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**Clarity
Medical Group**
清晰醫療集團

CLARITY MEDICAL GROUP HOLDING LIMITED

清晰醫療集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1406)

INSIDE INFORMATION KEY FINDINGS OF INDEPENDENT INVESTIGATION ON CORPORATE GOVERNANCE ALLEGATIONS APPOINTMENT OF INTERNAL CONTROL ADVISER AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Clarity Medical Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcement of the Company dated 30 May 2025 in relation to the Resumption Guidance issued by the Stock Exchange (the “**First Resumption Guidance**”); (ii) the announcement of the Company dated 30 June 2025 in relation to the additional Resumption Guidance given by the Stock Exchange (together with the First Resumption Guidance, the “**Resumption Guidance**”); and (iii) the announcements of the Company dated 14 July 2025, 14 October 2025 and 14 January 2026 providing quarterly updates on its business operations and resumption status; and (iv) the announcements of the Company dated 11 November 2025, 12 November 2025, 6 January 2026 and 13 January 2026. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the above-mentioned announcements.

BACKGROUND

As disclosed in the announcements of the Company dated 30 May 2025 and 30 June 2025, the Company received the Resumption Guidance issued by the Stock Exchange. Accordingly, the Company is required to conduct an independent forensic investigation into the Allegations and related matters (including but not limited to any other allegations and/or accusations received by the Board from time to time which are connected to or arise from the Allegations), assess the impact on the Company's business operations and financial position, announce the findings and take appropriate remedial actions.

Among the Allegations, those described as "other allegations" in the Company's announcement dated 30 May 2025 were corporate governance related ("**Corporate Governance Allegations**") and were raised to the Board at various stages prior to that date. As disclosed in the Company's announcement of 17 January 2025, a Special Committee was established on 30 December 2024 to investigate the initial set of such allegations. Subsequently, further allegations were made and brought within the remit of the Special Committee.

As respectively disclosed in the announcements of the Company dated 11 November 2025 and 14 January 2026, among other things, the Special Committee has been re-constituted and FTI Consulting was engaged as the independent forensic accountant in respect of the investigation of the Corporate Governance Allegations ("**FTI Investigation**") in place of PwC Consulting. The Corporate Governance Allegations are set out in section headed "Scope of the FTI Investigation" below.

With the full support of the Special Committee and its independent legal adviser, FTI Consulting has completed all information gathering (to the extent feasible) and finalised its investigation report ("**FTI Investigation Report**"). The purpose of this announcement is to provide the Shareholders and potential investors of the Company with the key findings of the FTI Investigation. For the avoidance of doubt, the scope of this announcement does not include the independent investigation into the Allegations relating to the Prospectus as referred to in the Company's announcement dated 30 May 2025.

SCOPE OF THE FTI INVESTIGATION

The scope of the FTI Investigation is as follows, with each item constituting a Corporate Governance Allegation:

- (1) (a) whether Dr. Tse and Mr. Lo, two former executive Directors of the Company, were involved in unauthorised establishment of Clarity Pharmacal Company Limited ("**Clarity Pharmacal**", a wholly owned subsidiary of the Company) in January 2023;
- (b) whether Dr. Tse and/or Mr. Lo have been channelling the Group's funds to Dr. Tse and/or his controlled entities including WIT Limited ("**WIT**"), via certain consultancy agreements and renovation contracts between April 2022 and March 2023;
- (2) whether Dr. Tse has failed to discharge his fiduciary duties to act in the interests of the Group by advancing proposals (including the consultancy agreement with WIT) for his personal interests with the assistance of his associates through undisclosed concert party and guarantee arrangements;

