華富建業企業融資有限公司
QUAM CAPITAL LIMITED
於香港註冊成立之有限公司 Incorporated in Hong Kong with limited liability

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5 December 2025

To the Directors

Edding Group Company Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Dear Sirs or Madam,

VALUATION OF 100% EQUITY INTEREST IN EDDING GROUP COMPANY LIMITED AND ITS SUBSIDIARIES

As per your instructions, we have carried out a valuation on behalf of Edding Group Company Limited (the "**Target Company**") to determine the fair value of 100% equity interest in the Target Company and its subsidiaries (together referred to as the "**Target Group**") as of 30 November 2025 (the "**Valuation Date**") in connection with the proposed merger involving the Target Company as set out in the circular of Genor Biopharma Holdings Limited dated 5 December 2025 (the "**Circular**").

Capitalised terms used in this report shall have the same meanings as defined in the Circular unless the context requires otherwise. The valuation and findings in this report will only be applied to the aforementioned purpose.

1. BASIS OF VALUATION

We conducted our valuation research using a fair value basis, which is defined by the Hong Kong Financial Reporting Standard as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price)".

Our valuation was conducted in compliance with Rule 11 of the Takeovers Code and the International Valuation Standards issued by the International Valuation Standards Council. We carried out our valuation after gathering all the information relating to the Target Group that we considered necessary to give us sufficient evidence to support our opinions. The valuation report contains all of the information necessary to properly comprehend the valuation. Our valuation report's opinion on value is impartial, independent, and unbiased. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

Oaklins
MEMBER FIRM
Global Alliance
PARTNERS

2. SOURCES OF INFORMATION

To perform our valuation of the fair value of 100% equity interest in the Target Group, we have considered, among other things:

- the Circular;
- the audited financial information of the Target Group for the years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025;
- publicly available information of comparable companies;
- financial information obtained from Bloomberg Terminal™; and
- other publicly available information relating to the valuation.

We have relied to a considerable extent on information provided by the management of the Target Company (the "**Management**") in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the fair value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. In the implementation of the valuation, we adhere to the principles of independence, objectivity and fairness. According to the information we collected during the course of valuation, the contents of the valuation report are objective. The evaluation conclusion should not be regarded as any guarantee for the valuation object's achievable price.

3. BACKGROUND OF THE TARGET GROUP

The Target Group is an integrated specialty biopharmaceutical company. Through acquisition of branded drug assets from MNCs and licensing in development and commercialisation rights of innovative patented drugs from global biopharmaceutical companies, the Target Group has established a competitive portfolio of originator-branded drugs and innovative drugs with market potential. In over 20 years of operations, the Target Group has successfully brought multiple innovative drugs to market in China, reflecting its strong clinical development and management capabilities. Moreover, the Target Group has demonstrated high-quality manufacturing, supply chain management, technology transfer and quality control systems through operating the production facilities and management systems transferred from MNCs in its historical asset acquisitions.

According to the accountants' report of the Target Group contained in the Circular, the key financial information of the Target Group for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 are set out below:

	For the year ended 31 December			For the six months ended 30 June	
	2022	**2023**	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(audited)*
Revenue	2,073,754	2,303,788	2,546,044	1,373,322	1,135,542
Profit for the year/period	306,345	308,019	387,886	272,013	114,566

	As at 31 December			As at 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*	*(audited)*
Total assets	5,061,480	5,145,108	5,440,031	5,769,421
Total liabilities	3,148,973	3,180,233	3,030,469	3,214,487
Net assets	1,912,507	1,964,875	2,409,562	2,554,934

4. VALUATION METHODOLOGY

There are generally three accepted approaches to obtain the fair value of 100% equity interest in the Target Group, namely the market approach, the income approach and the asset based approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together.

4.1. Market approach

The market approach values a business entity by comparing prices at which other business entities of a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. The market approach comprises two methods, namely the guideline public company method and the guideline transaction method.

The guideline public company method focuses on analysing the data and valuation multiples of companies that can be considered comparable to those being valued. Adjustments are made to the comparable companies to compensate for differences between those companies and the subject company. Finally, appropriate valuation multiples are applied to the subject company's normalised financial data to arrive at an indication of the value of the subject company.

