健康160

健康160国际有限公司
160 Health International Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 2656

GLOBAL OFFERING

Joint Sponsors

中萬宏源香港 SWHYHK

清科資本 Zero2IPO Capital

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

中萬宏源香港 SWHYHK

清科證券 Zero2IPO Securities

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ABCI 農銀國際

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鼎新证券有限公司 INNOVATION SECURITIES CO.,LIMITED

太陽證券有限公司 SUN SECURITIES LIMITED

SC 南華證券投資有限公司 South China Securities Limited

ZTSC 中泰國際

利弗莫尔证券 LIVERMORE HOLDINGS LIMITED

uSMART Securities 盈立證券

华盛证券

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should seek independent professional advice.

传递爱的力量·让健康更简单

160 Health International Limited
健康160国际有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	33,645,500 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	3,364,750 Shares (subject to reallocation)
Number of International Offer Shares	:	30,280,750 Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	:	HK$14.86 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal Value	:	US$0.000002 per Share
Stock Code	:	2656

Joint Sponsors

申萬宏源香港 SWHYHK　　清科資本 Zero2IPO Capital

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

申萬宏源香港 SWHYHK　　清科證券 Zero2IPO Securities

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ABCI 農銀國際　　中銀國際 BOCI　　EDDID FINANCIAL

鼎新证券有限公司 INNOVATION SECURITIES CO.,LIMITED　　太陽證券有限公司 SUN SECURITIES LIMITED　　南華證券投資有限公司 South China Securities Limited　　ZTSC 中泰國際

利弗莫尔证券 LIVERMORE HOLDINGS LIMITED　　uSMART Securities 盈立證券　　华盛证券

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

A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies in Hong Kong and on Display" in Appendix V, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before Monday, September 15, 2025. If, for any reason, the Offer Price is not agreed by 12:00 noon on Monday, September 15, 2025, the Global Offering will not proceed and will lapse. The Offer Price will be no more than HK$14.86 per Offer Share and is currently expected to be no less than HK$11.89 per Offer Share unless otherwise announced.

The Overall Coordinators may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. See "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for further details.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for termination" for further details.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in "Risk factors."

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and may not be offered or sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk and our website at www.91160.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

September 9, 2025

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

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This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.91160.com. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(a) apply online through the **White Form eIPO** service at **www.eipo.com.hk**; or

(b) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** through HKSCC's FINI system in accordance with your instruction.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be for a minimum of 250 Hong Kong Offer Shares and in one of the numbers set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
250	3,752.47	5,000	75,049.32	35,000	525,345.21	200,000	3,001,972.62
500	7,504.93	7,500	112,573.98	40,000	600,394.52	250,000	3,752,465.78
750	11,257.40	10,000	150,098.63	45,000	675,443.83	300,000	4,502,958.94
1,000	15,009.86	12,500	187,623.29	50,000	750,493.15	400,000	6,003,945.25
1,250	18,762.33	15,000	225,147.94	60,000	900,591.79	500,000	7,504,931.56
1,500	22,514.79	17,500	262,672.60	70,000	1,050,690.42	600,000	9,005,917.85
1,750	26,267.26	20,000	300,197.26	80,000	1,200,789.05	800,000	12,007,890.48
2,000	30,019.72	22,500	337,721.92	90,000	1,350,887.68	1,000,000	15,009,863.10
2,250	33,772.19	25,000	375,246.58	100,000	1,500,986.31	1,200,000	18,011,835.72
2,500	37,524.66	30,000	450,295.90	150,000	2,251,479.46	1,682,250(1)	25,250,342.20

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for (being approximately 50% of the 3,364,750 Offer Shares initially available under the Hong Kong Public Offering).

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy will be paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.91160.com**.*

Hong Kong Public Offering commences	9:00 a.m. on Tuesday, September 9, 2025
Latest time to complete electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**[2]	11:30 a.m. on Friday, September 12, 2025
Application lists of the Hong Kong Public Offering open[3]	11:45 a.m. on Friday, September 12, 2025
Latest time for (a) completing payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4]	12:00 noon on Friday, September 12, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close	12:00 noon on Friday, September 12, 2025
Expected Price Determination Date[5]	by 12:00 noon on Monday, September 15, 2025
Announcement of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.91160.com**[7]	no later than 11:00 p.m. on Tuesday, September 16, 2025

The results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on our website and the website of the Hong Kong Stock Exchange at **https://www.91160.com** and **www.hkexnews.hk**, respectively . . . . no later than 11:00 p.m. on Tuesday, September 16, 2025

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from . . . . .11:00 p.m. on Tuesday, September 16, 2025 to 12:00 midnight on Monday, September 22, 2025

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on . . . . Wednesday, September 17, 2025, Thursday, September 18, 2025, Friday, September 19, 2025 and Monday, September 22, 2025

Share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering to be despatched or deposited into CCASS on or before[6] . . . . Tuesday, September 16, 2025

White Form e-Refund payment instructions/refund cheques in respect of (i) wholly or partially successful applications (if applicable) and (ii) wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering to be despatched on or before[8] . . . . Wednesday, September 17, 2025

Dealings in the Shares on the Stock Exchange to commence at . . . 9:00 a.m. on Wednesday, September 17, 2025

Notes:

(1) All times and dates refer to Hong Kong local time and date, except as otherwise stated.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are Severe Weather Signal(s) (as defined in the section headed "How to Apply for Hong Kong Offer Shares – E. Severe Weather Arrangements" in this prospectus) in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, September 12, 2025 the application lists will not open or close on that day. See the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements" for details.

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels."

(5) The Price Determination Date is expected to be on or before Monday, September 15, 2025 and, in any event, not later than 12:00 noon on Monday, September 15, 2025 or such other date as agreed between parties. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on Monday, September 15, 2025 or such other date as agreed between parties, the Global Offering will not proceed and will lapse.

(6) Share certificates are expected to be issued on Tuesday, September 16, 2025 but will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be around Wednesday, September 17, 2025. Investors who trade Shares on the basis of publicly available allocation details before the receipt of Share certificates and before they become valid evidence of title do so entirely of their own risk.

(7) None of the websites or any of the information contained on the website forms part of this prospectus.

(8) **White Form** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and in respect of wholly or partially successful applications if the Offer Price is less than the price per Offer Share payable on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

(9) Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies" for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Any uncollected Share certificates and/or refund cheques will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details relating to the structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, severe weather arrangements and the despatch of refund cheques and Share certificates.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, we will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO INVESTORS

We have issued this prospectus solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares, and it does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. We have taken no action to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, and we have taken no action to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should only rely on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners and the Joint Lead Managers or the Underwriters, any of our or their respective directors or any other person or party involved in the Global Offering.

Page

This summary is an overview of the information contained in this prospectus and does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

Who We Are

We are an experienced pharmaceutical and healthcare product wholesaler and a leading digital healthcare integrated service provider in China. We provide customers with a wide selection of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions. We offer a wide assortment of high-quality pharmaceutical and healthcare products under both wholesale and retail models, to address a spectrum of customer needs. In addition, through our online healthcare and wellness service platform, *Healthcare 160 Platform*, we also provide digital healthcare and wellness solutions, empowering each Platform Participants, primarily including business customers, medical and healthcare institutions, medical professionals, individual users, and third-party merchants, throughout the healthcare value chain and driving the digital transformation of China's healthcare and wellness industry.

We provide pharmaceutical and healthcare products to business customers, including regional pharmaceutical trading companies, medical and healthcare institutions, and other pharmaceutical sales platforms, under wholesale model and individual users under retail model. Leveraging our robust supply chain resources and strong order fulfillment capabilities, we identify stable and high-quality suppliers to meet our customers' specific needs and offer efficient product delivery, generating substantial revenue from product sales. During the Track Record Period, our pharmaceutical and healthcare product sales, particularly through our wholesale model, made a substantial contribution to our revenue, consistently positioning it as the primary revenue stream for us. Revenue generated from sale of pharmaceutical and healthcare products constituted 73.2%, 71.7%, 68.7%, 66.6% and 66.9% of our total revenue in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, among which, revenue generated from wholesale of pharmaceutical and healthcare products contributed 57.8%, 66.1%, 64.9%, 59.8% and 64.3% of our total revenue during the same periods.

In providing digital healthcare and wellness solutions, we have developed *Healthcare 160 Platform*, a service platform that integrates healthcare and wellness services through online and offline channels, effectively connecting medical and healthcare institutions, medical professionals, and individual users. Our platform provides a diverse array of healthcare and wellness services, encompassing both essential medical care and consumer healthcare services. We employ an effective monetization strategy for our digital healthcare and wellness solutions to generate revenue from various Platform Participants, thereby constituting an important revenue stream for us. Revenue generated from our digital healthcare and wellness solutions constituted 26.8%, 28.3%, 31.3%, 33.4% and 33.1% of our total revenue in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. According to Frost & Sullivan, we were the largest digital healthcare and wellness service platform in the digital healthcare integrated service industry in China in 2024, in terms of (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024.

Our technology-driven healthcare and wellness service platform provides integrated support to Platform Participants and creates benefits across different areas of our operations. Business customers procure pharmaceutical and healthcare products from us, assured by our commitment to timely delivery, complemented by responsive after-sales support. For medical and healthcare institutions, we provide tailored solutions to digitize their operations, improve their operating efficiency and enhance their brand visibility. Medical professionals benefit from our established online practice platform, supporting online healthcare services, patient management, and personal brand promotion. Individual users have easy access to online healthcare services as well as pharmaceutical and healthcare products through our online healthcare and wellness service portal. Our wide-ranging product and service offerings cover from pre-consultation to post-treatment stages, providing both essential medical care and consumer healthcare services to meet diverse needs of individual users. In addition to our services and products for key Platform Participants, we also operate an online marketplace for third-party merchants.

Each business line contributes to the overall development of our platform and supports our growth in its respective area. In the realm of our digital healthcare and wellness solutions, online marketing solutions, together with digital hospital solutions, play a pivotal role in augmenting the platform's medical resources, which in turn bolster the medical resources for online healthcare services. The growth of our online healthcare services also broadens user engagement on our platform and enhances overall service utilization, supporting the development of our retail of pharmaceutical and healthcare products. Meanwhile, our wholesale model expands and fortifies our supply chain, which enhances our bargaining power with upstream suppliers and contributes to the diversification of our revenue streams.

Our origins in Shenzhen have laid a solid foundation for our success in this region and its surrounding areas. We have firmly established a notable leadership position within Shenzhen's digital healthcare integrated service industry, as demonstrated by our robust relationships with local medical and healthcare institutions and professionals. Building upon this success, we have created a digital healthcare and wellness service platform that provides individual users with a wide range of reliable online healthcare services at any time and from anywhere, surpassing the limitations of time and location commonly associated with offline healthcare services. Through our platform, we had extended our service outreach to over 260 cities across China as of March 31, 2025.

We consider the medical resources available on our platform to be the cornerstone of our business. To diversify these resources, we collaborate with well-regarded general and specialty medical and healthcare institutions, as well as highly skilled medical professionals. Additionally, we strive to expand our coverage of local medical resources to enhance our localized services. To reinforce our medical resources, we have established 11 regional operation centers in key regions such as Shenzhen, Beijing, Shanghai, and Guangzhou. Our geographical footprints in these regions afford customers seamless access to our broad array of product and service offerings and contribute to a thorough healthcare experience for them. The enhanced user recognition in turn attracts new local medical resources to our platform.

Our Business Highlights

As of March 31, 2025, our platform had connected with over 44,600 medical and healthcare institutions cumulatively since our inception, which comprised over 14,400 hospitals (including 3,430 Class III hospitals) and over 30,200 primary healthcare institutions. As of the same date, among our collaborating medical and healthcare institutions, there were over 6,800 private institutions primarily providing consumer healthcare services on our platform, such as dental, ophthalmology, and physical examination services.

As of the same date, we had established cooperative relationships with over 902,300 medical professionals cumulatively since our inception, which included approximately 46,200 registered physicians. Concurrently, our platform boasts an substantial user base, with 55.2 million registered individual users as of March 31, 2025. In addition, our platform recorded average MAUs of 3.3 million for the three months ended March 31, 2025.

Furthermore, the accumulation of over 5.6 million user reviews underscores the thriving user engagement and dynamic interaction observed on our platform. This multifaceted spectrum of connections and interactions reflects the robustness of our platform's healthcare service network.

The following chart illustrates the scale of our business for the period/as of the date indicated:

Notes:

(1) cumulatively since inception up to March 31, 2025

(2) for the three months ended March 31, 2025

(3) as of March 31, 2025

(4) cumulatively during the Track Record Period

(5) cumulatively since the launch of *160 Cloud Hospital* up to March 31, 2025

We have experienced considerable growth through our business expansion and monetization mechanisms. During the Track Record Period, we generated revenue from sale of pharmaceutical and healthcare products, as well as the provision of digital healthcare and wellness solutions. Our revenue increased by 19.6% from RMB525.6 million in 2022 to RMB628.6 million in 2023. Our revenue remained relatively stable at RMB628.6 million and RMB620.7 million in 2023 and 2024, respectively. Our revenue increased by 6.7% from RMB94.2 million for the three months ended March 31, 2024 to RMB100.5 million for the same period in 2025. As we were in the stage of developing our product and service offerings, expanding our medical resources, and enhancing our platform traffic, we incurred a significant amount of costs and expenses during the Track Record Period. However, due to our ongoing efforts to boost revenue and reduce costs, our adjusted net loss (non-IFRS measure) had been successfully narrowed from RMB81.9 million in 2022 to RMB35.7 million in 2023, and further to RMB31.5 million in 2024. For the three months ended March 31, 2025, our adjusted net loss (non-IFRS measure) continued to decline significantly to RMB7.2 million, compared to RMB18.8 million for the same period in 2024.

Our Distinctive Business Model

We operate the *Healthcare 160 platform*, an integrated online healthcare and wellness service platform. Under this platform, our business model is structured around two major business lines, each serving distinct customer groups:

- **Sale of Pharmaceutical and Healthcare Products**

  ➢ Wholesale model: supplying a broad range of pharmaceutical and healthcare products to business customers, primarily pharmaceutical trading companies.

