Joint Announcement in relation to, among others, the Second Acquisition and the Offers on 9 October 2025 and the highest and closing price of the Share reached HK\$0.65 per Share and HK\$0.42 per Share respectively. Since then, the closing prices of the Shares have been generally on similar level. Until 21 October 2025, the closing price of the Share increased to HK\$0.465 per Share and reached HK\$0.70 per Share as at 30 October 2025. Afterward, the closing price of the Shares decreased to HK\$0.54 per Share as at the Latest Practicable Date. The Share Offer Price represents a discount of approximately 76.67% to the closing price per Share as at the Latest Practicable Date. As confirmed by the Directors, save for the release of the Joint Announcement and the Delay Announcement, the Directors were not aware of any specific event that caused the recent substantial increases in prices of the Shares.

Having considered the public information of the Company and Share prices during the Post-Announcement Period, we consider that the recent surge of the Share prices in the Post-Announcement Period may additionally reflect the market reaction to the change in controlling Shareholders of the Company as a result of the Second Acquisition and the Offers. Therefore, the recent Share prices are more relevant for assessing the fairness and reasonableness of the Share Offer Price.

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(vi) Historical trading volume of the Shares

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

Months/period	Number of trading days	Total trading volume (Number of Shares)	Average daily trading volume (Number of Shares) (Note 1)	% of average daily trading volume to the total number of Shares in issue (Note 2)	% of average daily trading volume to the total number of Shares held by the public Shareholders (%) (Note 3)
2024					
October	16	21,816,000	1,363,500	0.2724	0.5752
November	21	34,704,000	1,652,571	0.3302	0.6971
December	20	28,712,000	1,435,600	0.2868	0.6056
2025					
January	19	80,412,000	4,232,211	0.8456	1.7854
February	20	12,440,000	622,000	0.1243	0.2624
March	21	11,120,000	529,524	0.1058	0.2234
April	19	9,280,000	488,421	0.0976	0.2060
May	20	13,520,000	676,000	0.1351	0.2852
June	21	5,876,000	279,810	0.0559	0.1180
July	22	8,328,000	378,545	0.0756	0.1597
August	21	8,008,000	381,333	0.0762	0.1609
September	22	25,488,000	1,158,545	0.2315	0.4887
October (Note 4)	20	61,992,000	3,099,600	0.6193	1.3076
– Prior to trading halt	5	2,088,000	417,600	0.0834	0.1762
– After resumption in trading	15	59,904,000	3,993,600	0.7980	1.6847
November (up to the Latest Practicable Date)	12	19,352,000	1,612,667	0.3222	0.6803

Source: The Stock Exchange

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Notes:

1. Average daily trading volume is calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period which exclude any trading day on which trading of the Shares on the Stock Exchange was suspended for the whole day, if any.
2. The calculation is based on the average daily trading volume of the Shares divided by the balance of total number of issued Share at the end of the respective month/period.
3. The calculation is based on the average daily trading volume of the Shares divided by the total number of Shares held by the public Shareholders (i.e. excluding those Shares held by core connected persons of the Company) at the end of the respective month/period based on the public information on the Stock Exchange.
4. Trading in the Shares was halted from 1:00 p.m. on 9 October 2025 pending the publication of the Joint Announcement and resumed from 9:00 a.m. on 10 October 2025.

As illustrated in the table above, the daily trading volume of the Shares for the respective month/period was generally thin during the Pre-Announcement Period and such thin trading volumes may indicate a low trading liquidity in the Shares and the Shareholders with sizeable shareholdings may not find immediate and sufficient demand on the Shares in the open market. The average daily trading volume of the Shares ranged from approximately 279,810 Shares in June 2025 to approximately 4,232,211 Shares recorded in January 2025, representing approximately 0.0559% to approximately 0.8456% of the total number of the Shares in issue as at the end of the relevant month/period. The percentage of average daily trading volume to the total number of Shares held by the public Shareholders as at the end of the relevant month/period during the Pre-Announcement Period ranged from approximately 0.1180% to approximately 1.7854%. We have reviewed the daily trading volume of the Shares in January 2025 and noted that approximately 86.5% of the Shares traded in January 2025 was contributed by the trading from 15 January 2025 to 31 January 2025. The Company made announcement after trading hours on (i) 14 January 2025 in relation to the First Transfer; (ii) 21 January 2025 in relation to the lapse of placing of new Shares under general mandate; and (iii) 24 January 2024 in relation to the proposed acquisition of the Target Company by entering into a memorandum of understanding. As confirmed by the Directors, save for the release of the abovementioned announcements, the Directors were not aware of any specific event that caused the recent substantial increases in trading volume of the Shares.

In the morning trading session on 9 October 2025, there was no trading of the Shares recorded and trading of the Shares was halted from 1:00 p.m. on 9 October 2025. The Joint Announcement was published on 10 October 2025 and trading in the Shares was resumed from 9:00 a.m. on 10 October 2025. The trading volume of the Shares was 15,512,000 Shares on 10 October 2025 and the average daily trading volume of the Shares was 3,993,600 Shares from 10 October 2025 to 31 October 2025. The average daily trading volume of the Shares was 1,612,667 Shares from 1 November 2025 to the Latest Practicable Date.

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Due to the low percentage of average trading volume to the total number of the Shares held by the public Shareholders except in January and October 2025, we are of the opinion that the trading liquidity in the Shares is low and the Shareholders with sizeable shareholdings, may not immediately find sufficient demand on the Shares in the open market. Therefore, Offer Shareholders should be mindful as to whether there will be sufficient liquidity in the Shares for those who wish to realise part or all of their investment in the Company at the prevailing market price of the Shares and whether their disposal of their Shares will exert a downward pressure on the market prices of the Shares if they decide not to accept the Share Offer or the Option Offer (after exercising their subscription rights attached to the Share Options). In spite of that the Share Offer provide a mean to the Offer Shareholders for realising their investment in the Company without being affected by low trading liquidity in the Shares, the discount of the Share Offer Price to the closing prices of the Shares throughout almost the entire Review Period is not justifiable given it might be possible for the Offer Shareholders to dispose of their Shares at prices higher than the Share Offer Price in open market during the Offer Period.

(vii) Market comparable analysis

The Group is principally engaged in research and development, manufacturing, marketing and sale of biological reagents and auxiliary reproductive supplies and equipment in the PRC. According to the 2024 Annual Report and the 2025 Interim Report, the two business segments of the Group are (i) biological reagents (such as male fertility IVD reagents and parasite antibody detection reagents) and auxiliary reproductive supplies and equipment; and (ii) healthcare products and supplements, but no revenue contribution was recorded from healthcare products and supplements. As such we have conducted research on the companies listed on the Stock Exchange with similar business model, product nature, geographic markets and size and exhaustively identified two companies listed on the Stock Exchange which are principally engaged in sale of diagnostic products like IVD reagents and genetic testing kits. In selecting these two companies (the “**Market Comparables**”), we take into account those (i) with not less than 90% of revenue generated from industries similar to those of the Group (i.e. manufacture and sale of diagnostic products like IVD reagents and genetic testing kits) in the latest financial year as the Company solely recorded revenue from its biological reagents and auxiliary reproductive supplies and equipment segment in 2024 and we considered a 90% benchmark already represents a high degree of similarity without casting out comparable companies that also recorded immaterial revenue from other sources; (ii) with not less than two-third of revenue generated from the PRC market as all the revenue of the Group were located in the PRC; (iii) with trading of ordinary shares not being suspended on the Stock Exchange for the whole trading day as at the Latest Practicable Date as such companies normally possess inside information yet to be announced and the resumption of trading is not guaranteed; and (iv) with market capitalisation of not more than HK\$1 billion as at the Latest Practicable Date which we consider a reasonable benchmark for size comparison as the companies within such range of market capitalisation (including the Company which had market capitalisation of approximately HK\$270.3 million based on the closing price of the

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Shares and the total number of the Shares in issue as at the Latest Practicable Date) are commonly regarded as small-cap companies in Hong Kong.