- (3) whether Mr. Jiang, an executive Director and chief executive officer of the Company (“**CEO**”), and Mr. Wang, an independent non-executive Director, were board representatives of Innovative Vision Inc. (“**Innovative Vision**”), a substantial shareholder of the Company; and whether Mr. Jiang has provided the funds to Innovative Vision for its acquisition of the Company’s shares from 3W Partners GP Limited, the then largest shareholder at the time of the initial public offering. These relationships were allegedly concealed in the Company’s published announcements and private submissions to the Stock Exchange;
- (4) whether Mr. Jiang and Mr. Hui, a former executive Director and the Co-CEO of the Company, have carried out several arrangements which are unauthorised by the Board:
 - (a) entering into two consultation agreements with United Orion Advisory Limited (“**UOA**”), an entity alleged to be related to Innovative Vision and/or Mr. Jiang in August and September 2024, under which the Company has paid at least a sum of HK\$1.5 million;
 - (b) instructing and/or directing the employment of a general manager of the Group (i.e., Mr. Joey Chen (“**Mr. Chen**”)) who did not hold a valid working visa in Hong Kong at the material time;
 - (c) submitting an application to change the Company’s bank signatories in October 2024;
 - (d) appointing Mr. Jiang as a director of Saintford Limited (“**Saintford**”) (a wholly owned subsidiary of the Company) which was not made in accordance with the Company’s then articles of association (“**Then Articles**”) (i.e., a written approval of a majority of three quarters of all Directors); and
 - (e) on behalf of Saintford, entering into a settlement agreement (“**Settlement Agreement**”) on or around 17 December 2024 with Dr. Lau in respect of the outstanding balance of HK\$16 million due from Dr. Lau to the Group, which involved the assignment (“**Assignment**”) of a guarantee of HK\$1.75 million provided by Dr. Tse in favour of Dr. Lau. Mr. Jiang and Mr. Hui had also failed to adhere to the Company’s internal control procedures given that the Assignment was not on normal commercial terms and would constitute a non-exempt connected transaction under Chapter 14A of the Listing Rules;
- (5) whether Mr. Jiang has been approached for investigation and/or enquiries by the Hong Kong Police Force and the Hong Kong Immigration Department;
- (6) whether Mr. Wu, a former non-executive Director and the then chairman of the Board, Ms. Zhao, a former non-executive Director, and Mr. Wang have failed to discharge their fiduciary duties in handling the allegations against Mr. Jiang and Mr. Hui;
- (7) whether Mr. Jiang and Mr. Hui have intentionally delayed the investigation of the Special Committee and/or manipulated the investigation by the Special Committee with the assistance of Mr. Wu, Ms. Zhao and Mr. Wang; and
- (8) whether Mr. Wu, Ms. Zhao, Mr. Wang, Mr. Jiang and Mr. Hui have breached the Company’s whistleblowing policy and the Corporate Governance Code by imposing unwarranted disciplinary actions against certain whistleblowers within the Company.

PROCEDURES PERFORMED FOR THE FTI INVESTIGATION

FTI Consulting carried out the following investigation procedures:

- (i) examining the Corporate Governance Allegations by thoroughly assessing their nature, credibility, origins, and evidential foundation;
- (ii) engaging proactively with identifiable sources, and identifying any gaps in source-provided information and clearly documenting all assumptions and limitations to ensure the investigation's independence and defensibility;
- (iii) capturing, collating and analysing a substantial volume of the Company and its main subsidiaries' accounting data (including extracts from the Aspen and Yonyou accounting systems between 1 April 2019 and 30 November 2025), internal books and records, and transactional supporting documentation;
- (iv) performing detailed substantive review of relevant financial and operational transactions executed between May 2022 and November 2025 in relation to the Corporate Governance Allegations;
- (v) reconstructing accounting records and compiling detailed chronologies for pertinent transactions;
- (vi) applying forensic accounting methodologies and targeted transaction testing, incorporating a rigorous review of supporting documentation for pivotal events;
- (vii) scrutinising disclosures submitted to regulatory authorities, Board committees, and shareholders for any inconsistencies or discrepancies;
- (viii) utilising advanced data analytics across structured datasets to examine key transactions;
- (ix) conducting comprehensive open-source investigative research on multiple platforms, tools and databases in Hong Kong, Greater China and other jurisdictions;
- (x) developing comprehensive profiles for, where applicable, the ownership structures, shareholdings, directorships, and details of key principals, supervisors, and legal representatives of all individuals and associated entities;
- (xi) establishing timelines for transfers of interests, assets, and the incorporation/dissolution of any related entities as required; and
- (xii) arranging structured and confidential interviews, as appropriate, (i) with employees and other pertinent individuals to gain a comprehensive understanding of business processes and specific decision-making rationales, (ii) with a broad spectrum of stakeholders, including the whistleblowers, witness(es) and the subjects, obtaining their direct accounts and explanations, addressing ambiguities, and evaluating the veracity of statements in the context of the Corporate Governance Allegations, and (iii) where in-person interviews were not available, written interview questionnaires were provided to those relevant interviewees.