  ➢ Retail model: providing pharmaceutical and healthcare products directly to individual users, meeting their daily and urgent healthcare needs.

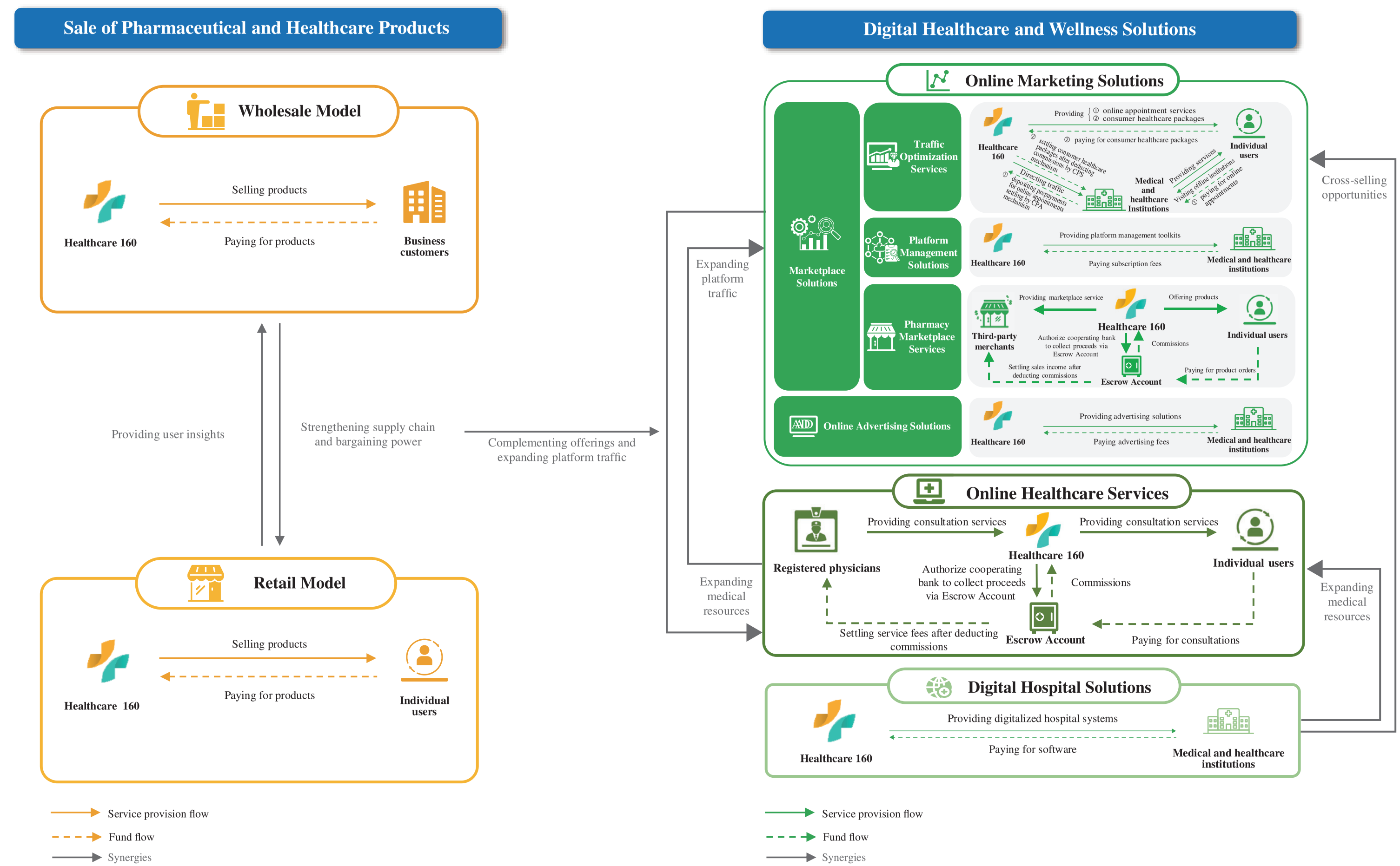
- **Digital Healthcare and Wellness Solutions**

  ➢ *Online marketing solutions*: assisting medical and healthcare institutions in marketing and patient outreach. Under online marketing solutions, we provide (i) marketplace solutions, which include platform management solutions, traffic optimization services and pharmacy marketplace services, and (ii) online advertising solutions.

  ➢ *Digital hospital solutions*: supporting medical and healthcare institutions in in-hospital digitalizing operations, including infectious disease surveillance and full-process patient management.

  ➢ *Online healthcare services*: enabling registered physicians to deliver online consultations services directly to individual users.

Our online healthcare and wellness service platform integrates and connects Platform Participants along the healthcare value chain. The following chart illustrates our distinctive business model and social value:



Services for Business Customers

Capitalizing on our well-established relationships with upstream suppliers, we furnish business customers with a wide array of pharmaceutical and healthcare products under wholesale model, underscored by competitive pricing, assured quantities, and punctual delivery cycles. In tandem with the products and services we crafted for our key Platform Participants, the incorporation of the wholesale model diversifies our revenue streams, thereby enhancing our resilience and stability in the face of market fluctuations.

Solutions for Medical and Healthcare Institutions

Our partnerships with medical and healthcare institutions form the core of our business. We facilitate the digital transformation of these institutions with solutions designed to forge an open system that smoothly integrates the Internet with healthcare, thereby boosting efficiency, accuracy, and intelligence in patient experiences. Moreover, our solutions promote the advancement and sustainability of medical and healthcare institutions, underpinning their digitalization in the following aspects:

- *Operational efficiency*. To enhance operational efficiency on our platform, we provide medical and healthcare institutions with platform management solutions through proprietary online management platforms, *Jiuyitong (就醫通)* and *160 Cloud Hospital (160雲醫院)*. Through our solutions, institutions can efficiently oversee their operations on our platform and boost their online visibility, while achieving greater efficiency at their fingertips. Furthermore, we equip medical and healthcare institutions with digital hospital solutions that encompass intelligent in-hospital disease prevention and management, alongside the construction and upgrading of in-hospital information systems. These initiatives optimize the allocation of medical resources, enable rapid response to patient needs, and elevate service quality. Concurrently, they drive increased efficiency and cost-effectiveness across the healthcare delivery spectrum.

- *Brand promotion*. We offer online marketing solutions to amplify brand recognition for medical and healthcare institutions. Through our platform, institutions tap into multi-channel, targeted marketing strategies to stimulate patient growth and engagement. This encompasses advertising placement, medical popular science article release, and strategic marketing campaigns. Moreover, our platform offers an avenue through which medical and healthcare institutions, particularly private ones, can reach potential patients with heightened efficiency and without the constraints of physical space.

Solutions for Medical Professionals

Medical professionals are essential to our online healthcare services. To better serve and connect with them, we offer the following solutions:

- *Online healthcare service platform*. Supported by the multi-function features of our proprietary mobile app, medical professionals can provide healthcare services beyond the hospital setting. This enables them to engage more effectively with their patients, improve service efficiency, and expand their overall service capacities.

- *Patient management*. Drawing upon our industry knowledge and technological advantages, we present medical professionals with a range of self-developed platform-based toolkits, such as patient community construction and management toolkits. These toolkits empower them to elevate their intelligent patient management by enhancing patient-physician interactions on our platform. By embracing our toolkits, medical professionals can efficiently manage patient resources, improve patient engagement, and fortify patient loyalty.

- *Personal branding*. Through offering diversified marketing toolkits, such as content management toolkit designed to manage their contents posted on our platform, we assist medical professionals in managing word-of-mouth and patient communities and enhancing online exposure, which facilitates effective promotion of their personal brands.

Solutions for Individual Users

We are dedicated to offering individual users reliable, affordable, specialized, and accessible online healthcare services through our alliance of collaborating medical and healthcare institutions and professionals. Our offerings include online medical appointments, consultations, consumer healthcare packages, as well as pharmaceutical and healthcare products through our one-stop platform.

We integrate esteemed medical and healthcare institutions of varying specialties into our platform, granting easy access for individual users to well-regarded medical professionals for appointments and consultations. We constantly expand our online healthcare services to match evolving user needs, which now cover a broad spectrum of essential medical care and consumer healthcare services.

Furthermore, our online retail pharmacies offer a diverse range of competitively priced pharmaceutical and healthcare products. This not only caters to individual users' medication requirements but also complements the post-treatment services available through our online healthcare offerings. Our integrated online pharmacies, along with our other services, create an integrated online healthcare and wellness service platform, enhancing user engagement.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths can empower us to achieve sustainable growth:

- an industry front-runner in China's digital healthcare integrated service industry;
- a wide range of services for Platform Participants that reduce customer acquisition cost and enhance customer stickiness through notable synergistic effects;
- a popular digital healthcare and wellness service platform providing reliable products and services;
- well-rounded and accessible healthcare service portfolio covering a wide range of healthcare scenarios and catering to diverse needs throughout the entire patient journey;
- solid research and development capabilities contributing to higher conversion rates of paying customers and creating more cross-selling opportunities; and
- insightful and experienced management team with cross-industry experiences and business insights.

OUR BUSINESS STRATEGIES

We aim to deliver healthcare services with care and lead through innovation, promoting wellness for all. To this end, we intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities, further solidify our market position and achieve our mission:

- strengthen our research and development capabilities;
- further broaden medical resource coverage and increase traffic to our platform;
- continue to diversify product and service offerings and explore value-added services; and
- selectively pursue strategic cooperation and acquisitions.

OUR PRODUCT AND SERVICE OFFERINGS

Sale of Pharmaceutical and Healthcare Products

We engage in the selling of pharmaceutical and healthcare products through a combination of wholesale and retail models.

Our wholesale model will reinforce our supply chain and support the overall development of our business. Operating within this wholesale sales framework, we procure a diverse range of pharmaceutical and healthcare products from pharmaceutical companies, distributors, and vendors. These products are subsequently channeled to business customers mainly through offline channels. Leveraging our robust supply network, we swiftly source high-quality and competitively priced pharmaceutical and healthcare products to meet the specific needs of our business customers. During the Track Record Period, revenue generated from our wholesale of pharmaceutical and healthcare products constituted a significant portion of our total revenue. However, our wholesale model operates on thin gross profit margins, as it primarily involves large-volume transactions with business customers, where competitive pricing is critical to securing orders, thereby further limiting margins.

At the same time, our wholesale model benefits from relatively short inventory turnover days. This is primarily attributable to our industry experience, which enables us to anticipate market trends through established product management and forecasting practices, and our proactive communication with customers to gain deep insights into their needs. These factors allow us to make timely and strategic adjustments to product selection, ensuring that our inventories remain closely aligned with evolving market trends and customer demand.

Within our retail model, we curate a broad array of pharmaceutical and healthcare products sourced from various suppliers and subsequently sell them to individual users through our retail sales channels. This retail sales approach is executed via our online retail pharmacy integrated within our platform and online stores on third-party e-commerce platforms. We utilize advanced web scraping technology, industry expertise, and market insights to meticulously curate a selection of popular, trending, and historically high-performing products for our retail pharmacy.

The following table sets forth the details of our monetization strategies for the sale of pharmaceutical and healthcare products:

Sales model	Monetization method	Sales channel	Paying customers	Nature of payment
Wholesale of pharmaceutical and healthcare products	Product sales	Mainly through offline channels	Business customers	One-off payment for each order
Retail of pharmaceutical and healthcare products	Product sales	Online through *Healthcare 160 Platform* and third-party sales platforms	Individual users	One-off payment for each order

Digital Healthcare and Wellness Solutions

Our digital healthcare and wellness solutions propel the digital transformation and advancement of medical and healthcare institutions, empowering them to broaden their reach and elevate their services. Concurrently, we are dedicated to offering individual users reliable, affordable, specialized, and accessible online healthcare services tailored to their distinct requirements. Our digital healthcare and wellness solutions encompass diverse components, primarily comprising (i) online marketing solutions for medical and healthcare institutions and third-party merchants, (ii) digital hospital solutions for medical and healthcare institutions, and (iii) online healthcare services for individual users. To a lesser extent, during the Track Record Period, we also offered certain value-added ad hoc services to our customers, such as technical services for system development and individual membership services, most of which were one-off in nature.

The following table sets forth the details of our monetization strategies for the digital healthcare and wellness solutions:

Product/service provided		Monetization method	Paying customers	Nature of payment	Price range
Online marketing solutions					
Marketplace solutions	Platform management solutions	Charging annual subscription fees or commissions for the provision of online management platforms, *Jiuyitong* and *160 Cloud Hospital*	Private medical and healthcare institutions, as well as some particular departments of public medical and healthcare institutions	(i) Subscription-based payment, which is expected to be recurred annually; and (ii) pay-for-performance mechanism, paying one-off commissions based on the volume of orders or transaction amounts under traffic optimization services	(i) For private medical and healthcare institutions, the annual subscription fee falls within the range of RMB10,000 to RMB120,000; and (ii) For particular departments of sizable public medical and healthcare institutions, the annual subscription fee ranges from RMB150,000 to RMB200,000
	Traffic optimization services	Charging commissions for the provision of traffic optimization services, which facilitate sales promotion of medical and healthcare institutions	Medical and healthcare institutions(1)	One-off payment by charging pre-agreed fixed commissions for each order	(i) Using cost-per-action mechanism for online appointments, charging a pre-agreed fixed amount ranged between RMB100 to RMB1,000 per appointment; and (ii) Using cost-per-sale mechanism for consumer healthcare packages, charging a pre-agreed percentage ranged between 8.0% to 10.0% of the transaction amount of the packages purchased on our platform and completed offline
	Pharmacy marketplace services	Charging commissions for the provision of marketplace operation	Third-party merchants	One-off payment by charging commissions based on the sales amount generated through our platform	Commission fees differ among various product types, determined on a case-by-case basis. For instance, commissions for prescriptions are generally 3.0% and 15.0% of the total sales amount.