The guideline transaction method measures value based on what other purchasers in the market have paid for companies that can be considered reasonably similar to those being valued. When the guideline transaction method is utilised, data are collected on the prices paid for reasonably comparable companies. Adjustments are made to the comparable companies to compensate for differences between those companies and the subject company being valued. The application of the guideline transaction method results in an estimate of the price reasonably expected to be realised from the sale of the subject company.

4.2. Income approach

The income approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the income approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realising those benefits.

Alternatively, this present value can be calculated by capitalising the economic benefits to be received in the next period at an appropriate capitalisation rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

4.3. Asset based approach

The asset based approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and is equal to the value of its invested capital. In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed. This money comes from investors who buy stocks of the business entity and investors who lend money to the business entity. After collecting the total amounts of money from equity and debt and converted into various types of assets of the business entity for its operation, their sum equals the value of the business entity.

4.4. Selection of valuation methodology

The selection of a valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, we consider that the market approach is the optimal approach and therefore adopted for this valuation. We consider that asset based approach is not considered applicable to the valuation of the Target Group as it does not capture future earning potential of the business. Also, we consider that income approach is inappropriate as it requires detailed financial forecast of the Target Group, which involves adoption of much more subjective assumptions than the other two approaches, not all of which can be easily quantified or ascertained.

Under the market approach, since there are sufficient public companies in similar nature and business to that of the Target Group, we consider that the guideline public company method is appropriate for valuing 100% equity interest in the Target Group and therefore adopted in this valuation.

5. MAJOR ASSUMPTIONS

In determining the fair value of 100% equity interest in the Target Group, the following principal assumptions have been adopted:

- the information provided has been prepared on a reasonable basis after due and careful consideration by the Management;
- all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operate or intend to operate would be officially obtained and renewable upon expiry;
- there will be no major changes in the political, legal, economic, or financial conditions in the localities in which the Target Company operate or intend to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;
- there will be no major change in the current taxation laws in the localities in which the Target Company operate or intend to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;
- the core business operation of the Target Company will not differ materially from those of present or expected; and
- the information regarding the Target Company provided by the Management is true and accurate.

6. MARKET APPROACH

6.1. Selection criteria for comparable companies

In the valuation, we have identified an exhaustive list of five comparable companies (the "**Comparable Companies**") based on the following criteria:

- they engage in similar principal business as the Target Company, being biopharmaceutical business;
- they mainly operates in Chinese mainland;
- they have positive earnings as at the Valuation Date; and
- they are listed on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with financial information publicly available.

6.2. Selection of valuation multiples

In this valuation exercise, we have considered various commonly used value multiples, including (i) price-to-earnings ("**P/E**"); (ii) price-to-sales ("**P/S**"); and (iii) price-to-book ("**P/B**") multiples. P/S multiple is commonly used in the valuation of start-up enterprises and it ignores the cost structure of a company and the profitability of a company, and therefore, we consider that P/S multiple is not applicable to this valuation exercise. P/B multiple is usually adopted in the valuation of asset-intensive companies but it also does not take into consideration of the profitability of a company. Therefore, P/B multiple is not adopted neither. We consider P/E multiple as an appropriate multiple and therefore has been adopted in this valuation given that P/E multiple is suitable for valuation of profit-making business and earnings is one of the most direct drivers of equity value.

The P/E multiples of the Comparable Companies were arrived at based on the market capitalisation and latest 12 months earnings attributable to shareholders available as at the Valuation Date. Details of the Comparable Companies are as follows:

Company name	Stock code	Business description	P/E multiple
CSPC Pharmaceutical Group Ltd.	1093 HK	CSPC Pharmaceutical Group Ltd. is an innovation-driven pharmaceutical enterprise in China integrating R&D, manufacture and sale capabilities, involving therapeutic areas like oncology, anti-infectives, psychiatry and neurology, cardiovascular, and respiratory system.	21.9