KEY FINDINGS OF THE FTI INVESTIGATION

The key findings of the FTI Investigation on each of the issues mentioned above are summarised as follows:

Corporate Governance Allegations (1)(a), (4)(c) and (4)(d)

Alleged unauthorised corporate actions

- (1)(a) *It was alleged that, in January 2023, Mr. Lo unilaterally executed the incorporation documents for Clarity Pharmacal without obtaining the prior approval of at least three-fourths of all the Directors as required by the Then Articles for the establishment of any subsidiary, and that such establishment was therefore conducted in breach of the Then Articles.*
- (4)(c) *It was alleged that the bank information update form executed by Mr. Jiang and Mr. Hui and submitted in October 2024 to include Mr. Jiang and Mr. Chen as new signatories for Saintford's bank accounts had not been authorised by the Board.*
- (4)(d) *It was alleged that, when Mr. Jiang was appointed as a director of Saintford in December 2024, Mr. Jiang and Mr. Hui had arranged for such appointment without first obtaining the prior approval of at least three-fourths of all the Directors as required by the Then Articles for the appointment of an additional person as a director of any member of the Group.*

FTI Consulting concluded that such Corporate Governance Allegations were **not substantiated** as deliberate misconduct. While certain procedural irregularities had occurred, its findings indicated that the matters in question were supported by commercial rationale, as summarised below:

Certain procedural breaches had occurred in the incorporation of Clarity Pharmacal, the submission of bank information update form and the appointment of Mr. Jiang as a director of Saintford. However, such breaches were attributable to the Group's historical administrative weaknesses and operational expediency rather than dishonest intent. In particular, the corporate actions in question followed the Group's established past practice in similar circumstances since the IPO.

Those actions were supported by legitimate commercial rationale, including the need to establish a subsidiary for potential pharmaceutical distribution, to enable the CEO to properly discharge his duties in managing the Company's funds, and to enable urgent execution of the time-sensitive Settlement Agreement with Dr. Lau (as explained below). The relevant decisions were taken at management level in accordance with delegated authority under the Company's and Saintford's governance frameworks.

There was no documentary or interview evidence indicating bad faith, personal gain or deliberate circumvention of Board oversight. The procedural lapses identified did not, on the evidence reviewed, rise to the level of deliberate misconduct or compromise of integrity.

Corporate Governance Allegation (1)(b)

Alleged channelling of Group funds by Dr. Tse and/or Mr. Lo to Dr. Tse and/or his controlled entities

Under the consultancy agreement entered into between Saintford and WIT (which was controlled by Dr. Tse) dated 4 April 2022, WIT would be paid certain amounts if Dr. Tse had generated the target revenue for Saintford. Eventually, Mr. Lo procured Saintford to pay the full contractual amount of HK\$5,679,200 to WIT even though Dr. Tse generated only HK\$175,363 against annual revenue targets of HK\$3,000,000.

FTI Consulting concluded that the allegations of financial misconduct were **substantiated** in respect of material control failures and apparent conflicts of interest, specifically that Dr. Tse and Mr. Lo channelled Group funds to Dr. Tse or his controlled entities (including WIT) via consultancy agreements between April 2022 and March 2023, based on its findings as summarised below:

At the material times, Mr. Lo was responsible for processing monthly remuneration payments to the Group's doctors (including payments made to WIT). But he also held an undisclosed concurrent role as WIT's General Manager. By processing the above payments to WIT, Mr. Lo failed to enforce the mandatory pro-rata reduction clause in the consultancy agreement and he also did not escalate such matter to the Board.

These circumstances resulted in an apparent conflict of interest that compromised internal controls and oversight. Based on the above, FTI Consulting concluded that there appears to be material irregularities in the handling and oversight of the transactions involving WIT and Dr. Tse.

As a mitigation measure, Saintford has taken formal legal action against WIT to recover the overpaid amount under the action number HCA 0198/2025, as announced by the Company on 12 February 2025. FTI Consulting pointed out that the precise quantum of any overpayment to WIT remains subject to ongoing legal determination in such legal proceedings where contractual interpretation and procedural/legal defences are to be determined by the court.

*On 20 April 2023, Dr. Tse executed a consultancy and promotion agreement with Proyan Consulting Limited ("**Proyan**") for a total consideration of HK\$900,000. While the Company's records indicate that the full contract value was invoiced and paid, the Company has been unable to identify any corresponding deliverables, such as performance reports or marketing materials. Furthermore, no other key relevant employees of the Company appear to have had involvement with Proyan or the engagement, and there is no evidence of services rendered. It is alleged that this transaction may have lacked commercial substance and functioned as a sham arrangement for the misappropriation of Group assets.*

FTI Consulting concluded that the allegations of financial misconduct were **substantiated** in respect of material control failures, which has resulted in an apparent overpayment, based on its findings as summarised below:

The consultancy and promotion agreement with Proyan was executed by Dr. Tse on behalf of the Company, under which Proyan was to receive remuneration of HK\$900,000. The Group eventually paid Proyan HK\$950,000 due to duplicate invoicing.