Product/service provided	Monetization method	Paying customers	Nature of payment	Price range
Online advertising solutions	Charging advertising fees for the provision of advertising services	Medical and healthcare institutions, mainly private hospitals and primary healthcare institutions	One-off payment for fixed advertising fees	The fixed advertising fee ranges from RMB500 to RMB5,000 per advertising space per week, varying across different advertising spaces.
Digital hospital solutions	Charging software licensing fees for the provision of software	Medical and healthcare institutions	One-off payment for software licensing and recurring payment for software maintenance (if applicable)	The sales price for the *Blue Dragonfly Infectious Disease Real-time Monitoring System* varies between RMB100,000 and RMB300,000. Similarly, the sales price for the *Blue Dragonfly Hospital Infection Real-time Surveillance System* ranges from RMB130,000 to RMB300,000. For the *Hospital Full-Process System*, prices range from RMB0.3 million to RMB1.5 million.
Online healthcare services	Charging commissions for facilitating online healthcare services provided by registered physicians	Registered physicians	One-off payment by charging pre-agreed commissions for each service order received from our platform	The commissions are calculated as a pre-agreed percentage of 20.0% of the service fees paid by individual users for availing online healthcare services.
Others	To a lesser extent, we also generated a small amount of revenue from certain value-added ad hoc services during the Track Record Period, such as technical services for system development and individual membership services. In this context, the monetization methods, paying customers, nature of payments, and price ranges vary across different services.			

Note:

(1) The paying customers of our traffic optimization services are medical and healthcare institutions. Although individual users make payments for consumer healthcare packages through our platform, we subsequently remit these payments to the medical and healthcare institutions after deducting the agreed commission. As we act as an agent in these transactions, we recognize revenue from the medical and healthcare institutions on a net basis.

Online Marketing Solutions

We offer thorough and customer-centric online marketing solutions to medical and healthcare institutions as well as third-party merchants, aiming to bolster their brand recognition and attract a larger number of patients and individual users. Our online marketing solutions encompass both marketplace and online advertising solutions.

Our marketplace solutions encompass three components: (i) platform management solutions for medical and healthcare institutions to manage their operations and marketing activities on our platform through our self-developed online management platform, *Jiuyitong* or *160 Cloud Hospital*; (ii) traffic optimization services for online appointments and consumer healthcare packages, utilizing the online traffic on our platform and tailoring to the needs of medical and healthcare institutions; and (iii) pharmacy marketplace services offering an avenue for third-party merchants to sell pharmaceutical and healthcare products on our platform.

Our online advertising solutions empower medical and healthcare institutions to leverage multi-channel and highly targeted advertising initiatives to reach their desired audience.

We offer flexible pricing mechanisms for our online marketing solutions. For details of our pricing mechanisms, see "Business — Our Business Model — Our Monetization Model."

Digital Hospital Solutions

Our digital hospital solutions encompass three proprietary hospital management systems: the *Blue Dragonfly Infectious Disease Real-time Monitoring System,* the *Blue Dragonfly Hospital Infection Real-time Surveillance System,* and the *Hospital Full-Process System*. Each of these systems is designed to serve distinct purposes. The two infectious disease monitoring systems are geared towards optimizing in-hospital disease prevention and management, thus reinforcing infectious disease control measures. On the other hand, the full-process system facilitates the establishment and refinement of in-hospital information systems, ultimately resulting in enhanced patient care and streamlined hospital operations.

Online Healthcare Services

We are committed to ensuring easy access for individual users to a wide array of online healthcare services via our platform. Our online healthcare services prominently feature online medical consultation services designed to meet the diverse needs of individual users, constituting a crucial component of our business model. These services are facilitated by physicians who register with us and provide services within our platform, offering online medical consultation services through various channels including the Healthcare 160 app, Healthcare 160 official website, WeChat Official Accounts, and WeChat Mini Program. Our suite of online healthcare services encompasses three primary categories: express consultation, image-text consultation, as well as phone and video consultation.

The following table sets forth a breakdown of our revenue by business lines for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Sale of pharmaceutical and healthcare products										
Wholesale model	303,951	57.8%	415,589	66.1%	402,920	64.9%	56,299	59.8%	64,552	64.3%
Retail model	80,767	15.4%	35,455	5.6%	23,605	3.8%	6,399	6.8%	2,649	2.6%
Subtotal	**384,718**	**73.2%**	**451,044**	**71.7%**	**426,525**	**68.7%**	**62,698**	**66.6%**	**67,201**	**66.9%**
Digital healthcare and wellness solutions										
Online marketing solutions	84,424	16.1%	98,480	15.7%	118,507	19.1%	22,318	23.7%	23,482	23.4%
Digital hospital solutions	50,081	9.5%	72,018	11.5%	69,289	11.2%	7,724	8.2%	7,860	7.8%
Online healthcare services	3,335	0.6%	3,614	0.6%	3,128	0.5%	810	0.9%	628	0.6%
Others	3,088	0.6%	3,450	0.5%	3,233	0.5%	615	0.6%	1,304	1.3%
Subtotal	**140,928**	**26.8%**	**177,562**	**28.3%**	**194,157**	**31.3%**	**31,467**	**33.4%**	**33,274**	**33.1%**
Total	**525,646**	**100.0%**	**628,606**	**100.0%**	**620,682**	**100.0%**	**94,165**	**100.0%**	**100,475**	**100.0%**

OUR OPERATIONAL ACHIEVEMENTS

The following table sets forth the key operating metrics for the years/as of the date indicated:

	Year ended/As of December 31,			Three months ended/As of March 31,	
	2022	2023	2024	2024	2025
Registered individual users[1] (million)	43.3	46.6	54.1	47.6	55.2
Average MAUs (million)	3.3	3.1	3.3	2.8	3.3
Average DAUs (million)	0.3	0.3	0.3	0.3	0.3
Average monthly paying users[1] (million)	0.6	0.7	0.7	1.0	1.1
Conversion rate from registered individual users to ordering customers (%)	53.2	65.9	55.6	57.0	55.7
User repurchase rate (%)	67.7	70.5	65.7	83.1	84.6

	Year ended/As of December 31,			Three months ended/As of March 31,	
	2022	2023	2024	2024	2025
Average revenue per customer (RMB in thousand)					
– Online marketing solutions	20.8	20.8	32.1	13.9	13.5
– Digital hospital solutions	73.9	71.7	56.0	12.5	11.3
– Online healthcare services	0.4	0.4	0.3	0.2	0.3
Average revenue per online order (RMB)	20.8	15.4	17.5	20.0	18.6
Gross merchandise value (RMB in million)					
– Traffic optimization services	126.9	113.6	128.4	23.2	25.8
– Online healthcare services	24.3	25.9	26.8	6.2	6.7
– Pharmacy marketplace services	30.1	31.2	24.5	6.7	4.3
Number of paying customers(1)					
– Business customers	376	145	142	42	32
– Medical and healthcare institutions	3,699	4,455	4,513	2,235	2,404
– Registered individual users under retail model	17,247	9,930	4,506	1,332	376
– Registered physicians	9,499	10,103	10,307	5,806	6,155

Note:

(1) Number of paying customers refers to customers (in units) who directly contributed revenue to us in each year/period during the Track Record Period, including (i) business customers who purchased pharmaceutical and healthcare products under the wholesale model, (ii) registered individual users who purchased pharmaceutical and healthcare products under the retail model, and (iii) medical and healthcare institutions and registered physicians who purchased our digital healthcare and wellness solutions. The significant difference between the number of registered individual users, average monthly paying users and the number of paying customers arise from their distinct statistical definitions. These metrics are therefore not directly comparable.

For details, see "Business — Our Operational Achievements."

OUR CUSTOMERS AND SUPPLIERS

Our Customers

Our customer types may vary slightly across different business lines. Regarding the sale of pharmaceutical and healthcare products, our customers encompass both individual users and business customers. In relation to our digital healthcare and wellness solutions, our customers comprise medical and healthcare institutions, medical professionals, individual users, and third-party merchants. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025, our revenue generated from our top five customers in each year/period during the Track Record Period accounted for 41.3%, 34.6%, 40.0% and 58.4% of our total revenue, respectively, and our revenue generated from our largest customers in each year/period during the Track Record Period accounted for 16.4%, 9.0%, 17.7% and 21.6% of our total revenue, respectively. We do not have substantial reliance on any single customer. Except for customer B, as disclosed in "Business — Customers and Customer Support," our Directors confirm that none of our five largest customers in each year/period of the Track Record Period, their substantial shareholders, directors or senior management, or any of their respective associates, have any past or present relationships (including, without limitation, financing, familial, employment, trust, or otherwise) with our Group during the Track Record Period and up to the Latest Practicable Date. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers in each year/period during the Track Record Period.

Our Suppliers

Our suppliers primarily consist of (i) suppliers of pharmaceutical and healthcare products; (ii) technical outsourcing service providers; and (iii) network and IT infrastructure service providers. Our five largest suppliers in each year/period during the Track Record Period in aggregate accounted for 66.0%, 55.6%, 42.7% and 80.2% of our total purchases in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. Our largest supplier in each year/period during the Track Record Period accounted for approximately 40.5%, 25.2%, 13.9% and 34.0% of our total purchases in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. We do not have substantial reliance on any single supplier. All of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any Shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers in each year/period during the Track Record Period.

Overlapping Customers and Suppliers

Due to the nature of sale of pharmaceutical and healthcare products, we sourced certain products from suppliers who were also our customers procuring other pharmaceutical and healthcare products under wholesale model during the Track Record Period, which is an industry norm in the healthcare product industry, as advised by Frost & Sullivan. Our Directors confirmed that the transactions with these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on arm's length basis. See "Business — Overlapping Customers and Suppliers."

PRICING

Our pricing strategy is to price our products and services competitively to attract new users, retain existing users, and ensure profitability. During the Track Record Period, our products and services were not covered by national reimbursement programs, so our pricing was not restricted by pricing guidelines, price ceilings, or cost-plus ceilings set by local healthcare administrative authorities. Our pricing varies across different products and services, typically determined by factors such as the type and content of services, the spending power and preferences of our target customers, our operational costs, and industry peers' pricing. See "Business — Pricing."

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the section headed "Risk Factors" in its entirety before you decide to invest in our Offer Shares. Some of the major risks that we face include:

- Our wholesale of pharmaceutical and healthcare products operates on thin gross profit margins and relatively short inventory turnover days, which may expose us to risks in maintaining profitability and operational stability.

- Our success depends on our ability to drive engagement among Platform Participants.

- If our product and service offerings do not meet Platform Participants' expectations or if we fail to provide satisfactory user experience to our Platform Participants or maintain Platform Participants' trust in our platform, our business and reputation may be materially and adversely affected.

- We incurred net losses during the Track Record Period, and may not be able to achieve profitability in the future.

- We recorded net current liabilities, net liabilities and net operating cash outflows during the Track Record Period, and we cannot assure you that we will not have net current liabilities, net liabilities or net operating cash outflows in the future.

- If we fail to maintain, expand and optimize an effective wholesale of our pharmaceutical and healthcare products, our sales and business prospects could be materially and adversely affected.

- Our business and growth strategy depend on our ability to retain and expand collaboration with high-caliber medical and healthcare institutions and professionals. If we are unable to do so, our future growth would be restrained, and our business and reputation may be materially and adversely affected.

- We may fail to retain and expand our individual user base, as a result of which our business, financial condition and results of operations may be materially and adversely affected.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Mr. Luo, through his wholly-owned companies (LNZ Management Limited and Luo Holdings Limited), controlled approximately 33.99% of the voting power at general meetings of our Company; and (ii) pursuant to the Voting Deed, Mr. Luo controlled approximately 3.87% of the voting power at general meetings of our Company.

Immediately following the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme), Mr. Luo, through his wholly-owned companies (LNZ Management Limited and Luo Holdings Limited) and the Voting Deed, will be able to control an aggregate of approximately 34.08% of the issued share capital of our Company. Therefore, Mr. Luo together with LNZ Management Limited and Luo Holdings Limited will be considered as our Controlling Shareholders for the purpose of the Listing Rules. For more details, see "Relationship with Our Controlling Shareholders."

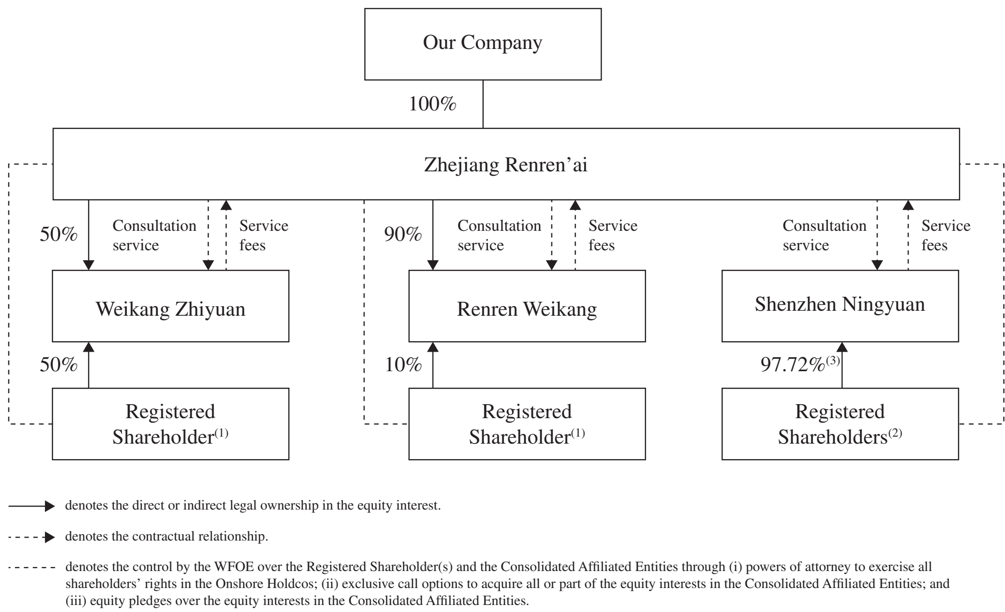
PRE-IPO INVESTORS

Since our establishment, we have received multiple series of financing from our Pre-IPO Investors. We utilized the proceeds from the Pre-IPO Investments for the development and operation of our Group as well as for general working capital purposes. Their investments demonstrate their confidence in the operation of our Group and serve as an endorsement of our performance, strength, and prospects. We believe that we could benefit from the investors' commitment to our Group. See "History, Reorganization and Corporate Structure — Pre-IPO Investments" for details of our Pre-IPO Investments and the identity and background of our Pre-IPO Investors.

