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Rainmed Medical Limited
潤邁德醫療有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2297)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

Reference is made to the annual report of Rainmed Medical Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended December 31, 2025 (the "**Annual Report**") published on March 28, 2026.

The board of directors (the "**Board**") of the Company wishes to provide additional information to supplement the Annual Report in relation to: (a) the performance guarantee in connection with the acquisition of Tianjin Yuehekang Biotechnology Co., Ltd. (the "**Target Company**"); (b) business strategies, prospects and business model of the Group; and (c) investment activities of the Group.

Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Annual Report, the announcements of the Company dated March 1, 2023 and March 20, 2023 (the "**Announcements**") in relation to the acquisition of equity interest and subscription of increased registered capital of the Target Company.

1. PERFORMANCE GUARANTEE

Reference is made to the Announcements in relation to the discloseable transaction involving the acquisition of 57% equity interest in, and subscription of increased registered capital of, the Target Company. Pursuant to the Investment Agreement, Qingdao Yaoshuntong and the Beneficial Owner (collectively, the "**Guarantors**") undertook that:

(a) the aggregate consolidated operating income of the Target Company for the three financial years of 2023, 2024 and 2025 shall not be less than RMB60,000,000 (the "**Guaranteed Revenue of Commitment Period**"); and

(b) the aggregate consolidated net profit of the Target Company for the three financial years of 2023, 2024 and 2025 shall not be less than RMB6,700,000 (the "**Guaranteed Profit of Commitment Period**").

Actual Performance and Shortfall

Based on the consolidated financial statements of the Target Company for the three years ended December 31, 2025, the Board confirms that the Target Company has **failed** to meet the Guaranteed Revenue of Commitment Period and the Guaranteed Profit of Commitment Period. The actual performance was below both the Guaranteed Revenue of Commitment Period and the Guaranteed Profit of Commitment Period.

The details of the actual performance against the guarantees are set out below:

	Guaranteed Revenue of Commitment Period	**Guaranteed Profit of Commitment Period**
Guaranteed Amount	RMB60,000,000	RMB6,700,000
Actual Performance (aggregate for 2023-2025)	RMB20,118,035	(RMB17,158,734)
Shortfall	RMB39,881,964	RMB23,858,734
Fulfillment Ratio	33.53%	–

As the actual performance was below both the Guaranteed Revenue of Commitment Period and the Guaranteed Profit of Commitment Period, pursuant to the terms of the Investment Agreement, the Guarantors are required to pay full cash compensation to the Group in the amount of RMB25,960,000, being the total consideration paid by the Group for the acquisition of equity interest in and subscription of increased registered capital of the Target Company.

Enforcement Actions

The Board has resolved at its meeting held on June 29, 2026 to enforce the performance guarantee obligations against the Guarantors. The Board has authorized the Chairman and executive Director, Mr. Huo Yunfei, to handle all matters relating to the enforcement of the compensation obligations. Based on the authorization, management has communicated with the Guarantors and following negotiations, management recommends a phased payment approach with a four-year repurchase period, with each instalment due before December 31 of each year. Mr. Huo Yunfei is authorized to handle all matters relating to the enforcement of the compensation obligations, including but not limited to:

(a) entering into negotiations with the Guarantors to seek compensation of RMB25,960,000 in accordance with the terms of the Investment Agreement, payable in four annual instalments;

(b) if necessary, initiating legal proceedings against the Guarantors to enforce their obligations and recover any compensation due to the Company; and

(c) reporting to the Board on the progress of enforcement actions no less frequently than once per quarter.

The Chairman has proposed, and all Directors have unanimously agreed to, the following repurchase payment schedule:

(i) First instalment: RMB5,000,000, due on or before December 31, 2026;

(ii) Second instalment: RMB5,000,000, due on or before December 31, 2027;

(iii) Third instalment: RMB5,000,000, due on or before December 31, 2028; and

(iv) Fourth instalment: RMB10,960,000 (being the remaining balance), due on or before December 31, 2029.