In view of that the Market Comparables are exhaustively identified and principally engaged in sales of medical diagnostic products which are applied for human testing like those IVD reagents of the Company and their major geographic market are located in the PRC which is same as the Company, we consider that although only two companies are available, the Market Comparables are sufficient, fair and representative sample for comparison to the Company. Shareholders should note that the principal activities, profitability and financial positions of each of the Market Comparables are different which may affect how they are actually valued and their respective market multiple valuations in the market. Therefore, the comparison with the Market Comparables set out in this letter is solely for general reference to the market trend when assessing the fairness and reasonableness of the Share Offer Price.

In assessing the fairness and reasonableness of the Cancellation Price, we have considered the use of price-to-earnings ratio (the “**P/E Ratio**”) analysis, which is one of the most widely used and accepted methods for valuing a business with recurrent income. However, the Company and the Market Comparables were all loss making in the last financial year and we were unable to apply P/E Ratio analysis. Moreover, the earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Company and the Market Comparables were all negative that we were also unable to apply another common valuation method, enterprise value (EV) to EBITDA ratio. Hence, we considered another common valuation approach of non-profitable companies by reference their market capitalisation to the revenue, i.e. price-to-sales ratio (the “**P/S Ratio**”) analysis. However, the P/S Ratio is suitable to early-stage companies and high-growth companies that have been gaining market share but yet to record profit and it ignores all cost elements. Given the Company and the Market Comparables have been operating for over ten years with established scale of revenue and costs, we consider that the P/S Ratio analysis is not applicable to our assessment.

Since the Company and the Market Comparables are principally engaged in sales of medical products for human testing with their own production facilities and majority assets of them (i.e. over 60% of total assets) as at 30 June 2025, being the end date of the latest interim period, comprised by their property, plant and equipment, inventories, cash, deposits and trade receivables, we consider that the price-to-book ratio (the “**P/B Ratio**”) analysis with reference to the latest published net asset value of the Group attributable to the Shareholders per Share is an alternative and appropriate approach to compare the Company with the Market Comparables.

As illustrated in the table below, the P/B Ratios of the Market Comparables are approximately 0.53 time (Suzhou Basecare Medical Corporation Limited, 2170.HK) and approximately 1.59 times (Biosino Bio-Technology and Science Incorporation, 8247.HK) respectively as at the Latest Practicable Date. The P/B Ratio implied by the Share Offer Price of approximately 1.08 times (based on the audited net asset value attributable to

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Shareholders per Share as at 31 December 2024) and approximately 1.11 times (based on the unaudited net asset value attributable to Shareholders per Share as at 30 June 2025) are higher than those of the Market Comparables.

Company/Stock Code	Principal business activities	Percentage of revenue generated from the sale of diagnostic and testing products during the latest full financial year	Percentage of revenue generated from the PRC market during the latest full financial year	Market capitalisation (HK\$' million) (Note 1)	Profit (Loss) attributable to shareholders during the latest full financial year (HK\$' million) (b)	Net asset value attributable to shareholders as according to the latest published financial report (HK\$' million) (c)	P/E Ratios or EV/EBITDA Ratios (a)/(b)	P/B Ratios (a)/(c)
Suzhou Bascare Medical Corporation Limited (2170)	Sales of genetic testing kits and sales of genetic testing devices, instruments and consumables.	94.0	67.5	604.5	(256.0)	1,132.7	N/A	0.53
Biosino Bio-Technology and Science Incorporation (8247)	Research and development, manufacturing, sale and distribution of IVD reagents products.	99.7	91.0	260.5	(45.9)	164.3	N/A	1.59
					Statistics:	Min	N/A	0.53
						Max	N/A	1.59
						Mean/Median	N/A	1.06
The Company		100.0	100.0	270.3	(4.8)	57.1	N/A	1.08
								(based on the latest audited net asset value per Share, see Note 3)
								1.11
								(based on the latest unaudited net asset value per Share, see Note 4)

Source: The Stock Exchange

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Notes:

1. Unless otherwise specified, market capitalisation is calculated based on the closing price of shares on the Stock Exchange and the number of ordinary shares in issue of the Market Comparables as at the Latest Practicable Date.
2. The net asset value attributable to shareholders refers to the latest published accounts set out in the latest interim reports of the Market Comparables.
3. Based on the Share Offer Price of HK\$0.126 per Offer Share and the audited net asset value attributable to the Shareholders per Share of approximately HK\$0.117 calculated with reference to the consolidated audited net asset value of the Company attributable to the Shareholders of approximately RMB54,048,000 as at 31 December 2024 per the 2024 Annual Report and 500,472,000 Shares issued as at 31 December 2024.
4. Based on the Share Offer Price of HK\$0.126 per Offer Share and the unaudited net asset value attributable to the Shareholders per Share of approximately HK\$0.114 calculated with reference to the consolidated unaudited net asset value of the Company attributable to the Shareholders of approximately RMB52,029,000 as at 30 June 2025 per the 2025 Interim Report and 500,472,000 Shares issued as at 30 June 2025.
5. In the calculation above, figures denominated in RMB as stated in the relevant annual reports or interim reports of the Market Comparables are translated into HK\$ at the exchange rate of HK\$1.00 to RMB0.92604 (as at the end of December 2024) and RMB0.91195 (as at the end of June 2025) according to the rates cited from People's Bank of China.

We have further analysed the market prices of the Market Comparables and noted that they were traded at discount to their respective net asset value attributable to shareholders per share for almost all the time in the Review Period up to approximately 65.1% (Suzhou Basecare Medical Corporation Limited) and approximately 79.6% (Biosino Bio-Technology and Science Incorporation) and rarely at premium which were only up to approximately 5.3% (Suzhou Basecare Medical Corporation Limited) and approximately 58.5% (Biosino Bio-Technology and Science Incorporation). Unlike the Market Comparables, the Shares have been traded at premium to net asset value attributable to the Shareholders per Share for almost all the time in the Review Period up to approximately 470.2%. From this perspective, the 4.3% higher P/B Ratio implied by the Share Offer Price of approximately 1.11 times (by reference to the higher one) to average P/B Ratio of approximately 1.06 times of the Market Comparables is not sufficient to indicate that the Share Offer Price is favourable. Especially when comparing with the higher P/B Ratio of approximately 4.74 times represented by the closing price of the Shares as at the Latest Practicable Date and the latest unaudited net asset value attributable to the Shareholders per Share.