CONTRACTUAL ARRANGEMENTS

We have entered into a series of Contractual Arrangements with the Consolidated Affiliated Entities and their respective Registered Shareholders. Through our shareholdings and the Contractual Arrangements, our Company controls the economic benefits of 100%, 100% and 97.72% of the equity interest in Weikang Zhiyuan, Renren Weikang and Shenzhen

Ningyuan, respectively. For more details, see "Contractual Arrangements." The following diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements:



Notes:

(1) The Registered Shareholder of Weikang Zhiyuan and Renren Weikang is Jianchen Technology, which is in turn wholly-owned by Mr. Luo.

(2) For details of the Registered Shareholders of Shenzhen Ningyuan, see "Contractual Arrangements" in this prospectus.

(3) As of the Latest Practicable Date, Wuhan Ruer Equity Investment Fund Management Center (Limited Partnership) (武漢如爾股權投資基金管理中心(有限合夥)) ("**Wuhan Ruer**") and Wuhan Guanggu Hospital Corporation Limited (武漢光谷醫院股份有限公司) ("**Wuhan Guanggu**") were holding 1.25% and 1.03% equity interest of Shenzhen Ningyuan, respectively. Each of Wuhan Ruer and Wuhan Guanggu did not flip up their shareholdings in Shenzhen Ningyuan to our Company during the Reorganization and will not enter into the Contractual Arrangements with Shenzhen Ningyuan. As advised by our PRC Legal Advisors, given that (i) no statutory and/or contractual rights of first refusal have been granted to Wuhan Ruer and Wuhan Guanggu, and (ii) Shenzhen Ningyuan will not be converted into a limited liability company in the future, the legality and enforceability of the Contractual Arrangements with Shenzhen Ningyuan would not be affected by virtue of Wuhan Ruer's and Wuhan Guanggu's shareholders' rights in Shenzhen Ningyuan.

PRE-IPO SHARE OPTION SCHEME

On August 31, 2023, our Company adopted the Pre-IPO Share Option Scheme. As of the Latest Practicable Date, options to subscribe for 6,236,917 Shares (or 31,184,585 Shares as adjusted after the Share Subdivision) under the Pre-IPO Share Option Scheme, including options to subscribe for 2,897,598 new Shares and 3,339,319 existing Shares held by the trustee (or 14,487,990 new Shares and 16,696,595 existing Shares as adjusted after the Share Subdivision), had been granted to a total of 105 grantees by our Company, representing 9.27% of the issued share capital of our Company immediately upon the completion of the Share

Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme). Among the 105 grantees, 10 grantees are members of the Directors, senior management and connected persons of our Company, who had been granted (a) options to subscribe for 1,680,653 new Shares (or 8,403,265 new Shares as adjusted after the Share Subdivision) and (b) options to acquire 1,578,679 existing Shares (or 7,893,398 existing Shares as adjusted after the Share Subdivision) held by the trustee under the Pre-IPO Share Option Scheme, representing 2.50% and 2.35% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme), respectively. No further options under the Pre-IPO Share Option Scheme may be granted after the Listing. See "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme" and "Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — The Pre-IPO Share Option Scheme" for details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this prospectus.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Revenue	525,646	628,606	620,682	94,165	100,475
Cost of sales and services	(407,359)	(491,279)	(460,495)	(69,668)	(72,608)
Gross profit	**118,287**	**137,327**	**160,187**	**24,497**	**27,867**
Operating loss	**(79,184)**	**(99,520)**	**(104,626)**	**(39,093)**	**(15,721)**
Loss before income tax from continuing operations	**(118,957)**	**(110,676)**	**(106,956)**	**(39,838)**	**(16,693)**
Income tax expenses	–	(547)	(1,290)	(725)	(435)
Loss from continuing operations	**(118,957)**	**(111,223)**	**(108,246)**	**(40,563)**	**(17,128)**
(Loss)/profit from discontinued operation	(1,108)	5,024	–	–	–
Loss for the year/period	**(120,065)**	**(106,199)**	**(108,246)**	**(40,563)**	**(17,128)**
Total comprehensive loss for the year/period	**(120,065)**	**(106,199)**	**(107,929)**	**(40,246)**	**(17,128)**

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Total comprehensive (loss)/profit for the year/period attributable to:					
Owners of the Company	(111,305)	(108,816)	(107,370)	(38,170)	(15,496)
Non-controlling interests	(8,760)	2,617	(559)	(2,076)	(1,632)
	(120,065)	**(106,199)**	**(107,929)**	**(40,246)**	**(17,128)**

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) as additional financial measures, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure (i) facilitates comparisons of operating performance from period to period by eliminating potential impacts of non-cash, non-recurring or non-operating items, and (ii) provides useful information to investors in understanding and evaluating our results of operations in the same manner as it helps our management. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss from continuing operations adjusted by adding back share-based payment expenses, listing expenses and net finance costs on redemption liabilities.

Share-based payment expenses are non-cash expenses arising from vesting share options to selected employees and transferring shares from our Shareholders to employees and other parties. Further, we also eliminated the potential impact of the listing expenses in connection with the Global Offering. Net finance costs on redemption liabilities refer to the expenses we incur related to the liabilities we have assumed for the redemption of these ordinary shares. For details, see "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Non-IFRS Measures."

The table below reconciles our adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	(RMB'000, except for percentages)				
				(Unaudited)	
Reconciliation of net loss to adjusted net loss (non-IFRS measure)					
Loss from continuing operations	**(118,957)**	**(111,223)**	**(108,246)**	**(40,563)**	**(17,128)**
Add:					
Share-based payment expenses	–	46,424	59,983	18,506	7,809
Listing expenses	–	20,037	16,789	3,208	2,156
Net finance costs on redemption liabilities	37,012	9,069	–	–	–
Adjusted net loss (non-IFRS measures) (unaudited)	**(81,945)**	**(35,693)**	**(31,474)**	**(18,849)**	**(7,163)**
Adjusted net loss margin (non-IFRS measures)	**(15.6%)**	**(5.7%)**	**(5.1%)**	**(20.0%)**	**(7.1%)**

We recorded revenue of RMB525.6 million, RMB628.6 million, RMB620.7 million, RMB94.2 million and RMB100.5 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Over this period, our revenue streams originated from two main sources: (i) sale of pharmaceutical and healthcare products and (ii) the provision of digital healthcare and wellness solutions. Revenue from product sales constituted a substantial portion of our overall revenue, demonstrating remarkable growth.

During the Track Record Period, despite the continuing revenue growth, we recorded loss from continuing operations, as we were still in the early stage of business development and monetization, which led to significant costs and expenses, particularly costs of inventory and employee benefits expenses. Our loss from continuing operations narrowed from RMB119.0 million in 2022 to RMB111.2 million in 2023 and further to RMB108.2 million in 2024. For the three months ended March 31, 2025, such loss further decreased by 57.8% to RMB17.1 million, compared to RMB40.6 million for the same period in 2024. The continued reduction in loss from continuing operations throughout the Track Record Period was primarily due to our expanding business scale and sustained revenue growth over the periods. See "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items."

Gross Profit and Gross Profit Margin

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000, except for percentages)									
							(Unaudited)			
Sale of pharmaceutical and healthcare products	15,650	4.1%	8,752	1.9%	6,153	1.4%	1,377	2.2%	939	1.4%
Digital healthcare and wellness solutions	102,637	72.8%	128,575	72.4%	154,034	79.3%	23,120	73.5%	26,928	80.9%
Total	**118,287**	**22.5%**	**137,327**	**21.8%**	**160,187**	**25.8%**	**24,497**	**26.0%**	**27,867**	**27.7%**

During the Track Record Period, our gross profit recorded continuous growth, primarily driven by the steady increase in the gross profit contribution from our digital healthcare and wellness solutions. During the Track Record Period, our gross profit margin fluctuated primarily due to changes in our product mix and the varying gross profit margins across different business lines. This primarily included a shift towards lower-margin wholesale business and the temporary challenges faced by our newly launched retail brand, Hailiantang Pharmacy. Additionally, increasing competition and pricing pressures in the healthcare product distribution industry in China further contributed to these fluctuations. See "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Gross Profit and Gross Profit Margin."

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Total non-current assets	22,781	30,384	24,191	17,325
Total current assets	156,142	205,784	273,582	288,787
Total assets	**178,923**	**236,168**	**297,773**	**306,112**
Total current liabilities	544,103	253,251	371,256	393,977
Total non-current liabilities	27,254	23,473	15,019	9,956
Total liabilities	**571,357**	**276,724**	**386,275**	**403,933**
Net current liabilities	**387,961**	**47,467**	**97,674**	**105,190**
Net liabilities	**392,434**	**40,556**	**88,502**	**97,821**
Equity				
Equity attributable to owners of the Company	(384,024)	(37,748)	(85,135)	(92,822)
Non-controlling interests	(8,410)	(2,808)	(3,367)	(4,999)

We had net current liabilities and net liabilities as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively, with fluctuations observed on these dates.

Our net current liabilities remained relatively stable at RMB97.7 million as of December 31, 2024 and RMB105.2 million as of March 31, 2025.

Our net current liabilities increased from RMB47.5 million as of December 31, 2023 to RMB97.7 million as of December 31, 2024, mainly due to (i) an increase in borrowings to support the business expansion of our solution business; (ii) an increase of accruals and other payables, mainly attributable to the increase in payroll and welfare payables to our staff as a result of personnel addition. This increase was partially offset by (i) an increase in trade receivables driven by the growth of our wholesale of pharmaceutical and healthcare products and digital hospital solutions, (ii) an increase in prepayments, deposits and other receivables, mainly attributable to the amounts due from related parties, and (iii) an increase in restricted cash related to the settlement arrangement of our platform-related business.

Our net current liabilities decreased significantly from RMB388.0 million as of December 31, 2022 to RMB47.5 million as of December 31, 2023, mainly attributable to (i) a decrease in redemption liabilities as a result of their derecognition following the termination of preferred rights with all relevant Shareholders in 2023, (ii) an increase in trade receivables driven by revenue growth, (iii) a decrease in liabilities directly associated with assets classified as held for sale after the disposal of Jiangsu Huiyi in January 2023, and (iv) an increase in cash and cash equivalents mainly attributable to net cash generated from financing activities. The decrease was partially offset by (i) an increase in trade and bill payables mainly due to increased procurement of pharmaceutical and healthcare products, and (ii) a decrease in assets classified as held for sale following the disposal of Jiangsu Huiyi in January 2023.

Meanwhile, our net liabilities fluctuated during the Track Record Period, primarily in relation to the accumulated loss attributable to owners of the Company, resulting from sustained comprehensive losses, as our Company was still in a loss-making phase. Our net liabilities remained stable at RMB88.5 million as of December 31, 2024 and RMB97.8 million as of March 31, 2025. In particular, our net liabilities significantly increased from RMB40.6 million as of December 31, 2023 to RMB88.5 million as of December 31, 2024, mainly due to loss for the period of RMB108.2 million, which was partially offset by share-based payments of RMB60.0 million. Our net liabilities significantly decreased from RMB392.4 million as of December 31, 2022 to RMB40.6 million as of December 31, 2023, mainly due to derecognition of redemption liabilities of RMB409.6 million and capital injection from shareholders of RMB110.0 million, which was partially offset by (i) loss for the period of RMB106.2 million and (ii) recognition of redemption liabilities of RMB106.4 million. Please see "Risk Factors — Risks Relating to Our Business and Industry — We recorded net current liabilities, net liabilities and net operating cash outflows during the Track Record Period, and we cannot assure you that we will not have net current liabilities, net liabilities or net operating cash outflows in the future."

Nevertheless, we expect to turn from a net liabilities to net assets position through increases in shareholder contributions upon Listing after receiving proceeds from the Global Offering and improved results of operations. For details in relation to our plan to enhance our operation results, see "Business — Business Sustainability."

Summary of Consolidated Statements of Cash Flows

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Net cash used in operating activities	(42,391)	(64,526)	(56,047)	(30,636)	(13,282)
Net cash generated from/(used in) investing activities	3,271	2,694	(12,826)	(6,395)	(123)
Net cash (used in)/generated from financing activities	(11,231)	80,629	69,584	27,475	23,586
Net increase/(decrease) in cash and cash equivalent	(50,351)	18,797	711	(9,556)	10,181
Effects of foreign exchange rate on cash and cash equivalents	–	(330)	–	–	–
Cash and cash equivalents at the beginning of the period	89,439	39,088	57,555	57,555	58,266
Cash and cash equivalents at the end of the period	**39,088**	**57,555**	**58,266**	**47,999**	**68,447**

In 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, we recorded net operating cash outflows of RMB42.4 million, RMB64.5 million, RMB56.0 million, RMB30.6 million and RMB13.3 million, respectively. These outflows primarily stemmed from operating costs and expenses paid surpassing the cash generated from our operating activities, as we were in a phase of business expansion requiring significant investments in operational capacity, technology enhancement, and market presence scaling. Please see "Financial Information — Liquidity and Capital Resources — Net Cash Used in Operating Activities."

To enhance our liquidity, we expect to further enhance our operating cash flow through our business expansion which would boost our revenue. In addition, we will devote more efforts to enhancing our overall profitability across different business lines.

Our Directors are of the view that we will have available sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this prospectus, taking into account the cash generated from our operating activities, bank borrowings and secured credit facilities, the proceeds received from our Pre-IPO Investors, and the estimated net proceeds from this Global Offering.

Key Financial Ratios

	Year ended/As of December 31,			Three months ended/As of March 31,
	2022	2023	2024	2025
Profitability ratios				
Revenue growth (%)	N/A	19.6	(1.3)	6.7
Adjusted net loss margin (non-IFRS measures) (%)	(15.6)	(5.7)	(5.1)	(7.1)
Liquidity ratios				
Current ratio	0.29	0.81	0.74	0.73
Quick ratio	0.27	0.79	0.73	0.73

Please see "Financial Information — Financial Ratios" for details.