The Board has also confirmed the following principles in relation to the enforcement:

(i) the Company shall not provide any additional funding to the Target Company or the Guarantors during the enforcement process;

(ii) prior to the execution of any repurchase/compensation agreement, the first instalment of cash payment must be secured;

(iii) interest shall accrue on all outstanding repurchase amounts at the prevailing People's Bank of China deposit rate for the corresponding period from July 1, 2026 until full payment, with accrued interest payable together with the fourth and final instalment on or before December 31, 2029;

(iv) upon receipt of the first instalment payment, the Company will return to the Guarantors its the equity interest in the Target Company, after which the Guarantors will pledge all of their equity interest in the Target Company (i.e., 100% following the return) to the Company as security for the remaining instalment payments. This early return arrangement is intended to limit the Company's exposure to the Target Company's ongoing operations and potential future liabilities while maintaining security over the equity interest through the pledge;

(v) if the Target Company's business performance materially improves during the repurchase period, the Board reserves the right to review and adjust the repurchase arrangements and payment schedule at its discretion.

Credit Assessment

In considering the repayment arrangement, the Board has conducted a credit assessment on the Guarantors and the Target Company based on the information available to the Company through its ongoing and continuous communications with the Guarantors.

(a) The Guarantors: Based on such communications, the Guarantors do not have any material assets other than a PRC residential property (which is subject to a mortgage) and their equity interest in the Target Company, and the Company has not been made aware of any other assets held by the Guarantors. The Guarantors have informed the Company that they intend to refinance or otherwise realize proceeds from the mortgaged property, which will contribute to a portion of the first instalment of RMB5,000,000 due on or before December 31, 2026. The requirement that the first instalment must be received before the execution of any formal repurchase/compensation agreement serves as a condition precedent to verify the Guarantors' ability and willingness to pay.

(b) The Target Company: The Board has considered a business plan provided by the Guarantors which outlines specific measures, cost reduction initiatives and revenue enhancement strategies, and the Guarantors have represented that they are committed to improving the Target Company's operational efficiency and reducing costs to generate positive cash flow. The Board is mindful that the financial performance and position of the Target Company deteriorated during 2023 to 2025, with revenue decreasing from RMB9.6 million for 2023 to RMB4.4 million for 2025, net losses increasing from RMB4.6 million for 2023 to RMB6.6 million for 2025, and net assets of RMB10.7 million as at December 31, 2023 turning into net liabilities of RMB1.8 million as at December 31, 2025. Accordingly, the repayment arrangement is not solely dependent on the Target Company generating positive cash flow; the primary source of recovery is the instalment payments from the Guarantors, with the equity pledge serving as continuing security and a deterrent against default.

Reasons for the Four-Year Instalment Arrangement

Based on the credit assessment above, the Guarantors do not currently have sufficient liquid assets to satisfy the full compensation amount of RMB25,960,000 in a single payment. The Board has carefully considered the alternative of pursuing immediate litigation. If the Company were to obtain a judgment against the Guarantors, the Guarantors would likely be unable to satisfy the judgment due to their limited asset base. Although the Guarantors may then be placed on the list of dishonest judgment debtors（失信被執行人）under PRC law, which would restrict their ability to conduct certain activities, this would not generate any recovery for the Company. In addition, if the Company pursued litigation instead, the Target Company would remain a subsidiary of the Company, and the Company would: (i) remain exposed to the Target Company's liabilities (including its net liabilities of RMB1.8 million as at December 31, 2025) and any further deterioration in its financial position; (ii) given that the Company will not provide any additional funding to the Target Company, face the possibility that the Target Company's operations may need to be wound down, resulting in significant severance costs and outstanding wages for its employees; (iii) face potential labor disputes, arbitration or litigation arising from any wind-down or restructuring; and (iv) bear the risk of the Target Company's external liabilities for so long as it remains within the Group.

Fairness and Reasonableness of the Arrangement

The Board considers that the repayment arrangement is fair and reasonable and in the interests of the Company and its shareholders as a whole, having regard to the following: (i) immediate transfer of liability risk, as upon return of the equity interest following receipt of the first instalment, the Company will no longer be a shareholder of the Target Company and will not be exposed to its existing net liabilities or any future deterioration in its financial position; (ii) continuing security through the pledge of 100% of the equity interest in the Target Company, which restricts the Guarantors' ability to dispose of or encumber such equity interest and serves as a deterrent against default; (iii) potential upside, as the Company will benefit through timely receipt of the instalments if the Target Company's performance improves, and the equity pledge provides leverage if the Guarantors are able to generate additional funds from improved operations; (iv) avoidance of employee-related costs and disputes, as the Company will not be responsible for any severance costs, outstanding wages or labor disputes arising from the Target Company's operations after the return of the equity interest; and (v) full recovery of the original investment, as the Company will receive RMB25,960,000, being the full consideration paid for the Target Company, plus accrued interest at the People's Bank of China deposit rate as compensation for the time value of money.