(viii) The Option Offer Price

With reference to the paragraph headed “2. SHARE CAPITAL” in Appendix III to the Composite Document, as at the Latest Practicable Date, save for the 19,504,000 outstanding Share Options granted pursuant to the 2020 Share Option Scheme conferring rights to subscribe for 19,504,000 new Shares, the Company had no outstanding convertible securities, options, warrants, derivatives or any other conversion rights in issue affecting the Shares. Other than the outstanding Share Options, there were no options, derivatives, warrants or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares. As

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advised by the Company, it had no intention to grant any new share options under the 2020 Share Option Scheme during the Offer Period.

The Option Offer is unconditional in all respects and is not conditional upon any minimum level of acceptances being received or any other conditions. Given that the exercise price of the outstanding Share Options (being HK\$0.125 per Share Option) is lower than the Share Offer Price, the Share Options are in-the-money and the Option Offer Prices are set at the see-through price of HK\$0.001. As the see-through price under the Option Offer Price are based on the Share Offer Price of HK\$0.126, which is offered to all Offer Shareholders, our view on the Option Offer Price is same as that on the Share Offer Price. Given that we consider the Share Offer Price is not fair and reasonable, the see-through price, the determination of which is based on the Share Offer Price, are also considered by us to be not fair and reasonable.

In view of the fact that the recent Share market price had been, and was as at the Latest Practicable Date, above the Share Offer Price, Offer Optionholders may, to the extent their respective circumstances permit, exercise their rights under the Share Options and dispose of their Offer Shares on the market if there is sufficient trading liquidity in the market and the market price is above the Share Offer Price (to the extent such excess in market price would be adequate to cover additional charges such as brokerage, transaction levies etc., which would not be applicable if the Offer Shares are tendered in acceptance of the Share Offer) during the Offer Period. However, if the market price of the Shares becomes below the Share Offer Price, Offer Optionholders may consider accepting the Option Offer instead. The Offer Optionholders are also reminded that in accordance with the 2020 Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers as detailed in the paragraph headed “9. VALIDITY OF THE SHARE OPTIONS UPON CLOSE OF THE OFFERS” set out in the Appendix I to the Composite Document.

RECOMMENDATION

Having considered the principal factors set out above, in particular, the following:

- (i) the Share Offer Price represents a deep discount of over 68% to (a) the closing price of the Shares as quoted on the Stock Exchange on the date of the Joint Announcement; and (b) the average closing prices of the Shares during the 5, 10 and 30 trading days up and including the date of the Joint Announcement;
- (ii) trading liquidity of the Shares had been thin during the Review Period (except in January and October 2025) and therefore prevailing market price of the Share may not necessarily reflect the proceeds which the Offer Shareholders can receive by disposal of the Shares, especially those with relatively sizeable shareholdings, in the open market given significant disposal of the Shares may result in downward pressure in the price of the Shares. However, the Share Offer Price has been substantially below the closing prices of the Shares during most of the time in the Review Period and the

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Share Offer Price still represented a deep discount of approximately 76.67% to the closing price of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date;

- (iii) the closing prices of the Shares have been generally on an uptrend during the Review Period due to the market reaction to (a) the financial performance and corporate actions of the Company in the Pre-Announcement Period; and (b) the change in controlling Shareholders of the Company and the Offers in the Post-Announcement Period as discussed in the paragraph headed “(v) The Share Offer Price and historical Share price performance” above; and
- (iv) the Offeror intends to continue the Group’s existing principal business and does not intend to introduce any major changes to the existing operations and business of the Group immediately after close of the Offers 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. Nevertheless, we believe that the Group’s healthcare products and supplements segment may be benefited given the work experiences in business of healthcare products of Dr. Zhou (being the indirect controlling Shareholder of the Company via his holding in the Offeror) particularly in the newly acquired Target Company. Therefore, the most recent Share prices, particularly during the Post-Announcement Period, may have already reflected the investors’ expectation to the Company’s business performance and future prospects,

we consider that the Offers (including the Offer Prices) are not fair and reasonable so far as the Offer Shareholders and the Offer Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Offer Shareholders and the Offer Optionholders not to accept the Offers.

We would like to remind the Offer Shareholders and the Offer Optionholders (for the Offer Optionholders, if they opt to exercise their rights under the Share Options to subscribe for the new Shares) that if they consider retaining their Shares or tendering less than all their Shares under the Share Offer should carefully consider the potential difficulties they may encounter in disposing their investments in the Shares after the close of the Share Offer in view of the historical low liquidity of the Shares and there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period. The Offer Optionholders are also reminded that in accordance with the 2020 Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers as detailed in the paragraph headed “9. VALIDITY OF THE SHARE OPTIONS UPON CLOSE OF THE OFFERS” set out in the Appendix I to the Composite Document.

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Those Offer Shareholders and Offer Optionholders (for the Offer Optionholders, if they opt to exercise their rights under the Share Options to subscribe for the new Shares) who intend to accept the Share Offers are reminded to closely monitor the market price and the liquidity of the Shares during the period when the Offers remains open for acceptance and should consider selling their Shares in the open market, instead of accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Share Offer after having regard to the market price and the liquidity of the Shares.

The Offer Shareholders and the Offer Optionholders are strongly advised that the decision to accept the Offers or to hold their investment in the Shares and/or the Share Option is subject to individual circumstances and investment objectives. The Offer Shareholders and the Offer Optionholders are also reminded to read carefully the procedures for accepting the Offers as detailed in the Composite Document, the appendices to the Composite Document and the relevant form of acceptance and transfer, if they wish to accept the Offers and to closely monitor to the business development of the Group according to the publications to be made by the Company, if any.

Yours faithfully,
For and on behalf of
Sorrento Capital Limited
Wesker Poon
Managing Director

Note: Mr. Wesker Poon is a responsible officer of type 6 (advising on corporate finance) regulated activity and has more than ten years of experience in corporate finance and investment banking. Mr. Wesker Poon has participated in and completed various advisory transactions in respect of the Takeovers Code.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited at 17/F, Far East Financial Centre, 16 Harcourt Road, Hong Kong, marked “Huakang Biomedical Holdings Company Limited – Share Offer” on the envelope as soon as possible but in any event so as to reach the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar; or

- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or Kingston Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when

completed in accordance with the instructions given should be provided to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) Acceptance of the Share Offer will be treated as valid only if the completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded that the acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (for example, grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) Seller's ad valorem stamp duty (rounded up to the nearest HK\$1) payable by the Shareholders who accept the Share Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Shareholders who accept the Share Offer and will

pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (h) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of the Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.