BUSINESS SUSTAINABILITY

We operate as a pharmaceutical and healthcare product wholesaler and a digital healthcare and wellness service platform, offering a broad range of products and integrated solutions in China's highly competitive and fast-evolving healthcare market. Our strategic focus is centered on long-term value creation rather than short-term profitability or temporary operating cash inflows.

Since inception, we have recorded net losses, primarily due to the capital-intensive nature of the healthcare sector, our continued strategic investments, and the evolution of our business model geared toward scalable and sustainable growth. Notwithstanding our historical losses, we have pursued a clear long-term development strategy and progressively strengthened our commercial foundation. Over the years, we have expanded from providing digital hospital solutions to a comprehensive portfolio that includes platform management services, online healthcare services, pharmaceutical and healthcare product sales, and online marketing solutions. As a result, we have built multiple revenue streams and significantly extended our geographic coverage to over 260 cities across China, serving a broad base of medical and healthcare institutions, medical professionals and individual users.

We believe that revenue growth and improved cost efficiency are key to achieving profitability. We have undertaken a series of initiatives to enhance customer acquisition and retention, deepen user engagement, improve technological capabilities, and optimize monetization strategies. At the same time, we continue to improve our operating efficiency by implementing standardized and automated processes, enhancing the cost-effectiveness of marketing through data analytics, focusing R&D investments on high-impact projects, and streamlining administrative functions.

In addition to improving operating performance, we remain committed to enhancing our financial position by strengthening working capital management and reducing net liabilities and net current liabilities. We believe these measures will position us to achieve more sustainable and profitable development over the long term. See "Business — Business Sustainability."

COMPETITION

The PRC healthcare product wholesale and digital retail pharmacy markets are highly competitive and fragmented, dominated by large state-owned or listed companies. Small and medium-sized players like us contribute to the remaining market share. We differentiate ourselves through brand recognition, product and service quality, localized medical resources, superior customer service, and competitive pricing.

The digital healthcare integrated service industry in China encompasses various segments of the healthcare and wellness service industry that are undergoing transformation due to digital technology. As a result, major players in this industry have adopted diversified cooperation models, each with its own business focus within their respective segments. Given the nature of our business, we face intense competition from various competitors, including digital healthcare and wellness service platforms, cloud hospital platforms, and digital pharmaceutical sales platforms, among others. However, based on (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024, we ranked first among all market players in the industry in 2024.

We believe we are well-positioned for future growth, leveraging our industry insights, robust medical resources, brand recognition, technological strength, and enhanced monetization mechanisms. See "Business — Competition."

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material or systemic non-compliance incidents, which, taken as a whole, are likely to have a material and adverse effect on our business, financial condition or results of operations.

As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by the PRC governmental authorities or third parties which would materially and adversely affect our business. Our Directors were not involved in any actual or threatened material claims or litigation as of the same date.

NO MATERIAL ADVERSE IMPACT OF COVID-19

The COVID-19 pandemic had a temporary impact on our business operations, primarily due to the suspension of services provided to offline medical and healthcare institutions during lockdown periods. However, our pharmaceutical and healthcare product retail business benefited from increased demand, and our overall operations and product offerings remained uninterrupted. We recorded revenue growth of 19.6% from 2022 to 2023, and our Directors believe that the pandemic did not have, and is not expected to have, any material adverse impact on our business or results of operations during the Track Record Period and up to the Latest Practicable Date. See "Business — No Material Adverse Impact of COVID-19."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Recent Development

Subsequent to March 31, 2025 and up to July 31, 2025, our business demonstrated consistent growth. This growth was a direct result of our ongoing endeavors to expand medical resource coverage, extend our individual user base, serve business customers, and enhance our product and service offerings. These efforts have not only improved our cost-efficiency and profitability but also paved the way for sustainable business development.

We are in a phase of rapid expansion, with our strategy focused on establishing a foundation for sustainable growth and long-term profitability. Due to this focus, achieving short-term profitability may pose challenges as we prioritize expansion and market positioning. Taking into account (i) the continued expansion of our business, particularly the growth of our digital healthcare and wellness solutions, and (ii) the cost and expenses control measures we have implemented, which have begun to show positive results in 2024 and for the three months ended March 31, 2025, we expect to continue to further narrow net loss for the year ending December 31, 2025.

Recent Regulatory Development on Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures for the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and the five relevant guidelines, which became effective on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to list overseas, either in direct or indirect means, are required to fulfill the filing procedure and report relevant information to the CSRC. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted.

As advised by our PRC Legal Advisors, we are required to complete the filing procedures with the CSRC under the Overseas Listing Trial Measures. We submitted the required filing documents to the CSRC on December 19, 2023, and the CSRC issued the notice of filing for the Global Offering and listing of our Shares on the Stock Exchange on September 23, 2024.

No Material Adverse Change

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since March 31, 2025, being the date of the latest audited consolidated financial position of our Group as set out in the Accountant's Report in Appendix I to this prospectus. We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules.

APPLICATION FOR LISTING OF SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, our Shares in issue prior to the Global Offering and those to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares to be issued under the Pre-IPO Share Option Scheme. Our listing application is made on the basis that, among other things, we satisfying the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue for the year ended December 31, 2024, being approximately RMB620.7 million (equivalent to HK$680.8 million), which is over HK$500 million; and (ii) our expected market capitalization at the time of Listing, which, based on the low-end of the indicative Offer Price range, exceeds HK$4 billion.

OFFERING STATISTICS

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

	Based on an Offer Price of HK$11.89 per Share	Based on an Offer Price of HK$14.86 per Share
Market capitalization of our Shares(1)	HK$4,000 million	HK$5,000 million
Unaudited pro forma adjusted consolidated net tangible assets per Share(2)	HK$0.76	HK$1.04

Notes:

(1) The calculation of market capitalization is based on the assumption that 336,452,810 Shares will be in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme), including 33,645,500 Shares to be issued pursuant to the Global Offering.

(2) Please see "Appendix II — Unaudited Pro Forma Financial Information" for further details regarding the assumptions used and the calculations method.

LISTING EXPENSES

Our listing expenses mainly include underwriting commissions, professional fees paid to legal advisers, the Reporting Accountant and other professional parties for their services rendered in relation to the Listing and the Global Offering. The estimated total listing expenses for the Global Offering are approximately HK$86.4 million (equivalent to RMB78.8 million) (comprising HK$22.5 million underwriting-related expenses, HK$42.6 million fees and expenses of legal advisors and accountants, and HK$21.3 million other fees and expenses, including fees to the Joint Sponsors and other professional parties), representing approximately 19.2% of the gross proceeds, based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised.

During the Track Record Period, we incurred listing expenses in the amount of RMB42.9 million, of which RMB39.0 million was recognized as administrative expenses in the consolidated statements of profit or loss and other comprehensive income and RMB3.9 million will be deducted from equity upon the Listing. We estimate that we will further incur listing expenses of approximately RMB35.9 million, of which approximately RMB13.8 million will be recognized as administrative expenses and approximately RMB22.1 million is expected to be recognized as a deduction in equity upon Listing.

DIVIDENDS

No dividend has been proposed, paid, or declared by our Company since its incorporation, or by any of the subsidiaries of our Group during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. Under Cayman Islands laws, our Company is permitted to pay dividends from either profit or share premium account or as otherwise allowed by Cayman Islands laws, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As advised by our legal advisors as to Cayman Islands laws, subject to the aforementioned condition, there are no restrictions under Cayman Islands laws preventing our Company from declaring and paying dividends despite our accumulated losses. Our Board has complete discretion regarding the distribution of dividends, subject to the requirements of Cayman Islands laws. Furthermore, our Shareholders may declare a dividend by ordinary resolution, but no dividend can exceed the amount recommended by our Board.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$13.37 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK$363.6 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

We intend to use the net proceeds we receive from the Global Offering as follows:

Approximately HK$ in millions	% of net proceeds	Future Plans
145.3	40.0%	To further broaden medical resources coverage and boost traffic to our platform, including augmenting our user base, expanding the coverage of medical resources on our platform, and strengthening our localized services in selected regions
109.1	30.0%	To strengthen our research and development capabilities, including expanding our in-house R&D team, upgrading our IT infrastructure, and establishing 160 Internet Healthcare Research Institute
36.4	10.0%	To diversify product and service offerings and explore value-added services, including launching the commercial medical insurance business and developing health management services
36.4	10.0%	For strategic cooperation and acquisition, targeting service providers along the healthcare service value chain, as Frost & Sullivan has advised that the market contains sufficient potential targets that meet our selection criteria
36.4	10.0%	For working capital and general corporate purpose

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this prospectus.

"160 Cloud Hospital"	a cloud-based online management platform developed by us and launched in March 2022, providing cloud hospital services to medical and healthcare institutions connected to *Healthcare 160 Platform*
"160 Future"	160 Future Limited, a BVI business company incorporated in the BVI on July 14, 2023 and a shareholding platform holding the existing Shares pursuant to the Pre-IPO Share Option Scheme
"160 Health Future"	160 Health Future Limited, a BVI business company incorporated in the BVI on July 6, 2023 and a shareholding platform holding the existing Shares pursuant to the Pre-IPO Share Option Scheme
"160 Health (HK)"	160 Health (HK) Holdings Group Limited, a private company limited by shares incorporated under the laws of Hong Kong on February 22, 2022 and a subsidiary of our Company
"160 Health Management"	160 Health Management Limited, a BVI business company incorporated in the BVI on February 8, 2022 and a subsidiary of our Company
"160 Internet"	Shenzhen 160 Internet Technology Co., Ltd. (深圳市一六零網絡科技有限公司), a limited liability company established in the PRC on December 22, 2016 and a subsidiary of our Company
"160 Medicine"	Guangdong 160 Medicine Chain Co., Ltd. (廣東一六零醫藥連鎖有限公司), a limited liability company established in the PRC on March 13, 2013 and a subsidiary of our Company

"2016 Share Incentive Scheme"	the share incentive scheme adopted by Shenzhen Ningyuan on April 18, 2016 and terminated on April 25, 2021, options granted under which will continue to vest under the terms of the Pre-IPO Share Option Scheme, details of which are set out in "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme"
"Accountant's Report"	the report from the Reporting Accountant for the Track Record Period, the text of which is set out in Appendix I to this prospectus
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company (as amended from time to time), adopted on September 3, 2025, which will become effective upon the Listing, a summary of which is set out in Appendix III to this prospectus
"Audit Committee"	the audit committee of the Board
"Blue Dragonfly (HK)"	Blue Dragonfly International (HK) Limited, a private company limited by shares incorporated under the laws of Hong Kong on July 14, 2022 and a subsidiary of our Company
"Blue Dragonfly Internet"	Hunan Blue Dragonfly Internet Technology Co., Ltd. (湖南省藍蜻蜓網絡科技有限公司), a limited liability company established in the PRC on January 10, 2014 and a subsidiary of our Company
"Blue Dragonfly Management"	Blue Dragonfly Management Limited, a BVI business company incorporated in the BVI on June 21, 2022 and a subsidiary of our Company
"Board" or "Board of Directors"	the board of Directors of our Company
"business day(s)" or "Business Day(s)"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business to the public
"BVI"	the British Virgin Islands

"CAC"	Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
"Capital Market Intermediaries"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules
"Cayman Companies Act" or "Companies Act"	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
"CCASS"	The Central Clearing and Settlement System established and operated by HKSCC
"CCRC"	China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心)
"Chengdu Renren Weikang"	Chengdu Shuangliu Renren Weikang Internet Hospital Co., Ltd. (成都雙流仁仁維康互聯網醫院有限公司), a limited liability company established in the PRC on April 22, 2021 and a subsidiary of our Company
"China" or "the PRC"	the People's Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires otherwise, references in this prospectus to China and the PRC do not apply to Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Chongqing Pengyu"	Chongqing Pengyu Gongchuang Information Technology Co., Ltd. (重慶鵬渝共創信息技術有限公司), a limited liability company established in the PRC on January 24, 2022 and a subsidiary of our Company
"Chongqing Southern Fund"	Chongqing Southern Private Equity Investment Fund Partnership (Limited Partnership) (重慶南部私募股權投資基金合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time

"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
"Company" or "our Company" or "the Company"	160 Health International Limited (健康160国际有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on January 31, 2022
"connected person"	has the meaning ascribed to it under the Listing Rules
"connected transaction"	has the meaning ascribed to it under the Listing Rules
"Consolidated Affiliated Entities"	the entities that we control, the financial results of which have been consolidated and accounted for as subsidiaries of our Company, through the Contractual Arrangements, namely our Onshore Holdcos and their respective subsidiaries
"Contractual Arrangements"	the series of contractual arrangements entered into by and among Zhejiang Renren'ai, the Consolidated Affiliated Entities and their Registered Shareholders, details of which are set out in "Contractual Arrangements"
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Mr. Luo, LNZ Management Limited and Luo Holdings Limited
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"CX 160"	QF CX 160 Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Director(s)"	the director(s) of our Company
"EIPO"	the arrangement in the HKSCC Operational Procedures for instructions to be given electronically to HKSCC by HKSCC Participants via FINI for applications to be made on their behalf for the Hong Kong Offer Shares and for the payment of application moneys

"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》)
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"Fenxiang Yidao"	Shenzhen Fenxiang Yidao Private Equity Entrepreneurship Investment Fund Partnership (Limited Partnership) (深圳市分享以道私募創業投資基金合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Fenxiang Zeshan"	Shenzhen Fenxiang Zeshan Precision Medical Entrepreneurship Investment Partnership (Limited Partnership) (深圳市分享擇善精準醫療創業投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"FINI"	"Fast Interface for New Issuance", an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings on the Stock Exchange
"Foreign Investment Catalog"	Catalog for the Guidance of Encouraged Foreign Investment Industries (Revised in 2022) (《鼓勵外商投資產業目錄(2022年修訂)》), as promulgated and amended by the MOFCOM and the NDRC on October 26, 2022 and effective on January 1, 2023
"Foreign Investment Law" or "FIL"	the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), as amended and adopted by the National People's Congress on March 15, 2019 and effective on January 1, 2020
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market research and consulting company and an Independent Third Party