The Directors wish to clarify that the four-year instalment arrangement is not based on an expectation that the Target Company will certainly achieve a turnaround or that the Guarantors will definitely be able to generate sufficient funds to meet all instalment payments. Rather, it represents a pragmatic assessment of the available alternatives. Compared to immediate litigation, which would likely result in no recovery while exposing the Company to the risks and costs described above, the arrangement preserves the possibility of the Company receiving compensation and provides a commercially reasonable mechanism that maximizes the Company's prospect of recovery while minimizing its exposure to the Target Company's liabilities, employee-related costs and operational risks.

Actions in the Event of Default

If the first instalment of RMB5,000,000 is not received on or before December 31, 2026, the Company will not execute the formal repurchase/compensation agreement or return the equity interest in the Target Company, and retains the right to pursue alternative enforcement actions against the Guarantors, including litigation. If the Guarantors default on any subsequent instalment, the Company may enforce the equity pledge over the entire equity interest in the Target Company and/or initiate legal proceedings against the Guarantors to recover all outstanding amounts and accrued interest. Mr. Huo Yunfei will report to the Board on the progress of enforcement no less frequently than once per quarter, and the Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules.

Directors' View

The Directors (including the independent non-executive Directors) are of the view that the enforcement actions taken by the Board are fair and reasonable, and in the interests of the Company and its shareholders as a whole. The Directors have considered, among other things: (i) the clear contractual basis for the compensation claim under the Investment Agreement; (ii) the Board's fiduciary duty to protect the Company's assets and safeguard shareholders' interests; (iii) the arrangement to return equity interest to the Guarantors while establishing a pledge as security, which protects the Company from future liabilities of the Target Company while preserving security for the compensation obligations; (iv) the authorisation of a specific Director to lead the enforcement with clear reporting requirements; and (v) the establishment of clear bottom-line principles to prevent further financial exposure. The Company will keep the shareholders and the Stock Exchange informed of any material developments in this regard and make appropriate disclosures in accordance with the Listing Rules.

Upon receipt of the first instalment payment of RMB5,000,000, the Company will return the entire equity interest it holds in the Target Company to the Guarantors.

Proposed Return of Equity Interest

The rationale for returning the equity interest upon receipt of the first instalment (rather than upon full payment) is to limit the Company's exposure to the Target Company's ongoing operations and potential future liabilities. As at December 31, 2025, the Target Company had net liabilities of RMB1.8 million. By returning the equity interest early, the Company can focus solely on recovering the cash compensation from the Guarantors while transferring the operational and liability risks of the Target Company back to the Guarantors.

Listing Rules Implications

The Company has considered the Listing Rules implications of the proposed return of equity interest:

(a) Chapter 14 – Notifiable transaction: The return of the equity interest in the Target Company to the Guarantors will constitute a disposal of assets by the Company under Chapter 14 of the Listing Rules. Based on the size test calculations, the highest applicable percentage ratio is the revenue ratio. Since all applicable percentage ratios are less than 25%, the disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements but is exempt from the shareholders' approval requirements.

(b) Chapter 14A – Connected transaction: The Guarantors (being Qingdao Yaoshuntong and the Beneficial Owner) are connected persons of the Company at the subsidiary level under Rule 14A.07(1) of the Listing Rules, as they are substantial shareholders of the Target Company (a subsidiary of the Company). Since all applicable percentage ratios exceed 5% but are less than 25%, and the transaction constitutes a connected transaction only because it involves connected persons at the subsidiary level, pursuant to Rule 14A.101 of the Listing Rules, the disposal is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, provided that the Board (including the independent non-executive Directors) approves the transaction and confirms that the terms are fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

The Company will make a separate announcement in relation to the return of equity interest in accordance with the Listing Rules upon execution of the formal repurchase/compensation agreement.

2. BUSINESS STRATEGIES, PROSPECTS AND BUSINESS MODEL

In accordance with the recommendations set out in the "Annual Review of Issuers' Reports 2025" and the "Guide on Preparation of Annual Report" published by the Stock Exchange, the Board wishes to provide the following enhanced disclosure regarding the Group's business strategies, prospects and business model.

Market Environment and Trends

The coronary physiology diagnostic market in China continues to expand as cardiovascular disease remains one of the leading causes of mortality in China. According to industry reports, the prevalence of coronary artery disease is increasing due to aging population and lifestyle changes, driving demand for advanced diagnostic solutions.