- (a) The duly completed and signed **PINK** Form of the Option Offer Acceptance should be forwarded, together with the relevant certificate(s) of the Share Options (and/or satisfactory indemnity or indemnities required in respect thereof) (if applicable) you intend to tender, stating the number of Share Options in respect of which you intend to accept the Option Offer, by post or by hand, in an envelope marked "Huakang Biomedical Holdings Company Limited – Option Offer" to the Company at Room B, 10 Floor, Connaught Harbourfront House, No. 35–36 Connaught Road West, Sheung Wan, Hong Kong as soon as possible and in any event so as to reach the Company by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.
- (b) If the certificate(s) in respect of your Share Options (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer, the **PINK** Form of the Option Offer Acceptance should nevertheless be completed, signed and delivered to the Company together with a letter stating that you have lost one or more of your Share Option certificate(s) (if applicable) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Company as soon as possible thereafter. If you have lost your Share Option certificate(s) (if applicable), you should also write to the Company requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Company.
- (c) No stamp duty will be deducted from the amount paid or payable to Offer Optionholders who accept the Option Offer.
- (d) No acknowledgment of receipt of any **PINK** Form(s) of the Option Offer Acceptance and/or certificate(s) of the Share Options (if applicable) will be given.

In making their decision, the Offer Optionholders must rely on their own examination of the Group and the terms of the Option Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, Dr. Zhou, parties acting in concert with any one of them, the Company, Kingston Securities, Kingston CF, Capital 9, Sorrento Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers. Offer Optionholders should consult their own professional advisers for professional advice.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offers has previously been revised or extended with the consent of the Executive, in accordance with the Takeovers Code, the Forms of Acceptance must be received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Forms of Acceptance, and the Offers will be closed on the Closing Date. The Offers are unconditional.
- (b) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating whether the Offers have been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Offers, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offers, to those Offer Shareholders or Offer Optionholders who have not accepted the Offers.
- (d) If the Offeror revises the terms of the Offers, all Offer Shareholders and Offer Optionholders, whether or not they have already accepted the Offers will be entitled to the revised terms. The revised Offers must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the Offers is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offers as so extended.

4. ANNOUNCEMENT

- (a) As required by Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offers. The Offeror must publish an announcement in accordance with the requirements of the Takeovers Code by 7:00 p.m. on the Closing Date stating whether the Offers have been extended, revised or has expired.

Such announcement must state the total number of Shares and rights over Shares:

- (i) for which acceptances of the Offers have been received;
- (ii) held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period;
- (iii) acquired or agreed to be acquired by the Offeror or parties acting in concert with it during the Offer Period.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold and the percentages of the relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that are completed and in good order, and which have been received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.
- (c) As required under the Takeovers Code and the GEM Listing Rules, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.huakangbiomedical.com).

5. NOMINEE REGISTRATION

To ensure equality of treatment to all Offer Shareholders, those registered Offer Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offers tendered by the Offer Shareholders and Offer Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in paragraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “4. Announcement” above, the Executive may, pursuant to Rule 19.2 of the Takeovers Code, require that the Offer Shareholders and Offer Optionholders who have tendered acceptances of the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements Rule 19 of the Takeovers Code are met.

In such case, if the Offer Shareholders and/or Offer Optionholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares and/or Share Options (as the case may be) lodged with the Form(s) of Acceptance to the relevant Offer Shareholder(s) or Offer Optionholders (as the case may be) at their own risk.

7. SETTLEMENT OF THE OFFERS**Share Offer**

Provided that the accompanying **WHITE** Form of the Share Offer Acceptance, together with the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/ or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Offer Shares are valid, complete and in good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Offer Shareholders in respect of the Offer Shares tendered under the Share Offer (less seller’s ad valorem stamp duty payable by him/her/it) will be despatched to such Offer Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Offer Shareholder is entitled under the Share Offer will be paid by the Offeror in full in accordance with the terms of the Share Offer (save in respect of the payment of seller (less seller's ad valorem stamp duty payable by him/her/it) set out in this Composite Document (including this Appendix) and the accompanying **WHITE** Form of the Share Offer Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to an Offer Shareholder who accept the Share Offer will be rounded up to the nearest cent.

Option Offer

Provided that the accompanying **PINK** Form of the Option Offer Acceptance, together with the relevant certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Share Options are valid, complete and in good order and have been received by the company secretary of the Company no later than 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the accepting Offer Optionholders in respect of the Share Options tendered under the Option Offer will be despatched to such Offer Optionholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt of all relevant documents to render such acceptance complete and valid by the Company in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Offer Optionholder is entitled under the Option Offer will be paid by the Offeror in full in accordance with the terms of the Option Offer set out in this Composite Document (including this appendix) and the accompanying **PINK** Form of the Option Offer Acceptance, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer Optionholder.

No fraction of a cent will be payable and the amount of consideration payable to an Offer Optionholder who accept the Option Offer will be rounded up to the nearest cent.

8. AVAILABILITY OF THE OFFERS

The availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Optionholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the sole responsibilities of the Overseas Shareholders and the Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which

may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Any acceptance of the Offers by any Overseas Shareholder and/or Overseas Optionholder will be deemed to constitute a representation and warranty from such Overseas Shareholder and/or Overseas Optionholder to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

9. VALIDITY OF THE SHARE OPTIONS UPON CLOSE OF THE OFFERS

By accepting the Option Offer, the Option Optionholders will agree to the cancellation of their tendered Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of this Composite Document. In accordance with the 2020 Share Option Scheme, the Share Options will lapse automatically (to the extent not exercised) upon the close of the Offers.

10. HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty will be payable by the Offer Shareholders on acceptances of the Share Offer calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror, in respect of the relevant acceptances of the Share Offer, whichever is higher, and the amount of such duty will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Offer Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the Option Offer.

11. GENERAL

- (a) All communications, notices, Forms of Acceptance, certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Offer Shareholders and the Offer Optionholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, Dr. Zhou and the parties acting in concert with any one of them, Kingston Securities, Kingston CF, Capital 9, Sorrento Capital, Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other

person involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof or in connection therewith.

- (b) Acceptance of the Share Offer by any Offer Shareholders will constitute a warranty by such person to the Offeror and Kingston Securities that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all encumbrances whatsoever 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 of this Composite Document.
- (c) Acceptance of the Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and Kingston Securities that the number of Offer Shares in respect of which it has indicated in the **WHITE** Form of the Share Offer Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who accept the Share Offer.
- (d) Acceptance of the Option Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and Kingston Securities that the number of Share Options in respect of which it has indicated in the **PINK** Form of the Option Offer Acceptance is the aggregate number of Share Options held by such nominee for such beneficial owners who accept the Option Offer.
- (e) Acceptance of the Offers by any person will be deemed to constitute a warranty by such person that such person is permitted under all applicable laws and regulations to receive and accept the Offers, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person will be responsible for any such issue, transfer and other applicable taxes or other governmental payments payable/ due by such persons.
- (f) All acceptances, instructions, authorities and undertakings given by the Offer Shareholders and the Offer Optionholders in the Forms of Acceptance shall be irrevocable, except as permitted under the Takeovers Code.
- (g) The provisions set out in the Forms of Acceptance form part of the terms and conditions of the Offers.
- (h) The accidental omission to despatch this Composite Document and/or the accompanying Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (i) The Offers are and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

- (j) Due execution of the Forms of Acceptance will constitute an authority to the Offeror and/or Kingston Securities and/or such person or persons as any of them may direct, to complete and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror and/or such person or persons as it may direct the Offer Shares and Share Options in respect of which such person or persons has accepted the Offers.
- (k) These Offers is made in accordance with the Takeovers Code.
- (l) In making their decision, the Offer Shareholders and Offer Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Offeror, Dr. Zhou and parties acting in concert with any one of them, Kingston Securities, Kingston CF, Capital 9, Sorrento Capital, the Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offers. The Offer Shareholders and the Offer Optionholders should consult their own professional advisers for professional advice.
- (m) This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offers in Hong Kong and the operating rules of the Stock Exchange.
- (n) Reference to the Offers in this Composite Document and in the Forms of Acceptance shall include any extension or revision thereof.
- (o) The English texts of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of (i) the audited financial results of the Group for each of three years ended 31 December 2024 as extracted from the published annual reports of the Company; and (ii) the unaudited consolidated interim financial results of the Group for the six months ended 30 June 2024 and the six months ended 30 June 2025, respectively as extracted from the published interim report of the Company for the six months ended 30 June 2025.