In respect of such agreement, FTI Consulting found that the engagement lacked demonstrable commercial substance or verifiable deliverables, exhibited no operational footprint or relevant expertise, bypassed the designated Sales and Marketing Department of the Company, and involved generic invoices and administrative inconsistencies. Based on available evidence, these issues, stemming from Dr. Tse's direction and decisions, gave rise to material risk of misappropriation for payments made to Proyan.

It was alleged that the contractor was awarded the renovation work due to undisclosed personal ties with Dr. Tse, and that the Board's approval of the overrun cost was obtained on the basis of misleading information provided by Dr. Tse.

FTI Consulting concluded that the allegation against Dr. Tse in respect of the renovation costs was **not substantiated**, based on its findings as summarised below:

FTI Consulting found that the budget revisions were supported with documented factors, and the vendor selection was supported by competitive pricing and an established relationship, with no evidence of deliberate misrepresentation or impropriety in personal transactions.

Corporate Governance Allegation (2)

Dr. Tse's alleged fiduciary breaches through undisclosed self-interested proposals

It was alleged that Dr. Tse failed to discharge his fiduciary duties to act in the best interests of the Group by entering into pre-IPO or IPO-related agreements with certain purported shareholders, which involved undisclosed private share subscription, repurchase, price-protection, and guarantee-type arrangements of the Company's shares.

FTI Consulting concluded that the available materials provide considerable support for the allegations, rendering them credible on the surface of the evidence gathered.

Although FTI Consulting's investigation encountered significant constraints due to the non-cooperation of certain key third parties, including Dr. Tse, there was available evidence on the existence of undisclosed private share subscription, repurchase, and guarantee arrangements (including share pledges) involving Dr. Tse and certain purported shareholders. The reviewed evidence comprised investment agreements with multiple counterparties. While no agreements conferred voting rights upon Dr. Tse, their commercial alignment suggests coordinated interests.

Due to the aforementioned access limitations, FTI Consulting was unable to definitively authenticate those agreements or fully ascertain the circumstances of their implementation. Nevertheless, based on its review, the available evidence from these agreements does not directly establish that any misuse of the Company's funds occurred or resulted in identifiable loss or damage to the Company.

Corporate Governance Allegation (3)

Alleged concealed relationship of Mr. Jiang and Mr. Wang with Innovative Vision

Innovative Vision acquired 20.3% of the Company's shares and became a substantial shareholder of the Company in August 2024. Mr. Jiang was appointed as an executive Director and the CEO, and Mr. Wang was appointed as an independent non-executive Director, on 9 September 2024. It was alleged that Mr. Jiang and Mr. Wang were board representatives of Innovative Vision and that Mr. Jiang had provided the funds to Innovative Vision for its acquisition of the Company's shares. These relationships were allegedly concealed in the Company's published announcements and private submissions to the Stock Exchange.

FTI Consulting concluded that this allegation was **not substantiated**, based on its findings as summarised below:

FTI Consulting's extensive independent due diligence research (including public domain searches, corporate filings, analysis on forms on disclosures of securities interests, and independent research on relevant entities) revealed no shareholding, economic interest, beneficial ownership, or control by Mr. Jiang in Innovative Vision, and revealed no connections between Mr. Wang and Innovative Vision or its controlling shareholders. These findings are supported by external written confirmations from representatives of one of Innovative Vision's substantial shareholder, as well as a report produced by Innovative Vision's auditor which concluded that no funds used for the acquisition were sourced from Mr. Jiang or entities under his effective control.

FTI Consulting also concluded that the appointments of Mr. Jiang and Mr. Wang followed the Company's established governance procedures and were supported by their professional experience and expertise, with no documentary or interview evidence indicating improper influence or concealment of any material relationship with a substantial shareholder.