The regulatory environment has undergone significant changes in recent years. The implementation of national centralized procurement policies and Volume-Based Procurement ("**VBP**") programs has created pricing pressure across the medical device industry. These policies aim to reduce healthcare costs but have impacted profit margins for medical device manufacturers.

There is a growing trend toward functional assessment over purely anatomical assessment in percutaneous coronary intervention ("**PCI**") procedures. Non-invasive computed FFR technology, which can assess coronary artery stenosis without the use of pressure wires, represents a significant advancement over traditional invasive methods. This technology offers benefits including reduced procedure time, lower costs, and improved patient experience.

Competition in the coronary physiology market includes both domestic and international players. Major international competitors include established medical device companies with significant resources. Domestic competition is also intensifying as more Chinese companies enter the market.

Strengths, Resources and Market Position

The Company possesses several key competitive strengths:

(a) First-Mover Advantage: The Company's caFFR system received NMPA approval in March 2021, becoming the first computed coronary physiology product approved in China. The caIMR system received NMPA approval in October 2021, making it the world's first IMR product that does not require a pressure wire or sensor.

(b) Established Distribution Network: The Company has built a nationwide distribution network comprising 223 domestic distributors covering 431 hospitals across 21 provinces, 4 autonomous regions and 4 municipal cities in China. This network provides broad market access and customer relationships.

(c) Strong R&D Capabilities: The Company maintains dedicated research and development teams focused on advancing coronary physiology technology and developing next-generation products. The Company's R&D facilities are located in Suzhou, China.

(d) Manufacturing Capabilities: The Company operates manufacturing facilities in Suzhou with established quality control systems compliant with regulatory requirements.

(e) Product Pipeline: The Company is developing additional products to expand its portfolio beyond the current caFFR and caIMR systems, including products targeting adjacent diagnostic applications.

Limitations, Challenges and Risks

The Company faces several challenges and risks:

(a) Operating Losses: The Company has incurred operating losses since inception and may continue to incur losses for the foreseeable future as it invests in product development and market expansion.

(b) Capital Requirements: The Company may require additional financing to fund operations, R&D activities and commercial expansion. There is no assurance that such financing will be available on acceptable terms.

(c) Regulatory and Pricing Pressure: Government healthcare reforms, including centralized procurement policies and VBP programs, continue to exert downward pressure on medical device pricing, which may impact the Company's revenue and margins.

(d) Competition: The Company faces competition from both established international medical device companies with greater resources and emerging domestic competitors. Increased competition may impact market share and pricing.

(e) Commercialization Risks: The Company's future growth depends substantially on the successful commercialization of existing products and development of pipeline products. There is no assurance that new products will receive regulatory approval or achieve commercial success.

(f) Distributor Dependence: The Company relies on third-party distributors for sales and market access. Changes in distributor relationships or performance could impact revenue.

Business Strategies

The Company has adopted the following key strategies to drive growth and address market challenges:

(a) Product Portfolio Expansion: The Company will continue to invest in R&D to develop new products and enhance existing products. This includes advancing pipeline products through clinical development and regulatory approval. The Company may also pursue strategic acquisitions to accelerate product portfolio expansion, as demonstrated by the investment in Tianjin Yuehekang Biotechnology. A key highlight is the FlashCut coronary cutting balloon, a next-generation plaque modification device developed by Suzhou Shengke Intelligent Technology Co., Ltd. specifically for complex coronary lesions. The FlashCut product received NMPA Class III medical device registration approval on September 1, 2025, marking a critical milestone from R&D to clinical application. On April 16, 2026, the product was selected under "Rule 1" in the provincial alliance centralized procurement for coronary intervention balloon consumables led by Henan Province. As a Rule 1 enterprise, the Company is entitled to share, together with other Rule 1 enterprises, over 95% of the agreed procurement volume from medical institutions, significantly exceeding the allocation available to Rule 2 and Rule 3 enterprises. On June 8, 2026, the Henan Provincial Medical Insurance Bureau issued an implementation notice confirming full execution of the procurement results across the alliance from June 30, 2026.

(b) Market Penetration: The Company aims to deepen market penetration by expanding hospital coverage and increasing adoption of its products among interventional cardiologists. This includes strengthening relationships with key opinion leaders and supporting clinical evidence generation.

(c) Distribution Network Optimization: The Company is optimizing its distribution model to improve sales effectiveness and efficiency. This includes transitioning certain sales arrangements to more sustainable cooperation models and enhancing distributor management capabilities.