Results

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	25,330	24,629	25,359	11,918	12,329
Cost of sales	(8,416)	(8,536)	(8,287)	(3,929)	(3,913)
Gross profit	16,914	16,093	17,072	7,989	8,416
Other income	884	734	698	318	231
Other gains and losses	860	251	241	181	(147)
Selling and distribution expenses	(8,951)	(8,617)	(8,526)	(3,901)	(3,520)
Administrative expenses	(9,803)	(9,874)	(10,766)	(4,258)	(5,174)
Research and development expenses	(2,483)	(2,553)	(2,825)	(1,998)	(1,839)
Provision for impairment losses on trade receivables, net	(373)	(1,414)	(94)	(60)	(381)
Reversal of (Provision for) impairment losses on loan and loan interest receivables and refundable consideration paid	–	(349)	128	–	113
Finance costs	(55)	(53)	(86)	(50)	(68)
Loss before tax	(3,007)	(5,782)	(4,158)	(1,779)	(2,369)
Income tax expense	(68)	–	–	–	–
(Loss)/profit for the year/period attributable to owners of the Company	(3,075)	(5,782)	(4,158)	(1,779)	(2,369)

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Other comprehensive loss:					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange difference on consolidation	(411)	(190)	(307)	(236)	350
Total comprehensive (loss)/ income for the year/period attributable to owners of the Company	(3,486)	(5,972)	(4,465)	(2,015)	(2,019)
Loss per share attributable to owners of the Company					
Basic and diluted (<i>RMB cents</i>)	(0.76)	(1.39)	(0.86)	(0.38)	(0.47)

The auditors of the Company for the three financial years ended 31 December 2024 were Forvis Mazars CPA Limited (formerly known as Mazars CPA Limited). The auditors' reports issued by Forvis Mazars CPA Limited in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2024 did not contain any qualified or modified opinion, emphasis of matter or material uncertainty related to going concern.

The Company did not record any non-controlling interests for each of the three years ended 31 December 2024, as well as each of the six months ended 30 June 2024 and the six months ended 30 June 2025.

No dividends had been distributed by the Company during each of the three years ended 31 December 2024, respectively, as well as each of the six months ended 30 June 2024 and the six months ended 30 June 2025.

Save for disclosed above, there were no items of income or expenses which are material in respect of the audited consolidated financial statements of the Group for each of the three years ended 31 December 2024, and the unaudited consolidated financial statements of the Group for each of the six months ended 30 June 2024 and the six months ended 30 June 2025.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Group for each of the years ended 31 December 2022 (the “**2022 Financial Statements**”), 2023 (the “**2023 Financial Statements**”) and 2024 (the “**2024 Financial Statements**”), respectively, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 (the “**2025 Interim Financial Statements**”), together with the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements are set out from page 110 to page 235 in the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 24 March 2023. The 2022 Annual Report is posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.huakangbiomedical.com), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0331/2023033102133.pdf>

The 2023 Financial Statements are set out from page 113 to page 243 in the annual report of the Company for the year ended 31 December 2023 (the “**2023 Annual Report**”), which was published on 28 March 2024. The 2023 Annual Report is posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.huakangbiomedical.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0429/2024042904293.pdf>

The 2024 Financial Statements are set out from page 115 to page 247 in the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”), which was published on 28 March 2025. The 2024 Annual Report is posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.huakangbiomedical.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0430/2025043002693.pdf>

The 2025 Interim Financial Statements are set out from page 25 to page 48 of the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”). The 2025 Interim Report is posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.huakangbiomedical.com>), and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0821/2025082100007.pdf>

3. INDEBTEDNESS

At the close of business on 30 September 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this Composite Document, the indebtedness of the Group was as set out below.

- (a) the Group had unsecured borrowings of approximately RMB3,670,000 (equivalent to HK\$4,000,000); and
- (b) the Group had lease liabilities of approximately RMB985,000. As a lessee, the Group recognised lease liabilities to make lease payments and right-of use assets representing the right to use the underlying assets.

Contingent liabilities

As at 30 September 2025, the Group did not have any material contingent liabilities.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 30 September 2025, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

There has been no material change in indebtedness or contingent liabilities of the Group since 30 September 2025 and up to the Latest Practicable Date.

4. MATERIAL CHANGE

Save for the followings, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group subsequent to 31 December 2024, the date to which the latest audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

1. As disclosed in the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”), the unaudited loss for the period attributable to owners of the Company increased by approximately 33.2% to approximately RMB2.4 million for the six months ended 30 June 2025 from approximately RMB1.8 million for the same period in 2024 is mainly due to the increase in administrative expenses of the Group by approximately 21.5% from approximately RMB4.3 million for the six months ended 30 June 2024 to approximately RMB5.2 million for the six months ended 30 June 2025 mainly due to professional fee payable to lawyers of

approximately RMB0.2 million incurred for the acquisition of 湖南可悦生物科技有限公司 (transliterated as Hunan Keyue Biotechnology Company Limited for identification purposes, the “**Target Company**”) and increase in staff cost of approximately RMB0.2 million.

2. As disclosed in the 2025 Interim Report, the unaudited net assets of the Group decreased from approximately RMB54.0 million as at 31 December 2024 to approximately RMB52.0 million as at 30 June 2025 mainly due to draw-down of unsecured interest bearing loans in the amount of approximately RMB2.3 million from a licensed money lender during the period. Pursuant to the relevant loan agreements and according to the indebtedness statement of the Group in appendix II to the Composite Document, the total loan was HK\$4.0 million (or approximately RMB3.7 million) as at 30 September 2025.
3. As disclosed in the announcements of the Company dated 16 April 2025, 30 April 2025 and 26 June 2025 (the “**Acquisition Announcements**”), the Company acquired 91% equity interests in the Target Company which together with its subsidiary are principally engaged in the research and development and sales of women’s health products. After completion of the acquisition on 26 June 2025, assets, liabilities and financial results of the Target Company have been consolidated to the Group and the total number of employees of the Group was increased by approximately 20% as compared with the number as at 31 December 2024. Further details are set out in the Acquisition Announcements.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the 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 this 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 this Composite Document, the omission of which would make any statements contained in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

HK\$

Authorised share capital:

1,000,000,000 Shares of HK\$0.01 each	<u>10,000,000</u>
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Issued and fully paid share capital:

500,472,000 Shares of HK\$0.01 each	<u>5,004,720</u>
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All of the Shares currently in issue are fully paid up and rank *pari passu* in all respects with each other, including all rights in respect of return of capital, dividends and voting.