Corporate Governance Allegation (4)(a)

Alleged unauthorised consultancy agreements with UOA

The Company had entered into three consultation agreements with UOA with the first being executed by Mr. Hui on the Company's behalf and dated 19 August 2024 (i.e. before Mr. Jiang joined the Company) and the second agreement, extending UOA's work scope under the first agreement, being executed by Mr. Jiang on the Company's behalf and dated 9 September 2024. Mr. Jiang was a director of UOA since its incorporation and has resigned from all his positions from UOA on 15 August 2024. He was an indirect shareholder of UOA between 31 January 2023 and 8 June 2023.

It was alleged that the Company's execution of the first two agreements with UOA had not received prior authorisation of the Board.

FTI Consulting concluded that this allegation was **not substantiated**, based on its findings as summarised below:

FTI Consulting concluded that the consultation agreements with UOA were entered into with appropriate management-level authorisation in accordance with the Company's established procurement policy and subsidiary governance framework. UOA's engagements were classified as "major administrative projects" requiring approval by the Chairman or CEO rather than full Board resolution, and the successive agreements represented logical extensions of the initial strategic and operational advisory scope with clear commercial rationale. UOA had delivered tangible deliverables that were consistent with the agreed scope (including stakeholder interviews, progress reports, and recommendations).

UOA has confirmed that as of 19 August 2024 and thereafter, Mr. Jiang held no ongoing directorship, shareholding, economic interest, role, influence, or other contractual relationship with UOA or its related entities.

Corporate Governance Allegation (4)(b)

Alleged unauthorised employment of Mr. Chen without valid working visa

It was alleged that Mr. Jiang and Mr. Hui instructed and/or directed the employment of Mr. Chen as general manager of Saintford when Mr. Chen was not holding a valid Hong Kong working visa.

FTI Consulting concluded that this allegation was **not substantiated**, based on its findings as summarised below:

It was found that the human resources department was responsible for administering employment matters, including visa compliance. Documentary evidence and interview with the Company's human resources department indicated that Mr. Chen's employment with Saintford has complied with visa requirements. Further, Mr. Chen's employment contract was conditional upon visa approval which was granted before his formal employment commencement date, as supported by employment contracts, payroll records, and other internal documentation.

Corporate Governance Allegation (4)(e)

Alleged unauthorised Settlement Agreement and Assignment

It was alleged that on or around 17 December 2024, Mr. Jiang and Mr. Hui failed to obtain the prior authorisation of the Board in entering into the Settlement Agreement with Dr. Lau concerning a loan due from Dr. Lau to the Group. This settlement included an Assignment, whereby Dr. Lau assigned to Saintford a HK\$1.75 million guarantee previously provided by Dr. Tse. It is further alleged that these actions failed to adhere to the Company's internal control procedures given that the Assignment might not be on normal commercial terms and would constitute a non-exempt connected transaction under Chapter 14A of the Listing Rules.

FTI Consulting concluded that this allegation was **not substantiated**, based on its findings as summarised below:

Dr. Lau owed Saintford a loan of a principal amount of HK\$14.2 million which was to be repaid on 31 December 2024. Dr. Tse owed Dr. Lau a sum (outstanding since 2023) which amounted to HK\$1.75 million in December 2024. When Mr. Jiang and Mr. Hui required Dr. Lau to repay the loan owed to Saintford, Dr. Lau insisted that the amount owed to her by Dr. Tse had to be settled at the same time.

Dr. Lau also insisted that any settlement agreement with Saintford should be executed by two directors of Saintford. Mr. Hui and Mr. Lo were the only directors of Saintford at that time. However, Mr. Lo had minimal involvement in the Group's operations after he ceased to act as the general manager of the Group in November 2024. Mr. Jiang was appointed as a director of Saintford in December 2024. Mr. Jiang and Mr. Hui, on behalf of Saintford, then entered into with Dr. Lau the Settlement Agreement in late December 2024 in respect of the loan and accrued interest due from Dr. Lau to Saintford. Dr. Lau settled all outstanding amounts (a net amount of approximately HK\$12.78 million after setting off the Assignment of the HK\$1.75 million) owed to Saintford by mid-January 2025.

Mr. Jiang and Mr. Hui, on behalf of Saintford, executed the deed for the Assignment in mid-January 2025. Thereafter, the HK\$1.75 million originally owed by Dr. Tse to Dr. Lau became owed to Saintford. FTI Consulting considered that the Settlement Agreement with Dr. Lau was entered into with appropriate management-level authorisation in accordance with Saintford's articles of association, and guided by certain external legal advice sought.