(d) International Expansion: The Company will pursue regulatory approvals and commercial partnerships in international markets to diversify revenue sources and expand market opportunities.

(e) Cost Management: The Company is implementing measures to improve operational efficiency and manage costs in response to pricing pressure from regulatory reforms.

Key Implementation Milestones: As at May 31, 2026, the FlashCut product has achieved coverage in 2 municipalities and 12 provinces, completed hospital admission in 34 hospitals, with 31 hospitals having commenced clinical applications, and cumulative clinical usage reaching several thousand units with collections exceeding RMB2 million. Leveraging the Henan 16-province centralized procurement policy window, over 300 hospitals have been selected. In addition, the Company continues to advance the registration process for its peripheral cutting product and papillary balloon products (cardiac/peripheral/neurological).

Business Model

The Company operates an asset-light business model focused on R&D and manufacturing of proprietary medical devices, with commercialization conducted through a network of 223 independent distributors across China. The Company creates value through the development of innovative coronary physiology technology, with revenue generated primarily from sales of the caFFR system, caIMR system, and associated consumables to hospitals. The consumables business provides recurring revenue as hospitals continue to use the Company's systems. This distribution model allows the Company to achieve broad market coverage with limited fixed investment in direct sales infrastructure, supporting scalability as manufacturing capacity can be expanded to meet demand growth. The business model aligns with the Company's strategy of focusing resources on R&D and product innovation while leveraging distributor capabilities for commercialization.

Impact of External Factors on 2025 Financial Performance

The Company's revenue decreased by 51.8% from RMB39.8 million in 2024 to RMB19.2 million in 2025. The Directors have identified the following external and internal factors contributing to this decline:

(a) **Internal Sales Restructuring:** During 2025, the Company consolidated regional sales teams, transitioned certain sales agents from a commission-based model to direct employment or exclusive partnerships, and implemented a new performance-based incentive scheme. These measures were phased in during 2025, temporarily disrupting sales activities during the transition.

(b) **Changes to Distributor Cooperation Model:** The Company transitioned from a consignment-based distribution model (where distributors received products on consignment and paid based on actual sales) to a buy-out distribution model (where distributors purchase products outright at wholesale prices). The new model features upfront purchase commitments, minimum order quantities, and standardized pricing. As at December 31, 2025, certain distributors had transitioned to the new model.

The Directors expect the new model to improve cash flow predictability and pricing discipline in the long term. The short-term revenue decline during 2025 was primarily due to: (i) reduced orders during the transition negotiation period; (ii) inventory destocking by distributors under the previous model; (iii) attrition of distributors unwilling to transition; and (iv) ramp-up time for newly appointed distributors. The Company expects sales to normalize as the new arrangements stabilize.

(c) **Regulatory Pricing Pressure:** The continued implementation of national centralized procurement policies and Volume-Based Procurement programs has created significant downward pressure on medical device pricing. While the Company's products are not yet directly subject to VBP, the overall pricing environment in the medical device industry has been affected, impacting sales volumes and pricing negotiations.

The Directors believe that the internal restructuring measures taken in 2025 are intended to strengthen the Company's commercial capabilities. The Company continues to monitor the regulatory environment and adjust its strategies accordingly.

Key Performance Indicators

Management adopts the following key performance indicators to monitor and evaluate the Company's performance: (a) revenue and revenue growth rate; (b) gross profit margin; (c) hospital coverage; (d) distributor network size and geographic coverage; (e) R&D investment as a percentage of revenue; (f) product pipeline progress; and (g) operating cash flow.

3. INVESTMENT ACTIVITIES

Investment Portfolio

As at December 31, 2025, the Group held financial assets at fair value through profit or loss ("**FVTPL**") with a carrying amount of approximately RMB138.9 million, representing approximately 25% of the Group's total assets. The investments were funded by the Company's own internal funds. The details of the investment portfolio are as follows:

The financial assets at FVTPL comprise non-capital protected wealth management products denominated in United States dollars ("**USD**"), which primarily invest in bonds and bank deposits. These investments are classified as Level 3 in the fair value hierarchy. The expected rate of return on such investments is approximately 1.60% per annum. The management of the Group evaluates the performance of these financial assets on a fair value basis in accordance with the Group's documented risk management and investment strategy.