"Frost & Sullivan Report"	an independent industry report commissioned by us and prepared by Frost & Sullivan for the purpose of this prospectus
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "we", "our" or "us"	the Company, its subsidiaries and the Consolidated Affiliated Entities at the relevant time or, where the context otherwise requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries and businesses operated by them or their predecessors (as the case may be)
"Guangdong Langge"	Guangdong Langge Equity Investment Fund Co., Ltd. (廣東朗格股權投資基金有限公司) a former shareholder of 160 Medicine
"Guangzhou Lingkang"	Guangzhou Lingkang Investment Partnership (Limited Partnership) (廣州領康投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Guangzhou Renren Health"	Guangzhou Renren Health Information Consulting Co., Ltd. (廣州仁仁健康信息諮詢有限公司), a limited liability company established in the PRC on September 28, 2012 and a subsidiary of our Company
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024
"Hailiantang Pharmacy"	Shenzhen Hailiantang Pharmacy Chain Co., Ltd. (深圳市海聯堂大藥房連鎖有限公司), a limited liability company established in the PRC on June 8, 2020 and a subsidiary of our Company
"Healthcare 160 Platform"	a digital healthcare and wellness service platform developed by us and launched in 2010, which integrates our service and product offerings and serves all Platform Participants through various Internet portals

"Heyuan Chuangye"	Shenzhen Heyuan Chuangye Investment Corporation (Limited Partnership) (深圳市和遠創業投資企業(有限合夥)), a Registered Shareholder of Shenzhen Ningyuan and an associate of Mr. Luo, details of which are set out in "History, Reorganization and Corporate Structure"
"HK$", "Hong Kong dollars", "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, instructing your broker or custodian who is a HKSCC Participant to submit electronic application instruction(s) on your behalf through FINI in accordance with your instruction
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of the systems established, operated and/or otherwise provided by or through HKSCC (including FINI and CCASS) as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Offer Shares"	the 3,364,750 Shares initially being offered for subscription in the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering")

"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong, on the terms and subject to the conditions as further described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering"
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting — Hong Kong Underwriters"
"Hong Kong Underwriting Agreement"	the underwriting agreement dated September 7, 2025 relating to the Hong Kong Public Offering and entered into by our Company, the Controlling Shareholders, the Joint Sponsors, the Overall Coordinators and the Hong Kong Underwriters, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement"
"HQYZ"	HQYZ Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Hunan Ninglan"	Hunan Ninglan Kangruan Medical Technology Co., Ltd. (湖南寧藍康軟醫療科技有限公司), a limited liability company established in the PRC on May 15, 2023 and a subsidiary of our Company
"Huzhou Yashang"	Huzhou Yashang Investment Partnership (Limited Partnership) (湖州亞商投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"IAS"	International Accounting Standards
"IASB"	International Accounting Standards Board

"IFRSs" or "IFRS"	International Financial Reporting Standards
"Independent Third Party(ies)"	third party(ies) who is, to the best knowledge of our Directors having made due and reasonable enquiries, not a connected person of the Company (having the meaning ascribed to it under the Listing Rules)
"International Offer Shares"	the 30,280,750 Shares being initially offered for subscription at the Offer Price under the International Offering together, where relevant, with any additional Shares that may be issued pursuant to any exercise of the Over-allotment Option, subject to reallocation as described under the section headed "Structure of the Global Offering"
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S on and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed "Structure of the Global Offering"
"International Underwriters"	the group of international underwriters that is expected to enter into the International Underwriting Agreement to underwrite the International Offering
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or around September 15, 2025 by, among others, our Company, our Controlling Shareholders, and the International Underwriters in respect of the International Offering, as further described in the section headed "Underwriting — Underwriting Arrangements and Expenses — The International Offering"
"Jianchen Technology"	Shenzhen Jianchen Technology Corporation (深圳市健辰科技企業), a sole proprietorship enterprise established in the PRC on June 15, 2022 and wholly-owned by Mr. Luo
"Jiangsu Huiyi"	Jiangsu Huiyi 160 Information Technology Co., Ltd. (江蘇慧醫一六零信息科技有限公司), a limited liability company established in the PRC on June 21, 2017 which we disposed of on January 13, 2023 as further described in "History, Reorganization and Corporate Structure — Corporate Reorganization — Onshore Reorganization — 6. Disposal of Jiangsu Huiyi"

"Jiangsu Jiequan"	Jiangsu Jiequan Lingang Industry Development M&A Investment Fund (Limited Partnership) (江蘇疌泉臨港產業發展併購投資基金(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Joint Bookrunners "	the joint bookrunners as named in the section headed "Directors and Parties Involved in the Global Offering"
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors and Parties Involved in the Global Offering"
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors and Parties Involved in the Global Offering"
"Joint Sponsors"	the joint sponsors as named in the section headed "Directors and Parties Involved in the Global Offering"
"JYQ Holding"	JYQ Holding Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"key Platform Participants"	Platform Participants we strategically focus on serving, including medical and healthcare institutions, medical professionals, and individual users
"Latest Practicable Date"	September 1, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Lezhi Xiamen"	Lezhi (Xiamen) Investment Partnership (Limited Partnership) (樂致(廈門)投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Listing"	the listing of the Shares on the Main Board of the Stock Exchange
"Listing Committee"	the Listing Committee of the Stock Exchange

"Listing Date"	the date, expected to be on or about Wednesday, September 17, 2025, on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
"LSJC Holdings"	LSJC Holdings Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"M&A Rules"	the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, SAMR, and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"medical and healthcare institutions"	encompassing (i) medical institutions that are legally required to hold a Practicing License for Medical Institutions, such as public and private hospitals and certain healthcare institutions, and (ii) other healthcare institutions that are not required to hold such a license, such as certain psychological counseling institutions
"medical institutions"	specifically refers to entities that are subject to the statutory requirement of holding a Practicing License for Medical Institutions and are engaged in providing clinical diagnosis and treatment services
"medical professionals"	primarily including registered physicians, independent physicians, pharmacists and other medical care personnels

"Memorandum" or "Memorandum of Association"	the memorandum of association of our Company (as amended from time to time), adopted on September 3, 2025, which will become effective upon Listing, a summary of which is set out in Appendix III to this prospectus
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Luo"	Mr. Luo Ningzheng (羅寧政), an executive Director, the chairman of the Board, the chief executive officer of our Company, and one of our Controlling Shareholders
"Nanjing Furui"	Nanjing Furui Caizhi Fund Management Centre (Limited Partnership) (南京富睿財智基金管理中心(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NEEQ"	the National Equities Exchange and Quotations, a PRC over-the-counter system for trading shares of public companies
"NHC"	the National Health Commission of the PRC (中華人民共和國國家衛生健康委員會)
"Ningji Medicine"	Zhejiang Ningji Medicine Co., Ltd. (浙江寧吉藥業有限責任公司), a limited liability company established in the PRC on August 11, 2023 and a subsidiary of our Company
"NMPA"	the National Medical Products Administration (國家藥品監督管理局), formerly known as China Food and Drug Administration ("**CFDA**") (國家食品藥品監督管理總局) or State Food and Drug Administration ("**SFDA**") (國家食品藥品監督管理局) or China's Drug Administration ("**CDA**") (國家藥品監督管理局), and references in this prospectus to NMPA include CFDA, SFDA and CDA

"Nomination Committee"	the nomination committee of the Board
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%) of not more than HK$14.86 and expected to be not less than HK$11.89, at which Hong Kong Offer Shares are to be subscribed, to be determined in the manner further described in the section headed "Structure of the Global Offering — Pricing of the Global Offering"
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, being the Shares of the Company, together, where relevant, with any additional Shares to be issued by the Company pursuant to the exercise of the Over-allotment Option
"Onshore Holdcos"	Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan
"Over-allotment Option"	the option expected to be granted by us to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which we may be required to allot and issue up to an aggregate of 5,046,750 additional Shares at the Offer Price to cover over-allocations in the International Offering, if any, detailed in "Structure of the Global Offering — The International Offering — Over-Allotment Option" in the prospectus
"Overall Coordinators"	the overall coordinators as named in the section headed "Directors and Parties Involved in the Global Offering"
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"People's Congress"	the PRC's legislative apparatus, including the National People's Congress and all the local people's congresses (including provincial, municipal, and other regional or local people's congresses) as the context may require, or any of them

"Platform Participants"	participants who join our online healthcare and wellness service platform as customers or service providers, primarily including medical and healthcare institutions, medical professionals, individual users, third-party merchants, and business customers
"PRC Government" or "State"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and its organizations of such government or, as the context requires, any of them
"PRC Legal Advisors"	CM Law Firm, our legal advisors as to PRC laws
"Pre-IPO Investments"	the pre-IPO investments in our Company undertaken by the Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Pre-IPO Investors"	the investors in our Company prior to our Listing as set out in "History, Reorganization and Corporate Structure"
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme approved and adopted by our Company on August 31, 2023, the principal terms of which are summarized in "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme"
"Price Determination Date"	the date on which the Offer Price is to be determined
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"QF CXHL"	QF CXHL 160 Limited, our Shareholder and wholly-owned by Qifu Honglian
"QF CY"	QF CY 160 Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"QF HL"	QF HL 160 Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"

"QF HT"	QF HT 160 Limited, our Shareholder and wholly-owned by Qifu Hongtai
"QF JR"	QF JR 160 Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"QF ZSCY"	QF ZSCY 160 Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Qifu Chuangye"	Sanya Qifu Chuangye Investment Fund Partnership (Limited Partnership) (三亞市啟賦創業投資基金合夥企業(有限合夥)) (formerly known as Shenzhen Qifu Chuangye Investment Management Centre (Limited Partnership) (深圳市啟賦創業投資管理中心(有限合夥)), the affiliate of QF CY (one of our Pre-IPO Investors)
"Qifu Honglian"	Changxing Qifu Honglian Venture Capital Fund Partnership (Limited Partnership) (長興啟賦宏聯創業投資基金合夥企業(有限合夥)) (formerly known as Changxing Qifu Honglian Equity Investment Partnership (Limited Partnership) (長興啟賦宏聯股權投資合夥企業(有限合夥)) and Changxing Qifu Honglian Investment Management Partnership (Limited Partnership) (長興啟賦宏聯投資管理合夥企業(有限合夥))), the sole shareholder of QF CXHL
"Qifu Hongtai"	Changsha Xiangjiang Qifu Hongtai Private Equity Fund Corporation (Limited Partnership) (長沙湘江啟賦弘泰私募股權基金企業(有限合夥)), the sole shareholder of QF HT
"Qifu Hulian"	Shenzhen Qifu Hulian Investment Co., Ltd. (深圳市啟賦互聯投資有限公司) (formerly known as Shenzhen Qifu Hulian Investment Management Co., Ltd. (深圳市啟賦互聯投資管理有限公司)), the sole shareholder of QF HL
"Qifu Jiarong"	Shenzhen Qifu Jiarong Investment Management Partnership (Limited Partnership) (深圳市啟賦嘉融投資管理合夥企業(有限合夥)), the sole shareholder of QF JR

"Qifu Zhongsheng"	Shenzhen Qifu Zhongsheng Entrepreneurship Investment Partnership (Limited Partnership) (深圳市啟賦眾盛創業投資合夥企業(有限合夥)), the sole shareholder of QF ZSCY
"Qingdao Chengyu"	Qingdao Chengyu United Investment Consulting Co., Ltd. (青島城裕聯合投資諮詢有限公司), the sole shareholder of Shenzhen Chengyu
"Qingdao Litan"	Qingdao Litan Equity Investment Partnership (Limited Partnership) (青島立檀股權投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Qingdao Litan Haipeng"	Qingdao Litan Haipeng Equity Investment Partnership (Limited Partnership) (青島立檀海鵬股權投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"registered physicians"	third-party physicians who have completed their registration with us, typically by entering into collaboration agreements
"Registered Shareholder(s)"	the 42 registered shareholders of the Onshore Holdcos who enter into the Contractual Arrangements, namely (A) with respect to Weikang Zhiyuan and Renren Weikang, being Jianchen Technology, and (B) with respect to Shenzhen Ningyuan, being Mr. Luo, Qifu Chuangye, Heyuan Chuangye, Weikang Yuanju, Qifu Zhongsheng, Sanya Caixi, Wuhu Linghang, Wang Ming (王明), Weikang Kairui, Guangzhou Lingkang, Fenxiang Zeshan, Fenxiang Yidao, Zhou Wen (周文), Shenzhen Toposcend, Wang Senlin (王森林), Qifu Jiarong, Zhongshan Fuying, Chongqing Southern Fund, Jiangsu Jiequan, Huzhou Yashang, Qingdao Litan Haipeng, Qingdao Litan, Fu Zhekuan (傅哲寬), Wang Ling (王玲), Nanjing Furui, Zhuhai Xuhua, Tianxin Jiuyue, Shenzhen Yuanzhi, Yingxin Guofu, Yu Yanni (余燕妮), Zhuhai Hengqin, Zero2IPO Jiaqi, Zero2IPO Xiaochi, Zero2IPO Yiju, Lezhi Xiamen, Huang Xiyin (黃錫銀), Zhang Ruxie (張如協), Huang Fanzhi (黃反之), Chen Shaohuai (陳少懷), Qingdao Chengyu and Zhejiang Zhonghui