FTI Consulting found that the Settlement Agreement and Assignment with Dr. Lau were executed by Mr. Jiang and Mr. Hui as directors of Saintford in compliance with Saintford's articles of association, with legal opinions confirming validity and enforceability under Cayman Islands law, and that the Settlement Agreement and Assignment did not fall within the specific transactions requiring prior written Board approval. Both arrangements were supported by clear commercial rationale. The Settlement Agreement secured prompt recovery from Dr. Lau of the HK\$14.2 million loan principal plus accrued interest, mitigated litigation risk, and addressed asset recoverability concerns, with no financial loss or discount to the Group's receivable.

FTI Consulting also found that the Assignment did not constitute a connected transaction of the Company or financial assistance under Chapter 14A of the Listing Rules as (i) Dr. Lau was not a connected person when the Assignment was executed; (ii) the Assignment did not constitute a transaction between Saintford and Dr. Tse; (iii) it did not amount to financial assistance under Chapter 14A of the Listing Rules, as no payment or other form of financial assistance was extended by Saintford to Dr. Tse; (iv) even if the Assignment was hypothetically classified as a connected transaction or financial assistance, the HK\$1.75 million amount was immaterial and would be qualified for exemptions from disclosure and other obligations under the Listing Rules; and (v) the Assignment was conducted on normal commercial terms or better as this arrangement has facilitated immediate recovery of the loan principal and accrued interest from Dr. Lau. No violation of the Listing Rules was identified.

FTI Consulting concluded there was no documentary or interview evidence that indicated irregularity, self-dealing or lack of commercial justification.

Corporate Governance Allegation (5)

Alleged approach by Hong Kong law enforcement agencies

It was alleged that Mr. Jiang had been approached for investigation and/or enquiries by the Hong Kong Police Force and the Hong Kong Immigration Department.

FTI Consulting concluded that this allegation was **not substantiated** as there was no evidence confirming any wrongdoing or illegal acts, based on its findings as summarised below:

The Police made initial contact with the Company's staff in or around April 2025 seeking to speak with the Company's CEOs. Following unsuccessful follow-up attempts by Mr. Hui and an approach by the Company's legal advisor in November 2025, Mr. Jiang, together with his personal legal advisor, voluntarily scheduled and attended an interview with the Police representatives on 30 January 2026. During such interview, the Police sought clarification on matters falling within the scope of the Corporate Governance Allegations under review in the FTI Investigation. The Company indicated that it has not received any warrant, case reference number, notice or other official documentation from the Police or the Immigration Department. Public-domain records (including court filings, police press releases, media reports) showed no indication of an ongoing formal police investigation against Mr. Jiang, nor any substantiation of irregularity or misconduct in respect of the specific allegations potentially linked to the Police's approach.

The Immigration Department's inquiries related to Saintford's employment of Mr. Chen and were dealt with by the Company's Human Resources function. Mr. Jiang had not received any request for interview from the Immigration Department and therefore such inquiries did not appear to have targeted Mr. Jiang personally.

Corporate Governance Allegations (6), (7) and (8)

Alleged fiduciary duty and investigative conduct breaches by certain current and former Directors

It was alleged that Mr. Wu, Ms. Zhao and Mr. Wang have failed to discharge their fiduciary duties in handling the allegations against Mr. Jiang and Mr. Hui; that Mr. Jiang and Mr. Hui have intentionally delayed the investigation of the Special Committee and/or manipulated the investigation by the Special Committee with the assistance of Mr. Wu, Ms. Zhao and Mr. Wang; and that Mr. Wu, Ms. Zhao, Mr. Wang, Mr. Jiang and Mr. Hui have breached the Company's whistleblowing policy and the Corporate Governance Code by imposing unwarranted disciplinary actions against certain whistleblowers within the Company.

FTI Consulting concluded that this allegation was **not substantiated**, based on its findings as summarised below:

Based on available documentary evidence and interviews, FTI Consulting concluded that there was no evidence to support the allegation that Mr. Wu, Ms. Zhao, Mr. Wang, Mr. Hui and Mr. Jiang have acted as a monolithic bloc, as voting records demonstrated that they held varied positions depending on the matter under consideration at that time. The Board's actions were supported by legitimate commercial rationale and has followed established governance procedures. There were also no contemporaneous records, interview evidence, or voting patterns that indicate deliberate delay in the Special Committee investigation or retaliation against whistleblowers.