The issued Shares are listed on GEM of the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on, any other stock exchange.

Since 31 December 2024 (being the date to which the latest audited financial statements of the Group were made up), no Shares had been issued by the Company.

As at the Latest Practicable Date, save for the Share Options granted by the Company pursuant to the 2020 Share Option Scheme, under which 19,504,000 Share Options remained outstanding (which confer rights to subscribe for 19,504,000 new Shares with an exercise price of HK\$0.125 per Share Option), the Company had no outstanding convertible securities, options, warrants, derivatives or any other conversion rights in issue affecting the Shares. Other than the outstanding Share Options, there were no options, derivatives, warrants or other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

3. DISCLOSURE OF INTERESTS

(i) Interests and short positions of the Directors and chief executive

As at the Latest Practicable Date, the following Directors had, or were deemed to have, interests and short positions in the Shares, underlying Shares and debentures of the Company or shares, underlying shares and debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or (iii) required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rule, to be notified to the Company and the Stock Exchange, or (iv) required to be disclosed under the Takeovers Code:

Long Positions in the Shares and the underlying Shares

Shares held by Directors

Name of Director	Capacity	Approximate percentage of total issued Shares of the Company	
		Number of underlying Shares held	(Note)
Mr. Poon Lai Yin Michael	Beneficial owner	4,000,000	0.80%

Note: As at the Latest Practicable Date, the total number of issued Shares of the Company was 500,472,000 Shares.

Share Options granted by the Company

Name of Director	Capacity	Number of underlying Shares held pursuant to the Share Options	Approximate percentage of total issued Shares of the Company (Note)
Mr. Zhang Chunguang	Beneficial owner	4,000,000	0.80%

Note: As at the Latest Practicable Date, the total number of issued Shares of the Company was 500,472,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had, or were deemed to have, any interests or short positions in the Shares, underlying Shares and debentures of the Company or shares, underlying shares and debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO), which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or (iii) required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rule, to be notified to the Company and the Stock Exchange, or (iv) required to be disclosed under the Takeovers Code.

(ii) Interests and short positions of substantial Shareholders

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long Positions in the Shares

Name	Capacity	Total number of Shares held	Approximate percentage of total issued Shares of the Company (Note 1)
The Offeror	Beneficial owner	259,424,000	51.84%
Dr. Zhou (Note 2)	Interest in controlled corporation	259,424,000	51.84%

Notes:

1. As at the Latest Practicable Date, the total number of issued Shares of the Company was 500,472,000 Shares.
2. As at the Latest Practicable Date, the Offeror was directly wholly-owned by Dr. Zhou. Therefore, Dr. Zhou was deemed to be interested in 259,424,000 Shares held by the Offeror under the SFO as at the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed above, the Directors and the chief executive of the Company were not aware of any other persons or entities (other than the Directors or chief executives of the Company) who had interests or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group.

4. INTERESTS IN THE COMPANY AND THE OFFEROR AND ARRANGEMENTS IN CONNECTION WITH THE OFFERS

The Company confirms that:

- (a) save as disclosed in the section headed “3. DISCLOSURE OF INTERESTS – (i) Interests and short positions in the securities of the Company and its associated corporations of the Directors and chief executive” in this appendix, none of the Directors or companies owned or controlled by them had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares or other types of equity interest in the Company during the Relevant Period;
- (b) none of the Company nor any of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror, and no such person had dealt in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror during the Relevant Period;
- (c) none of the subsidiaries of the Company or pension fund of the Company or of a subsidiary of the Company or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or an associate of the Company by virtue of class (2) of the definition of “associate” in the Takeovers Code owned or controlled any Shares, convertible securities, warrants, options or derivatives of the Company, and no such person had dealt in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period;
- (d) no persons had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code, and no such person had dealt in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period;
- (e) no Shares, convertible securities, warrants, options or derivatives of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers, if any) connected with the Company, and no such person had dealt in the Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period;

- (f) save as disclosed in the section headed “3. DISCLOSURE OF INTERESTS – (i) Interests and short positions in the securities of the Company and its associated corporations of the Directors and chief executive” in this appendix, none of the Directors was interested in any shares of the Company or any convertible securities, warrants, options or derivatives in respect of any shares of the Company;
- (g) save as disclosed in the section headed “3. DISCLOSURE OF INTERESTS – (i) Interests and short positions in the securities of the Company and its associated corporations of the Directors and chief executive” in this appendix, no Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offers. Mr. Poon Lai Yin Michael, an executive Director, has indicated not to accept the Share Offer in respect of the 4,000,000 Shares (representing approximately 0.80% of the total issued Shares as at the Latest Practicable Date) held by him. Mr. Zhang Chunguang, an executive Director, has indicated not to accept the Option Offer in respect of the 4,000,000 Share Options (representing approximately 0.80% of the total issued Shares as at the Latest Practicable Date) held by him;
- (h) none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares;
- (i) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offers;
- (j) save for and except the proposed changes to the Board composition as set out in the Section headed “Proposed change to the Board composition of the Company” in the “Letter from Kingston Securities” in this Composite Document, there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers;
- (k) there was no material contracts entered into by the Offeror in which any Director has a material personal interest; and
- (i) as at the Latest Practicable Date, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (1) any Shareholder; and (2) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

5. SERVICE CONTRACTS AND LETTERS OF APPOINTMENT WITH DIRECTORS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any member of the Group or the associated companies of the Company in force which:

- (i) (including both continuous and fixed term contracts) have been entered into or amended within six months before the commencement of the Offer Period;
- (ii) were continuous contracts with a notice period of 12 months or more; or
- (iii) were fixed term contracts with more than 12 months to run irrespective of the notice period.

6. QUALIFICATIONS AND CONSENTS OF EXPERT

In addition to the Offeror's experts listed in the section headed "5. Qualifications and consents of experts" in Appendix IV to this Composite Document, the following are the qualifications of the experts who have given opinions or advice which are contained or referred to in this Composite Document:

Name	Qualifications
Sorrento Capital	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the Independent Financial Advisers to the Independent Board Committee in connection with the Offers

As at the Latest Practicable Date, Sorrento Capital did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interest in any assets which had been, since 31 December 2024, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Sorrento Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

7. SERVICE CONTRACTS AND LETTERS OF APPOINTMENT WITH DIRECTORS

As at the Latest Practicable Date, save as disclosed below, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed term contracts with more than 12 months to run irrespective of the notice period:

Director	Commencement date of the service contract/letter of appointment	Expiry date of the service contract/letter of appointment	Amount of fixed	Amount of variable
			annual remuneration/fee payable under the service contract/letter of appointment	remuneration (e.g. commission on profit) payable under the service contract/letter of appointment
Ms. Zhang Yujing	16 April 2025	15 April 2028	HK\$240,000	–
Ms. Wang Yachun	30 June 2025	29 June 2028	HK\$120,000	–

8. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company and its subsidiaries was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors are aware, no litigation or claims of material importance was pending or threatened by or against the Company or any other member of the Group.