"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Renren Jiankang"	Shenzhen Renren Jiankang Entrepreneurship Investment Corporation (Limited Partnership) (深圳市仁仁健康創業投資企業(有限合夥)), a limited partnership established in the PRC on July 10, 2015 and a subsidiary of our Company
"Renren Weikang"	Sichuan Renren Weikang Health Management Co., Ltd. (四川仁仁維康健康管理有限公司), a limited liability company established in the PRC on April 15, 2021 and a subsidiary of our Company
"Reorganization"	the reorganization of our Group in preparation for the Listing, details of which are set forth in "History, Reorganization and Corporate Structure"
"Reporting Accountant"	PricewaterhouseCoopers
"RMB" or "Renminbi"	the lawful currency of the PRC
"Ruiwentai Medicine"	Shenzhen Ruiwentai Medicine Co., Ltd (深圳市瑞文泰藥業有限公司), a limited liability company established in the PRC on June 9, 2004 and a subsidiary of our Company
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAFE Circular 13"	Notice on Further Simplifying and Improving the Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by SAFE in February 2015 and amended on December 30, 2019
"SAFE Circular 37"	Notice on Issues Relating to Foreign Exchange Control for Overseas Investment and Financing and Round-tripping by Chinese Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) promulgated by SAFE in July 2014

"SAIC"	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), now known as State Administration for Market Regulation (國家市場監督管理總局)
"SAMR"	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
"Sanya Caixi"	Sanya Caixi No. 1 Private Equity Fund Partnership (Limited Partnership) (三亞市采希壹號私募基金合夥企業(有限合夥)), the sole shareholder of CX 160
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中華人民共和國國務院國有資產監督管理委員會)
"SAT" or "STA"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures (Price Stabilizing) Rules"	Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong), as amended and supplemented from time to time
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary shares in the capital of our Company with nominal value of US$0.00001 each before the Share Subdivision and with nominal value of US$0.000002 each after the Share Subdivision
"Shareholder(s)"	holder(s) of Shares
"Share Subdivision"	the share subdivision referred to in "Appendix IV — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on September 3, 2025"

"Shenzhen Chengyu"	Shenzhen Chengyu Corporate Management Consultancy Partnership (Limited Partnership) (深圳市城裕企業管理諮詢合夥企業 (有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Shenzhen Longjun"	Shenzhen Longjun Venture Capital Investment Corporation (Limited Partnership) (深圳龍駿創投投資企業(有限合夥)), our Shareholder
"Shenzhen Ningyuan"	Shenzhen Ningyuan Technology Co., Ltd. (深圳市寧遠科技股份有限公司), a limited liability company established in the PRC on February 22, 2005 and converted into a joint stock company on August 12, 2015, a subsidiary of our Company
"Shenzhen Toposcend"	Shenzhen Toposcend Zhongxiaowei Entrepreneurship Investment Corporation (Limited Partnership) (深圳市投控東海中小微創業投資企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Shenzhen Yuanzhi"	Shenzhen Yuanzhi Entrepreneurship Investment Co., Ltd. (深圳市遠致創業投資有限公司), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Stabilizing Manager"	Shenwan Hongyuan Securities (H.K.) Limited
"Tianxin Jiuyue"	Hunan Changsha Tianxin Jiuyue Entrepreneurship Investment Partnership (Limited Partnership) (湖南長沙天心區玖玥創業投資合夥企業(有限合夥)), the sole shareholder of JYQ Holding
"Track Record Period"	the three financial years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States
"VAT"	value added tax
"Voting Deed"	the voting right entrustment deed dated August 7, 2024 and entered into between Mr. Luo and Ming Holdings Limited
"Weikang Kairui"	Shenzhen Weikang Kairui Entrepreneurship Investment Corporation (Limited Partnership) (深圳市維康凱瑞創業投資企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Weikang Lanyuan"	Weikang Lanyuan (Shenzhen) Information Technology Co., Ltd. (維康藍遠(深圳)信息技術有限公司), a limited liability company established in the PRC on April 18, 2023 and a subsidiary of our Company
"Weikang Yuanju"	Shenzhen Weikang Yuanju Entrepreneurship Investment Corporation (Limited Partnership) (深圳市維康遠聚創業投資企業(有限合夥)), a Registered Shareholder of Shenzhen Ningyuan and an associate of Mr. Luo, details of which are set out in "History, Reorganization and Corporate Structure"
"Weikang Zhiyuan"	Shenzhen Weikang Zhiyuan Technology Co., Ltd. (深圳市維康致遠科技有限公司), a limited liability company established in the PRC on June 30, 2022 and a subsidiary of our Company
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of the **White Form eIPO** Service Provider, **www.eipo.com.hk**

"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Wuhu Linghang"	Wuhu Linghang Cornerstone Entrepreneurship Investment Partnership (Limited Partnership) (蕪湖領航基石創業投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"YINKANG"	YINKANG Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Yingxin Guofu"	Shenzhen Yingxin Guofu Industrial Co., Ltd. (深圳市盈信國富實業有限公司), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Zero2IPO Jiaqi"	Hangzhou Zero2IPO Jiaqi Entrepreneurship Investment Partnership (Limited Partnership) (杭州清科嘉啟創業投資合夥企業(有限合夥)) (formerly known as Hangzhou Zero2IPO Jiaqi Investment Management Partnership (Limited Partnership) (杭州清科嘉啟投資管理合夥企業(有限合夥))), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Zero2IPO Xiaochi"	Hunan Zero2IPO Xiaochi Equity Investment Partnership (Limited Partnership) (湖南清科小池股權投資合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Zero2IPO Yiju"	Hangzhou Zero2IPO Yiju Investment Management Partnership (Limited Partnership) (杭州清科易聚投資管理合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"

"Zhejiang Renren'ai" or "WFOE"	Zhejiang Renren'ai Information Technology Co., Ltd. (浙江仁仁愛信息技術有限公司) (formerly known as Renren'ai Health Information Technology (Shenzhen) Co., Ltd. (人人愛健康信息技術(深圳)有限公司)), a limited liability company established in the PRC on April 27, 2022 and a subsidiary of our Company
"Zhejiang Zhonghui"	Zhejiang Zhonghui Industrial Investment Co., Ltd. (浙江中暉實業投資有限公司), the sole shareholder of Zhonghui Management
"Zhonghui Management"	Zhonghui Management Limited, one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"Zhongshan Fuying"	Zhongshan Fuying Investment Partnership (Limited Partnership) (中山市賦盈投資合夥企業(有限合夥)), the sole shareholder of YINKANG
"Zhuhai Hengqin"	Zhuhai Hengqin Yuzun Investment Corporation (Limited Partnership) (珠海横琴玗尊投資企業(有限合夥)), the sole shareholder of HQYZ
"Zhuhai Xuhua"	Zhuhai Xuhua Corporate Management Partnership (Limited Partnership) (珠海旭華企業管理合夥企業(有限合夥)), one of our Pre-IPO Investors, details of which are set out in "History, Reorganization and Corporate Structure"
"%"	per cent

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

This glossary of technical terms contains terms used in this prospectus as they relate to our business. As such, these terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"AI"	artificial intelligence, simulation of human intelligence by machines
"app"	application software designed to run on smartphones and other mobile devices
"average customer acquisition cost"	the selling and marketing expenses for the given period divided by the number of new registered users added in that period
"average MAUs"	average number of monthly active users, which refers to the average number of registered individual users who logged into Healthcare 160 app at least once in a given month during a given period
"CAGR"	compound annual growth rate
"Class II hospitals"	secondary hospitals that provide comprehensive medical services to a region, which are designated as Class II hospitals by the NHC hospital classification system
"Class III hospitals"	multi-regional hospitals with large capacity that provide high-quality professional medical services, undertake higher education and scientific research initiatives, which are designated as Class III hospitals by the NHC hospital classification system
"cloud-based"	applications, services or resources made available to users on demand via the Internet from the cloud computing provider's servers with access to shared pools of configurable resources
"consumer healthcare service"	consumptive medical services, focus on meeting the demands of healthcare services driven by consumer preferences and desires, including dental care, physical examinations, and other health services that individuals actively seek for self-improvement or convenience

"conversion rate from registered individual users to ordering customers"	the number of ordering customers for the given period divided by the number of registered individual users who logged into our platform in the given period as of the last day of that period
"COVID-19"	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
"essential medical care"	the fundamental and necessary medical services that are crucial for maintaining, improving, and safeguarding overall health
"GFA"	gross floor area
"GMV"	gross merchandise volume, which represents the total value of services or products sold over a given period through our platform
"GSP"	Good Supply Practices for Pharmaceutical Products (藥品經營品質管制規範), which are guidelines and regulations issued as part of quality assurance to ensure that pharmaceutical distribution enterprises distribute pharmaceutical products in compliance with those guidelines and regulations
"hierarchical medical system"	grading system according to the severity of the disease and the difficulty of treatment. Medical and healthcare institutions of different levels undertake the treatment of different diseases based on the grading
"HIS"	hospital information system, a comprehensive, information system designed to manage a medical and healthcare institution's operation, such as patient information, patient visits, prescriptions, physicians' notes and fee collections

"Internet hospital"	a new type of medical institutions approved by the NHC primarily consists of offshoots of offline medical and healthcare institutions and online medical platforms. After completing filing on relevant regulatory platforms and registration with the Internet hospitals, doctors usually could provide online consultation and diagnosis, follow-up consultation for some common diseases and chronic diseases, as well as family doctor health management services
"IT"	information technology
"KPI"	key performance indicator
"MAU" or "monthly active users"	monthly active user, which refers to the aggregate number of unique user accounts that accessed our platform at least once in a given month
"multi-site practice physician"	licensed physicians who are qualified and permitted to practice at multiple sites in the PRC
"national reimbursement program"	primarily include the Urban Employee Basic Medical Insurance Scheme (城鎮職工基本醫療保險制度), the Urban Resident Basic Medical Insurance Scheme (城鎮居民基本醫療保險制度) and the New Rural Cooperative Medical Insurance Scheme (新型農村合作醫療保險制度)
"ordering customers"	individual users who have made purchases or placed orders for products or services from our platform
"OTC medications"	over-the-counter medications, referring to medicine sold directly to a consumer without a requirement for a prescription from a healthcare professional, as opposed to prescription drugs
"paying customers"	customers who contribute revenue to us through procuring our services or products
"paying institutions"	medical and healthcare institutions which make payments to us for our online marketing solutions
"Pearl River Delta"	the low-lying area surrounding the Pearl River estuary, which refers to as the Guangdong — Hong Kong — Macao Greater Bay Area

"primary healthcare institution"	downstream pharmaceutical retailer that is not a hospital or a pharmacy, including, but not limited to, a private clinic, township health center, village clinic, and community medical institution
"R&D"	research and development
"registered individual users"	individual users who register an user account on our *Healthcare 160 Platform*
"retention rate of medical professionals"	the number of medical professionals who logged into our platform in the given year/period and logged in again in the next year/period, divided by the total number of medical professionals who logged in during the given year/period
"SKU"	stock keeping unit, a number assigned to a product to identify the price, product options and manufacturer of the merchandise
"specialty hospitals"	medical facilities that focus exclusively on a specific area of medical expertise or a particular medical condition
"sq.m."	square meter
"user repurchase rate"	the number of users with purchasing history who made purchases again in the given year, divided by the total number of users who made orders in the given year

This prospectus contains, and the documents incorporated by reference herein may contain certain statements that are, or may be deemed to be, "forward-looking statements." These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believe(s)," "aim(s)," "estimate(s)," "plan(s)," "project(s)," "anticipate(s)," "expect(s)," "intend(s)," "may," "seek(s)," "can," "could," "ought to," "potential," "will" or "should" or similar expressions, or, in each case, their negative or other variations, or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. In particular, references to "estimate(s)" only refer to situations where best estimates have been adopted by the management. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this prospectus and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, our business, results of operations, financial position, liquidity, prospects, growth, strategies and the industries and markets in which we operate or may operate in the future.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance or the actual results of our operations, financial position and liquidity. The development of the markets and the industries in which we operate may differ materially from the description or implication suggested by the forward-looking statements contained in this prospectus. In addition, even if our results of operations, financial position and liquidity as well as the development of the markets and the industries in which we operate are consistent with the forward-looking statements contained in this prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation:

- our operations and business prospects;
- our ability to maintain relationship with our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- our ability to identify and integrate suitable acquisition targets;
- changes to the regulatory environment in the industries and markets in which we operate;
- the ability of third parties to perform in accordance with contractual terms and specifications;

- our ability to retain senior management and key personnel, and recruit qualified staff;
- our business strategies and plans to achieve these strategies, including our expansion plans;
- the actions of and developments affecting our competitors;
- our ability to reduce costs and offer competitive prices;
- our ability to defend our intellectual rights and protect confidentiality;
- change or volatility in interest rates, foreign exchange rates, equity prices, or trading volumes;
- commodity prices and overall market trends;
- capital market developments; and
- our dividend policy.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this prospectus reflect our management's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions. Investors should specifically consider the factors identified in this prospectus, which could cause actual results to differ, before making any investment decision. Subject to the requirements of the Listing Rules and except as may be required by applicable laws, we undertake no obligation to revise any forward-looking statements that appear in this prospectus to reflect any change in our expectations, or any events or circumstances, that may occur or arise after the date of this prospectus. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

An investment in our Shares involves various risks. You should carefully consider all the information in this prospectus and in particular the risks and uncertainties described below before making an investment in our Shares. The occurrence of any of the following events could materially and adversely affect our business performance, financial condition, and results of operations. If any of these events occur, the trading price of our Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisers regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our wholesale of pharmaceutical and healthcare products operates on thin gross profit margins and relatively short inventory turnover days, which may expose us to risks in maintaining profitability and operational stability.

Our wholesale of pharmaceutical and healthcare products is characterized by thin gross profit margins. The gross profit margins of our wholesale model were 3.0%, 1.0%, 0.9%, 0.6% and 0.6% in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Such persistently low margins primarily result from the nature of our wholesale model, which involves large-volume transactions with business customers where competitive pricing is critical to securing orders, thereby constraining profitability. Accordingly, even small fluctuations in procurement costs, customer demand or selling prices could have a material impact on our results of operations.

At the same time, our wholesale model operates with relatively short inventory turnover days, which depend on our ability to make timely and strategic product selection adjustments to align with evolving market demand. Although shorter turnover days generally improve working capital efficiency, they also increase our reliance on accurate demand forecasting and agile supply chain management. Any failure to maintain such responsiveness, or sudden disruptions in market conditions or supply arrangements, could lead to mismatches between inventory and customer demand, resulting in lost sales opportunities, excess stock, or write-downs.