LIMITATION OF THE INVESTIGATION

The findings of the FTI Investigation are subject to certain limitations. The key limitations include but are not limited to:

- (a) the scope of the investigation is restricted to specific financial transactions that directly fall within, or are relevant to the Corporate Governance Allegations;
- (b) the investigation work does not constitute an audit, and FTI Consulting makes no representation relating to matters of legal nature nor constitutes legal opinion or advice;
- (c) FTI Consulting relied on documents and information supplied by management or employees of the Group and relevant third parties specified, and did not independently verify the information provided;
- (d) lack of cooperation from certain former employees and directors who had left the Group prior to the investigation and certain third parties (including external counterparties to financial arrangements and transactions in relation to the Corporate Governance Allegations) who either refused to engage or remained uncontactable;
- (e) to mitigate limitation (d) above, FTI Consulting prioritised review of the Group's contemporaneous internal records and placed significant reliance on the Group's internal correspondence, minutes, contracts, and approvals and its own contemporaneous records (including bank statements, payment instructions, accounting entries, emails and contractual documentations), and documents relating to the legal proceedings concerning, among other matters, issues that overlap with some of the Corporate Governance Allegations under the FTI Investigation;
- (f) PwC Consulting, being the previous forensic adviser to the Special Committee, did not agree to the interview request made by FTI Consulting, or assist FTI Consulting in relation to PwC Consulting's prior investigative work, which includes information from certain personnel who have declined FTI Consulting's interview request; and
- (g) due to absence of certain primary sources of information, such as direct witness accounts from key individuals who declined to participate, FTI Consulting recommended the implementation of forensic technology procedures. These procedures were ultimately not taken, principally due to resource constraints, causing the depth of corroborative testing that could be applied to certain allegations and conclusions remained limited. Alternative procedures adopted by FTI Consulting included review of targeted extracts of email correspondence relating to specific aspects of the Corporate Governance Allegations and selected personal WeChat messages from certain individuals provided by the Company.

OPINIONS OF THE SPECIAL COMMITTEE AND THE BOARD ON THE FTI INVESTIGATION REPORT

The Special Committee has reviewed the FTI Investigation Report. After due consideration and subject to the various limitations and disclaimers which FTI Consulting encountered or observed as reported in the FTI Investigation Report and upon consideration of legal advice from the Special Committee's independent legal adviser, the Special Committee is of the view that the contents of and the findings in the FTI Investigation Report are well-reasoned, supported by sufficient grounds, and therefore reasonable and acceptable. The Special Committee therefore has sought the approval of the Board to adopt the findings in the FTI Investigation Report.

Based on the FTI Investigation Report, up to the date of the FTI Investigation Report, nothing was brought to the attention of the Special Committee which would suggest any current Directors or senior management of the Company engaged in any fraudulent or dishonest acts with regard to the relevant matters under the FTI Investigation that might pose a risk to Shareholders and potential investors of the Company and/or damage market confidence.

The Board has reviewed the FTI Investigation Report which has been endorsed by the Special Committee as mentioned above. The Board has also taken into account that the Special Committee has followed proper procedures in investigating the Corporate Governance Allegations, obtained appropriate legal advice and duly considered the scope, limitations and findings of the FTI Investigation. On such basis, the Board accepts the FTI Investigation Report.

IMPLICATIONS ON THE OPERATION AND FINANCIAL POSITION OF THE GROUP

Based on its investigation procedures and the evidence obtained to date, FTI Consulting has concluded that: (i) the Company exhibited administrative weaknesses and deficiencies in its internal control and approval processes which resulted in or permitted the occurrence of the relevant matters under FTI Investigation; (ii) instances of financial misconduct were identified on the part of Dr. Tse, WIT and Proyan; and (iii) Mr. Lo demonstrated an apparent conflict of interest in approving Saintford's payments to WIT.

The Board assesses the maximum direct financial impact arising from the matters identified in the FTI Investigation Report to be approximately HK\$6.45 million. This comprises HK\$5,504,727 in alleged overpayments to WIT and HK\$950,000 in unjustified payments made to Proyan. As disclosed in the announcement of the Company dated 12 February 2025, Saintford has issued a writ of summons under HCA 0198/2025 against WIT as proactive steps taken to recover the overpayment to WIT under Corporate Governance Allegation (1)(b). Saintford's debt recovery proceedings against WIT is still ongoing and the Company will make further announcement(s) thereon in due course.

Corresponding changes to the compositions of the Board were also made. As disclosed in the announcements of the Company dated 1 August 2025, 26 August 2025 and 16 September 2025, and in the circular of the Company dated 3 September 2025, Dr. Tse and Mr. Lo were no longer Directors or employees of any member of the Group.