Company name	Stock code	Business description	P/E multiple
Sino Biopharmaceutical Limited	1177 HK	Sino Biopharmaceutical Limited is an innovative R&D-driven pharmaceutical company in China, with an integrated industrial chain covering R&D, production and sales of biopharmaceutical and chemical medicines in therapeutic areas such as oncology, liver diseases, respiratory diseases and surgery/analgesia.	31.7
Hansoh Pharmaceutical Group Company Ltd.	3692 HK	Hansoh Pharmaceutical Group Company Ltd. is an innovation-driven pharmaceutical enterprise in China, principally engaged in the R&D, production and sales of pharmaceutical products, focusing on therapeutic areas such as oncology, anti-infectives, CNS, metabolism and autoimmunity.	47.2
China Medical System Holdings Ltd	867 HK	China Medical System Holdings Ltd. is a platform company linking pharmaceutical innovation and commercialization, focusing on R&D, production, promotion, and sale of medicines, with a strategic focus on deploying and developing global innovative products.	18.1
Luye Pharma Group Ltd.	2186 HK	Luye Pharma Group Ltd. focuses on developing, producing, marketing and selling innovative pharmaceutical products with an extensive sales network in China and global partnerships, focusing on therapeutic areas like oncology, central nervous system, cardiovascular system, alimentary tract and metabolism.	28.7
		Average	29.5
		Median	28.7

6.3. Discount for lack of marketability ("DLOM")

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. In the valuation, we consider 15.6% is sufficient to reflect the lack of marketability of the 100% equity interests in the Target Group, which was with reference to the 2024 Stout Restricted Stock Study. The 2024 Stout Restricted Stock Study is a widely used and authoritative empirical database that supports valuation professionals in determining marketability discount. It includes examining 779 private placement transactions of unregistered common stock issued by publicly traded companies from July 1980 through March 2024 and the overall median discount for all 779 transactions in the study is 15.6%.

6.4. Control premium ("CP")

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest of a business enterprise that reflects the power of a control. Both factors recognise that controlling owners have rights that minority owners do not have and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a controlling ownership block versus a minority ownership block. In the valuation, given that the Comparable Companies are publicly listed, their share prices and P/E multiples do not reflect a controlling interest. Therefore, we have adopted a control premium of 26.8%, which was with reference to the control premium studies for the trailing 12 months ended 30 September 2025 in the "Control Premium & Discount for Lack of Marketability Study" published by Moore Hong Kong in November 2025. This study analysed the circulars published by listed companies on the Stock Exchange during the trailing 12 months ended 30 September 2025 and the median of control premium adopted by the valuers is 26.8%.

6.5. Fair value calculation

The fair value of the 100% equity interests in the Target Group as of the Valuation Date was arrived at by applying the median P/E multiples of the Comparable Companies ("**Median P/E**") to the profit attributable to owners of the parent of the Target Company for the trailing 12 months ended 30 June 2025 ("**Target Company's Earnings**") based on the accountants' report of the Target Group, and adjusted with CP and DLOM. Details are listed below:

Fair value of the 100% equity interests in the Target Group = Median P/E x Target Company's Earnings x (1-DLOM) x (1+ CP), where:

Median P/E of the Comparable Companies	28.7
Target Company's Earnings	RMB230,439,000
DLOM	15.6%
CP	26.8%
Fair value of the Target Company (in RMB)	RMB7,077,821,000
Fair value of the Target Company (in US$) (Rounded)[(Note)]	US$1,000,000,000

Note: An exchange rate of US$1.00: RMB7.08 has been adopted.

7. LIMITING CONDITIONS

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability is assumed for their accuracy.

We have relied to a considerable extent on information provided by the Management in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided and nothing has come to our attention in this regard. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the fair value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. However, nothing has come to our attention that the assumptions adopted may not be valid.

Neither the whole nor any part of this report or any reference hereto may be included in any other published document, circular or statement, or published in any other way, without our prior written approval of the form and context in which it may appear.

Finally and in accordance with our standard practice, we must state that this report and valuations are for the exclusive use only of the addressee and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of the contents.

8. REMARKS

We hereby confirm that we have neither present nor prospective interests in the Target Company.

9. OPINION OF VALUE

Valuation Date	**30 November 2025**
Fair value of 100% equity interest in the Target Group	**US$1,000,000,000**

Yours faithfully,
For and on behalf of
Quam Capital Limited

Leo Chan
Head of Corporate Finance

Note: Mr. Leo Chan is the Head of Corporate Finance of Quam Capital Limited and is licensed under the SFO as a Responsible Officer to carry out, among others Type 6 (advising on corporate finance) regulated activity and has approximately 29 years of experience in corporate finance.