As at December 31, 2025, the Group's investment portfolio comprised wealth management products issued by various fund management companies (each fund management companies is an Independent Third Party of each other). The investments were made in March 2023 with a total investment amount of USD18,920,000 (equivalent to approximately RMB138.9 million). The expected rate of return on such investments is approximately 1.60% per annum. All investments remained unredeemed as at December 31, 2025. As at December 31, 2025, no single investment exceeded 30% of the total portfolio, in compliance with the Company's concentration limits.

Changes since December 31, 2025: On March 23, 2026, the Company redeemed USD2,000,000 in principal. Save for the above, there have been no other material changes to the investment portfolio since December 31, 2025.

Investment Policy and Objectives

The Company's investment activities are governed by the following policy and objectives:

Purpose and Scope: The primary purpose of the Company's investment in wealth management products is treasury management to preserve capital and generate stable returns on funds not immediately required for business operations, R&D activities, or capital expenditure. The Company invests in low-risk, highly liquid products including wealth management products issued by reputable financial institutions, money market funds, bank deposits, and bond funds. The Company does not invest in high-risk instruments such as equity securities, derivative instruments for speculative purposes, or products with complex structures or unclear risk profiles. The investment policy supports the Company's corporate strategy by preserving capital for deployment in core business activities while generating modest returns on temporarily idle funds.

Risk Factors Associated with Wealth Management Products

The Directors wish to draw shareholders' attention to the following key risks:

(a) Liquidity Risk: While the investments generally feature on-demand redemption, redemption may be delayed during market stress, fund gating, or underlying asset illiquidity.

(b) Foreign Exchange Risk: As the investments are USD-denominated, the Company is exposed to USD/RMB exchange rate fluctuations. The Company does not currently hedge this exposure.

(c) Market Risk: The underlying bond investments are subject to interest rate risk. The expected return of approximately 1.60% per annum is not guaranteed.

(d) Concentration and Non-Capital Protected Risk: While no single investment exceeds 30% of the portfolio, the investments are concentrated in USD-denominated products. These products are non-capital protected, meaning the Company could lose principal.

Risk Assessment and Control Measures

The Company has established a comprehensive risk management framework for its wealth management product investments. The framework is designed to address the key categories of risk associated with such investments, including liquidity risk, market risk (including foreign exchange risk), concentration risk, and non-capital protection risk. The framework incorporates the following elements:

(a) Risk Categories Managed: The Company actively monitors and manages liquidity risk (the risk that investments cannot be redeemed promptly when needed), market risk (including interest rate risk on underlying bond investments and foreign exchange risk on USD-denominated products), concentration risk (the risk arising from overexposure to any single product, counterparty, or fund manager), and non-capital protection risk (the risk of principal loss on non-guaranteed products);

(b) Control Measures: The Company has established control measures including: (i) pre-investment due diligence on product terms, underlying assets, counterparty creditworthiness, and compliance with Board-approved parameters; (ii) diversification requirements to limit exposure to any single product, counterparty, or fund manager; (iii) maintenance of liquidity buffers in the form of cash reserves separate from the investment portfolio; (iv) selection of products with on-demand or short-notice redemption features to ensure liquidity; and (v) exit criteria including redemption triggers based on operational funding needs, counterparty credit deterioration, or significant decline in fair value;

(c) Monitoring and Review: The Company conducts ongoing monitoring of its investment portfolio including monthly fair value reviews, periodic counterparty assessments, and monitoring of foreign exchange rate movements. Management reports to the Board on the status and performance of the investment portfolio on a quarterly basis; and

(d) Governance and Oversight: The Board of Directors is responsible for reviewing and approving the overall investment policy and strategy, setting parameters and limits for investment activities, and receiving periodic reports on portfolio status. The Audit Committee conducts annual reviews of the investment policy for adequacy and effectiveness and reviews risk management and internal control measures. Management is authorized to execute investments within Board-approved parameters and is responsible for day-to-day monitoring, with internal controls including segregation of duties, regular reconciliation of records, and periodic internal audit review.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Rainmed Medical Limited
Huo Yunfei
Chairman of the Board and Executive Director

Hong Kong, November 19, 2026

As at the date of this announcement, the Board comprises Mr. Huo Yunfei and Ms. Duan Jing as executive Directors, Dr. Huo Yunlong, Mr. Heng Lei and Mr. Lu Xun as non-executive Directors, and Mr. Liu Shuen Kong, Mr. Chen Xuefeng and Mr. Zhao Hui as independent non-executive Directors.