The Company has been taking remedial measures in respect of the administrative weaknesses and deficiencies identified by FTI Consulting. The Board has since undertaken remedial action by formally ratifying the directorship appointments for Saintford in September 2025, thereby regularising that specific arrangement. Also as disclosed in the Company's announcement dated 6 January 2026, Shareholders have approved amendments to the Company's articles of association, such amendments being intended to enhance operational efficiency and to remove atypical and unnecessary Board approval threshold.

The Company has taken significant steps to enhance the Group's internal control framework and to strengthen its procurement policies. These improvements encompass the full procurement cycle, including the clear ascertainment of services and products required, the careful selection and evaluation of vendors, the conduct of contract negotiations, the proper authorisation of agreements, and the ongoing monitoring of deliverables and payments. By instituting these measures, the Company has established sufficient safeguards to ensure accountability, operational efficiency, reduce risks and reinforce confidence in its corporate governance and procurement processes.

Based on the findings from FTI Consulting and the current evidence, and with the remedial actions taken by the Group up to the date of this announcement, the Board believe that the integrity, competence, and/or character of the Group's current management and/or persons with significant influence over the Company's current management and operations do not pose any risk to investors and will not undermine market confidence.

Pursuant to the Board's assessment and taking into account the findings in the FTI Investigation Report, the Board considers that the Group's operation and business remain normal.

SUBSEQUENT EVENTS

Following the Board's adoption of the findings set out in the FTI Investigation Report, FTI Consulting received an email from Dr. Tse late in the evening on 30 March 2026, in which Dr. Tse provided FTI Consulting with the affirmations sworn by himself and Mr. Jiang in connection with the legal proceedings he commenced under action number HCMP 1627/2025 (the "**1627 Action**"), the originating summons in respect of which, together with all relief sought therein, was dismissed by the Court on 2 April 2026 (reference is made to the Company's announcements dated 23 September 2025 and 2 April 2026 regarding such proceedings). Dr. Tse requested FTI Consulting to review those affirmations together with the accompanying documents. This was the first occasion on which Dr. Tse substantively engaged with FTI Consulting. Since 19 December 2025, FTI Consulting had repeatedly invited Dr. Tse to attend interviews; however, he neither participated in any interview nor furnished any substantive information during that period.

The Board has sought legal advice on such subsequent event. The Company's legal adviser compared the information set out in those affirmations relevant to the Corporate Governance Allegations against the information quoted in the FTI Investigation Report and concluded that the affirmations did not contain substantive new information. Accordingly, the Board resolved that this announcement be published with disclosure of the above-mentioned subsequent events.

Given that no substantive new information was provided by Dr. Tse and Dr. Tse failed to engage with FTI Consulting in a meaningful manner during the previous three months, the Board is of the view that publishing this announcement (with disclosure of the subsequent events) without any further delay is in the best interests of the Company and the Shareholders as a whole, because any further delay could adversely affect the overall plan for applying for resumption of trading in the Company's shares.

APPOINTMENT OF INTERNAL CONTROL ADVISER

Based on the findings from FTI Consulting above and as one of the conditions for the resumption of trading in the Company's shares as stated under the Resumption Guidance, the Board has appointed one of the Big Four accounting firms as the internal control adviser to conduct independent internal control review on the Company and to assist the Company in implementing and improving the internal control systems and procedures of the Group as far as reasonably practicable to ensure that the Company has in place adequate internal controls and procedures to meet its obligations under the applicable laws and regulations and the Listing Rules, and to prevent recurrence of events similar to the relevant matters under the FTI Investigation. The Company will publish an announcement on the findings of the internal control review and the remedial actions taken by the Company separately.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 15 April 2025 and will remain suspended until further notice.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares or other securities of the Company, and if they are in any doubt about their position, they should consult their independent professional advisor(s).

CLARITY MEDICAL GROUP HOLDING LIMITED
JIANG Bo

Executive Director and Chief Executive Officer

Hong Kong, 7 April 2026

As at the date of this announcement, the Board comprises Mr. JIANG Bo as executive Director, Mr. CHEN Jiarong, Professor WANG Qinmei and Mr. SUN Peng as non-executive Directors, and Mr. WANG Can, Ms. CI Ying, Dr. CHEN Poujian and Mr. XU Anliang as independent non-executive Directors.