9. MATERIAL CONTRACTS

Save as disclosed below, there were no contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group) which have been entered into by any members of the Group within the two years immediately preceding the date of commencement of the Offer Period up to and including the Latest Practicable Date, which are or may be material:

- (i) the placing agreement dated 8 January 2024 entered into between the Company and Cheong Lee Securities Limited, as a placing agent in relation to the conditional placement of up to 82,000,000 Shares, on a best-effort basis, to not less than six independent placees at the placing price of HK\$0.105 per Share;

- (ii) the placing agreement dated 9 February 2024 entered into between the Company and Cheong Lee Securities Limited, as a placing agent, in relation to the conditional placement of up to 62,000,000 Shares, on a best-effort basis, to not less than six independent placees at the placing price of HK\$0.096 per Share (“**Feb 2024 Placing Agreement**”);
- (iii) the supplemental placing agreement dated 5 March 2024 entered into between the Company and Cheong Lee Securities Limited, as a placing agent, to the Feb 2024 Placing Agreement, pursuant to which the parties agreed to: (i) revise the placing price to HK\$0.104 per Share; and (ii) extend the long stop date from 5 March 2024 to 26 March 2024;
- (iv) the repayment agreement dated 21 March 2024 entered into between Shenzhen Huakang Bio-Medical Engineering Limited* (深圳華康生物醫學工程有限公司), an indirect wholly-owned subsidiary of the Company, Shenzhen Maxson Technology Development Company Limited* (深圳市美丞科技發展有限公司) and Hainan Jinnuosai Medical Technology Company Limited* (海南金諾賽醫療科技有限公司) in relation to the repayment arrangement for the amounts owed to Shenzhen Huakang Bio-Medical Engineering Limited* (深圳華康生物醫學工程有限公司), namely: (i) the sum of RMB1,900,000 by Shenzhen Maxson Technology Development Company Limited* (深圳市美丞科技發展有限公司) as at 21 March 2024; and (ii) the sum of RMB3,800,000 plus interest by Hainan Jinnuosai Medical Technology Company Limited* (海南金諾賽醫療科技有限公司) as at 21 March 2024;
- (v) the placing agreement dated 2 April 2024 entered into between the Company and Cheong Lee Securities Limited, as a placing agent in relation to the conditional placement of up to 31,000,000 Shares, on a best-effort basis, to not less than six independent placees at the placing price of HK\$0.097 per Share;
- (vi) the placing agreement dated 31 December 2024 entered into between the Company and Cheong Lee Securities Limited, as a placing agent in relation to the conditional placement of up to 100,000,000 Shares, on a best-effort basis, to not less than six independent placees at the placing price of HK\$0.126 per Share; and
- (vii) the sale and purchase agreement dated 16 April 2025 entered into between Suqian Pannuo Technology Co., Ltd.* (宿遷市磐諾科技有限公司), an indirect wholly-owned subsidiary of the Company, as the purchaser, Nanjing Hezhen Holding Group Co., Ltd.* (南京和臻控股集團有限公司), Beijing Bapu International Medical Research Institute* (北京巴普國際醫學研究院) and Changsha Kerong Health Technology Co., Ltd.* (長沙可容健康科技股份有限公司) as the vendors, Hunan Keyue Biotechnology Co., Ltd.* (湖南可悅生物科技股份有限公司) as the target company and Dr. Xu Ming in relation to the sale and purchase of the 91% of the registered capital of Hunan Keyue Biotechnology Co., Ltd.* (湖南可悅生物科技股份有限公司) at a total consideration of RMB317,697.23 (equivalent to approximately HK\$336,759.06).

* For identification only

10. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) the registered office of the Company is Cricket Square Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) the principal place of business in Hong Kong of the Company is Room B, 10 Floor, Connaught Harbourfront House, No. 35–36 Connaught Road West, Sheung Wan, Hong Kong.
- (c) the branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) the registered office of Sorrento Capital Limited, the Independent Financial Adviser, is at Room 1208, 12/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong.
- (e) the Group has been liaising with 深圳市君軒生物技術有限公司 (transliterated as Shenzhen Junxuan Biological Technology Co., Ltd. for identification purposes, “**Shenzhen Junxuan**”) (as landlord) for the renewal of the tenancy agreement for its existing production plant which will expire on 31 December 2025. Shenzhen Junxuan is a related company controlled by Mr. Zhang Shugang, a former executive Director and an Offer Optionholder. As at the Latest Practicable Date, no agreement was entered for the extension of the tenancy. Therefore, the continuation of the Group’s operation at its existing production plant may be subject to uncertainty if the aforesaid tenancy is not extended.

The English texts of this Composite Document and the Forms of Acceptance shall prevail over the Chinese texts, in case of any inconsistency.

11. DOCUMENTS ON DISPLAY

In addition to the documents relating to the Offeror as set out in the section headed “7. Documents on display” of Appendix IV to this Composite Document, copies of the following documents are available for on display (1) on the website of the Company at www.huakangbiomedical.com; and (2) on the website of the SFC at www.sfc.hk from the date of this Composite Document onwards for so long as the Offers remain open for acceptance:

- (a) the amended and restated memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and the interim report of the Company for the six months ended 30 June 2025;

- (c) the “Letter from the Board”, the text of which is set out in this Composite Document;
- (d) the “Letter from the Independent Board Committee”, the text of which is set out in this Composite Document;
- (e) the “Letter from the Independent Financial Adviser”, the text of which is set out in this Composite Document;
- (f) the written consent referred to in the paragraph headed “6. Qualifications and consents of expert” in this appendix;
- (g) the Directors’ letters of appointment referred to in the paragraph headed “7. Service contracts and letters of appointment with Directors” in this appendix;
- (h) each material contract referred to in the section headed “9. Material contracts” of this appendix; and
- (i) this Composite Document and the accompanying Forms of Acceptance.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror and Dr. Zhou jointly and severally accept full responsibility for the accuracy of information contained in this Composite Document (other than those relating to the Vendor and the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the Offeror, Dr. Zhou and parties acting in concert with any one of them were in aggregate interested in a total of 259,424,000 Shares, representing approximately 51.84% of the total issued share capital of the Company. Save for the aforesaid, as at the Latest Practicable Date, the Offeror, Dr. Zhou and parties acting in concert with any one of them did not hold, own, have control or direction over any voting rights or rights over the Shares, convertible securities, warrants, options of the Company or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

3. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS

The Offeror confirms that, as at the Latest Practicable Date:

- (i) save for the Sale Shares and the 120,752,000 Shares acquired by the Offeror at HK\$0.126 per Share on 1 September 2025 pursuant to the First Sale and Purchase Agreement, amounting to an aggregate of HK\$15,214,752.00 prior to Completion, none of the Offeror, Dr. Zhou or parties acting in concert with any one of them had dealt for value in any Shares, convertible securities, warrants, options of the Company or any derivatives in respect of such securities of the Company during the Relevant Period. The Sale and Purchase Agreement and the First Sale and Purchase Agreement are not related to each other;
- (ii) save for (a) the Sale and Purchase Agreement entered into and executed by the Vendor, who (1) had no shareholding interest in the Company as at the Latest Practicable Date; and (2) had not dealt for value in the Shares, convertible securities, warrants, options of the Company or any derivatives in respect of such derivatives of the Company (save for the disposal of the 138,672,000 Shares to the Offeror under the Sale and Purchase Agreement at the consideration of HK\$0.126 per Sale Share) during the Relevant Period; and (b) the First Sale and Purchase Agreement entered into and executed by Mr. Yu Chi Mau, who (1) had no shareholding interest in the Company as at the Latest Practicable Date; and (2) had not dealt for value in the Shares, convertible securities, warrants, options of the Company or any derivatives in respect of such derivatives of the Company (save for the disposal of the 120,752,000 Shares to the Offeror under the Sale and Purchase Agreement at the consideration of

HK\$0.126 per Share) during the Relevant Period; and (c) the Facility Agreement entered into by Kingston Securities, who (1) had no shareholding interests in the Company as at the Latest Practicable Date; and (2) had not dealt for value in the Shares, convertible securities, warrants, options of the Company or any derivatives in respect of such derivatives of the Company during the Relevant Period, there were no other arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code entered into between the Offeror, Dr. Zhou or parties acting in concert with any one of them;

- (iii) save for the Sale and Purchase Agreement and the First Sale and Purchase Agreement, there was no agreement or arrangement to which any of the Offeror, Dr. Zhou or parties acting in concert with any one of them was a party which related to circumstances in which the Offeror might or might not invoke or seek to invoke a condition to the Offers;
- (iv) neither the Offeror, Dr. Zhou or parties acting in concert with any one of them had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (v) there were no persons who, prior to the posting of this Composite Document, had irrevocably committed themselves to accept or reject the Offers;
- (vi) there was no agreement or arrangement in relation to outstanding derivative in respect of the securities in the Company which had been entered into by the Offeror, Dr. Zhou or parties acting in concert with any one of them;
- (vii) save for (a) the consideration for the Sale Shares paid by the Offeror to the Vendor under the Sale and Purchase Agreement; and (b) the consideration for the 120,752,000 Shares paid by the Offeror to an Independent Third Party under the First Sale and Purchase Agreement, there was no other consideration, compensation or benefits in whatever form (other than statutory compensation required under the applicable laws) paid or to be paid by the Offeror, Dr. Zhou or parties acting in concert with any one of them to the Vendor, the vendor of the First Sale and Purchase Agreement and parties acting in concert with any one of them in connection with the sale and purchase of the Sale Shares under the Sale and Purchase Agreement, the sale and purchase of 120,752,000 Shares under the First Sale and Purchase Agreement or loss of office or otherwise in connection with the Offers;
- (viii) no benefit will be given to any Director as compensation for loss of office or otherwise in connection with the Offers;

- (ix) save for the Sale and Purchase Agreement and the First Sale and Purchase Agreement, there was no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between the Vendor, the vendor of the First Sale and Purchase Agreement or parties acting in concert with any one of them on one hand, and the Offeror, Dr. Zhou or parties acting in concert with any one of them on the other hand;
- (x) save for the Sale and Purchase Agreement and the First Sale and Purchase Agreement, there was no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) the Offeror, Dr. Zhou and parties acting in concert with any one of them;
- (xi) save for the Sale and Purchase Agreement and the First Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) existed between any of the Offeror, Dr. Zhou and parties acting in concert with any one of them and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offers;
- (xii) save as pursuant to the Facility Agreement entered into by Kingston Securities, there was no agreement, arrangement or understanding existed whereby any securities acquired in pursuance of the Offers or the Sale Shares would be transferred, charged or pledged to any other persons;
- (xiii) no Shares or any convertible securities, warrants, options or derivatives in respect of such securities of the Company was managed on a discretionary basis by fund managers (other than exempt fund managers) (if any) connected with any of the Offeror, Dr. Zhou or parties acting in concert with any one of them, and no such person had dealt for value in the Shares or any convertible securities, warrants, options or derivatives in respect of such securities of the Company during the Relevant Period; and
- (xiv) save for the Sale and Purchase Agreement, the First Sale and Purchase Agreement and the Facility Agreement, there were no other arrangements (whether by way of option, indemnity or otherwise) of any kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between the Offeror, Dr. Zhou or any persons acting in concert with any one of them and any other person.

The Company confirmed that as at the Latest Practicable Date, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between (1) any Shareholder; and (2) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

4. MARKET PRICES

The table below shows the closing prices of the Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during Relevant Period; (ii) the date of the Joint Announcement; and (iii) the Latest Practicable Date:

Date	Closing price <i>HK\$</i>
30 April 2025	0.36
30 May 2025	0.425
30 June 2025	0.395
31 July 2025	0.37
29 August 2025	0.39
30 September 2025	0.40
9 October 2025 (being the date of the Joint Announcement)	0.395
31 October 2025	0.55
18 November 2025 (being the Latest Practicable Date)	0.54

During the Relevant Period, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange were HK\$0.70 per Share on 30 October 2025 and HK\$0.295 per Share on 9 April 2025, 10 April 2025, 11 April 2025, 14 April 2025 and 16 April 2025.

5. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained or referred to in this Composite Document:

Name	Qualification
Kingston Securities	a corporation licensed by the SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offers for and on behalf of the Offeror
Kingston CF	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to the Offeror in connection with the Offers
Capital 9	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the Joint Financial Advisers to the Offeror in connection with the Offers

Each of the above experts has given and has not withdrawn their respective written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

6. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) the Offeror was incorporated in the British Virgin Islands with limited liability on 15 May 2025. The Offeror was directly wholly-owned by Dr. Zhou. The sole director of the Offeror was Dr. Zhou;
- (b) the registered office of the Offeror is situated at Sea Meadow House, Blackburne Highway, P.O. Box 116, Road Town, Tortola, British Virgin Islands;
- (c) the correspondence address of the Offeror and Dr. Zhou, being the sole director of the Offeror in the PRC is at Room 201, No. 20 Xinqiao Road, Haian Town, Haian County, Jiangsu Province, the PRC, and the correspondence address of the Offeror and Dr. Zhou, being the sole director of the Offeror in Hong Kong is c/o Howse Williams, 27 /F, Alexandra House, 18 Chater Road, Central, Hong Kong;
- (d) the main business address of Kingston Securities is situated at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong;
- (e) the main business address of Kingston CF is situated at 72/F, The Center, 99 Queen's Road Central, Central, Hong Kong
- (f) the registered office of Capital 9 is situated at Room 1219, 12/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong; and
- (h) the English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of (i) the Company (www.huakangbiomedical.com); and (ii) the SFC (www.sfc.hk) from the date of this Composite Document up to and including the Closing Date or the date on which the Offers lapse or are withdrawn (whichever is earlier):

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Kingston Securities, the text of which is set out in this Composite Document;

- (c) the written consents referred to under the paragraph headed “5. Qualifications and Consents of Experts” in this appendix;
- (d) the Sale and Purchase Agreement;
- (e) the First Sale and Purchase Agreement; and
- (f) the Facility Agreement.