If we are unable to effectively manage the thin margins and short turnover dynamics of our wholesale model, our operating results, financial condition, and cash flow could be materially and adversely affected.

Our success depends on our ability to drive engagement among Platform Participants.

The interactions among Platform Participants underpin the operation of our online healthcare and wellness service platform. Our success in serving medical and healthcare institutions through our products and services not only strengthens and expands our cooperation with them but also attracts medical professionals. This approach allows us to provide individual users with exceptional products and services by enabling them to easily access a wide range of medical resources, which in turn, contributes to building and nurturing their trust in our platform. In addition, the substantial user base on our platform serves as a catalyst for further collaboration with medical and healthcare institutions and professionals, and attracts more third-party merchants to join our platform. Furthermore, the recognition from our business customers enhances our supply chain capabilities and strengthens our bargaining power in product sourcing, thereby benefiting our pharmaceutical and healthcare product sales business. See “Business — Synergies among Our Platform Participants and Our Operations.”

However, the engagement of Platform Participants on our platform is mainly driven by our ability to continuously demonstrate and deliver the aforementioned values. If our ability to demonstrate and deliver such value is impaired for any reasons, such as delays in timely enhancement and extension of our product and service offerings, adverse changes in market acceptance of our products and services, and subpar quality of our customer services, or if our Platform Participants no longer perceive our product and service offerings as valuable, we may not be able to drive Platform Participants’ engagement, and in turn, our business, financial condition and results of operations would be materially and adversely affected.

If we are unable to compete successfully against existing or new competitors in the industries in which we operate, our business, financial condition and results of operations may be materially and adversely affected.

The competitive landscape of the healthcare product distribution market in China, particularly the healthcare product wholesale segment, is marked by high fragmentation and fierce rivalry. According to Frost & Sullivan, there were over 15,000 market participants in the PRC healthcare product wholesale market in 2024, with the top five players collectively holding around 57.0% of the market share, mostly large-scale or state-owned pharmaceutical trading companies. We face stiff competition from both established players and emerging entrants in the market. Some of our competitors may possess larger operational scales, stronger brand recognition, well-established supply chains, extensive customer bases, and more substantial financial resources than us. Moreover, the market may see the emergence or expansion of new competitors equipped with abundant procurement resources, extensive marketing expertise, and significant financial backing, further intensifying the competitive landscape.

Furthermore, the digital healthcare integrated service industry in China is characterized by intense competition. We face intense competition from both established players and new entrants in the market. Some of our competitors may have greater brand recognition, larger operational scale, longer operating histories, extensive implementation experience, a larger user or customer base, stable collaborations with medical and healthcare institutions and professionals, and more significant financial, technical and marketing resources than we do. In addition, new competitors with widely adopted proprietary technologies, greater marketing expertise, and substantial financial and technical resources may enter or expand their presence in the market, intensifying the competition. Given the rapidly evolving nature of our industry, advancements in technology by our competitors could adversely impact our competitive position.

We cannot assure you that we will consistently differentiate our products and services from those of our competitors, maintain our current market shares, or successfully compete against existing or new rivals. Changes in the competitive landscape may result in price reduction, decreased profitability, or loss of market share, any of which could have a material adverse effect on our business, financial condition, and results of operations.

If our product and service offerings do not meet Platform Participants' expectations or if we fail to provide satisfactory user experience to our Platform Participants or maintain Platform Participants' trust in our platform, our business and reputation may be materially and adversely affected.

Our product and service offerings serve and integrate various types of Platform Participants, including business customers, individual users, medical and healthcare institutions and professionals, as well as third-party merchants. The sustainability of our business relies on several factors: (i) the demand and commitment of business customers to procure pharmaceutical and healthcare products from us, (ii) the willingness and frequency of individual users to visit and use our platform, (iii) collaborations with medical and healthcare institutions and professionals, as well as third-party merchants, and (iv) medical and healthcare institutions' demand for our online marketing and digital hospital solutions, all of which could be affected by the satisfaction of our Platform Participants and their trust in our platform.

The user experience of Platform Participants can be affected by various factors. The satisfaction of our business customers may be influenced by factors such as the stability of our supply chain, delivery lead time, and the quality of our customer services. For individual users, their experience may be affected by the availability of medical resources on our platform, the price and quality of products and services, the payment methods we accept, and the convenience of our platform's interface. However, enhancing the user experience of individual users depends on certain factors beyond our control, as we rely on (i) medical and healthcare institutions and professionals to deliver satisfactory medical and healthcare products and services, and (ii) third-party merchants to provide quality pharmaceutical and healthcare products to individual users. Any failure in these areas may adversely affect the receptiveness and willingness of individual users to utilize our platform. Meanwhile, the experience of medical and healthcare institutions, medical professionals and third-party merchants relies on our ability to drive traffic and generate orders, the convenience of our platform's interface, the features and functions of our platform and systems, as well as the performance of our toolkits. If we fail to provide satisfactory user experience to Platform Participants when they use our products or services, they may lose their trust in our platform, leading to potential cessation of cooperation and reduced purchasing, as a result of which our business, financial condition and results of operations may be materially and adversely affected.

Considering the nature of our business, the trust of our Platform Participants in our platform is of utmost importance. Establishing trust or industry recognition is a time-consuming and volatile process, requiring the cultivation of long-term user habits and satisfactory user experience. We cannot assure you that we will be able to maintain such trust in the future. Various factors, such as negative publicity or product liability disputes arising from supplier misconduct, are beyond our control and can impact the trust of our Platform Participants. If we fail to maintain their trust, our business may not develop as expected, and our business, financial condition and results of operations may be materially and adversely affected.

We incurred net losses during the Track Record Period, and may not be able to achieve profitability in the future.

We are still at the stage of rapid business expansion and committed to ramping up our user base to realize long-term growth. As a result of this long-term growth strategy, we had been in a loss-making position during the Track Record Period. We incurred net losses of RMB120.1 million, RMB106.2 million, RMB108.2 million, RMB40.6 million and RMB17.1 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. For details, see "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items." To date, we have financed our operations principally from capital contributions from Shareholders, cash flows from operating activities and services, and debt financing.

We expect our costs will increase in the foreseeable future, and our losses may continue as we expect to dedicate significant funds to growing our businesses, including among others, investment in expanding our customer base, developing new solutions and services, strengthening our supply chains, expanding our marketing activities, and hiring additional employees. If we do not achieve the benefits as we anticipate, or if the realization of the anticipated benefits is delayed, such investment may not result in sufficient revenue increase to offset the escalating costs and expenses. In addition, upon Listing, we may incur additional compliance, accounting, and other expenses that we did not incur as a private company. If our costs of sales and services and expenses continuously exceed our revenue, our business may be materially and adversely affected, and we may not be able to achieve or maintain profitability.

We recorded net current liabilities, net liabilities and net operating cash outflows during the Track Record Period, and we cannot assure you that we will not have net current liabilities, net liabilities or net operating cash outflows in the future.

As of December 31, 2022, 2023 and 2024 and March 31, 2025, we recorded net current liabilities of RMB388.0 million, RMB47.5 million, RMB97.7 million and RMB105.2 million, respectively, and net liabilities of RMB392.4 million, RMB40.6 million, RMB88.5 million and RMB97.8 million, respectively. The net current liabilities and net liabilities as of the dates indicated above were mainly due to our redemption liabilities, trade and bill payables, and accruals and other payables, and our net liabilities as of December 31, 2022 was significantly larger than those as of other dates indicated, mainly due to redemption liabilities associated with ordinary shares issued to certain investors by our Group in 2022. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position." In addition, we had net operating cash outflows of RMB42.4 million, RMB64.5 million, RMB56.0 million, RMB30.6 million and RMB13.3 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively. See "Financial Information — Liquidity and Capital Resources — Net Cash Used in Operating Activities."

We cannot assure you that we will not record net current liabilities, net liabilities or net operating cash outflows in the future. Our net current liabilities, net liabilities and net operating cash outflows may expose us to liquidity risk which could restrict our ability to make necessary capital expenditures or develop business opportunities, thus our business, financial condition and results of operations could be materially and adversely affected.

Furthermore, a net current liability position may expose us to the risk of shortfalls in liquidity. This in turn would require us to seek adequate financing from sources such as equity or equity-linked instruments and external debt, which may not be available on terms favorable or commercially reasonable to us or at all. We cannot assure you that we will always be able to raise the necessary funding to finance our current liabilities and other debt obligations. Our ability to arrange financing and the cost of such financing are dependent on the economic conditions, capital and debt market conditions, lending policies of banks, and other factors. In the event we are unable to obtain adequate financing to meet our working capital requirements, we may be forced to delay, adjust, reduce or abandon our planned strategies. Our business, prospects and financial condition may be materially and adversely affected if our cash flow and capital resources are insufficient to finance our current liabilities or other debt obligations.

If we fail to maintain, expand and optimize an effective wholesale of our pharmaceutical and healthcare products, our sales and business prospects could be materially and adversely affected.

During the Track Record Period, we sold pharmaceutical and healthcare products to business customers under wholesale model. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we generated revenue of RMB304.0 million, RMB415.6 million, RMB402.9 million, RMB56.3 million and RMB64.6 million, respectively, from wholesale of pharmaceutical and healthcare products, representing 57.8%, 66.1%, 64.9%, 59.8% and 64.3% of the total revenue during the same periods, respectively. Our ability to sustain sales and future business prospects depends on maintaining cooperative relationships with our business customers. If we fail to maintain good business relationships with them or if any disputes arise from our transactions, it is possible that our business customers may reduce or completely cease their purchases from us. Such a scenario could have a significant adverse impact on our business, financial condition, and results of operations.

In addition, our wholesale model involves procuring pharmaceutical and healthcare products from upstream suppliers and subsequently selling these products to our business customers. If any of our suppliers fail to fulfill their contractual obligations for any reason, such as delays or shortages in supply or substandard product quality, we may find ourselves in breach of our contractual obligations with our business customers. In such cases, we may face claims for indemnities or compensation due to the breach of contract. If we encounter difficulties in finding alternative suppliers or if we cannot obtain the required products at commercially reasonable prices, our business customers may choose to discontinue their transactions with us. These incidents, if they occur, can have a material and adverse impact on our business, financial condition, and results of operations.

If we fail to manage and expand our relationships with suppliers of pharmaceutical and healthcare products, or otherwise fail to procure products on favorable terms, our business and growth prospects may suffer.

We source pharmaceutical and healthcare products that we sell from third-party suppliers, primarily pharmaceutical distributors. Our business, financial condition and results of operations could be materially and adversely impacted if (i) we are unable to continue sourcing sufficient volumes of pharmaceutical and healthcare products from our current suppliers at reasonable prices or at all, or (ii) our suppliers fail to supply sufficient quantities of pharmaceutical and healthcare products on time or supply products that do not meet the relevant quality standards. In addition, as the scale of our business continues to grow, there can be no assurance that we will be able to expand our sourcing channels to include new suppliers on reasonable terms and at competitive prices.

We also enter into supply framework agreements with certain suppliers, some of which allows pricing and other terms to be adjusted for changing market condition. We cannot assure you that we will be able to maintain our existing relationships with these suppliers and continue to source pharmaceutical and healthcare products in stable quantities and at reasonable prices or at all. Termination or modification to any of these relationships could adversely affect our product supply and have a material adverse effect on our business, operating results and financial condition. Any such supply shortages or loss of any such single source of supply could adversely affect our reputation, results of operations and financial condition.

In addition, our suppliers are primarily Independent Third Parties subject to their own operational and financial risks that are out of our control. If the supply of pharmaceutical and healthcare products is disrupted for any reason, such as supply shortages, supplier quality issues, supplier production disruption, or closing or bankruptcies of our suppliers, our business, financial condition, and results of operations may be materially and adversely affected. Furthermore, changes in business conditions, force majeure, governmental changes and other factors that are beyond our control or anticipation could also affect our suppliers' ability to deliver pharmaceutical and healthcare products to us on a timely basis. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We rely on a limited number of customers and suppliers in our wholesale business, and the loss of any of these key relationships could adversely affect our operations and financial performance.

A substantial portion of our revenue is derived from a limited number of customers, and a significant portion of our purchases is sourced from a limited number of suppliers, particularly in our wholesale business where transactions are naturally concentrated among large business customers and suppliers. In particular, the concentration ratios for a single quarter may appear higher than those for a full year due to the smaller overall scale of quarterly transactions.

If any of our major customers reduce their purchases or terminate their business relationship with us, or if any of our major suppliers reduce supply or alter terms unfavorably, we may not be able to secure alternative customers or suppliers on commercially acceptable terms in a timely manner, or at all. If any such event happens, our operations and financial performance could be materially and adversely affected.

Sale of prescription drugs is subject to stringent scrutiny, which may expose us to risks and challenges.

Sale of prescription drugs is subject to stringent scrutiny, which may expose us to risks and challenges. In particular, under the *Administrative Measures for the Supervision and Administration of Circulation of Pharmaceuticals* (《藥品流通監督管理辦法》) promulgated by the State Food and Drug Administration in 2007, a company is prohibited from either selling prescription drugs to individual users without a prescription or selling prescription drugs directly to the public via the Internet or by post. A company in violation of such prohibitions will be instructed to rectify any such misdemeanor, given a disciplinary warning, and/or issued with an administrative penalty of no more than RMB30,000 per violation. In 2019, the revised Drug Administration Law of the People's Republic of China, or the Drug Administration Law, abolished the prohibition on online sale of prescription drugs, and the principle of keeping online and offline sales consistent was explained in the press conference of the promulgation of the Drug Administration Law. On April 7, 2021, the General Office of the State Council issued the *Opinions on Serving the "Six Stables" and "Six Safeguards" and Further Doing a Good Job in the Reform of "Delegating Power, Delegating Regulation and Serving Service"* (*《關於服務"六穩""六保"進一步做好"放管服"改革有關工作的意見》*), which allows online sales of prescription drugs other than those under special state control on the premise of ensuring the authenticity and reliability of the electronic prescription sources. On August 3, 2022, the State Administration for Market Regulation promulgated *Measures for the Supervision and Administration of Online Pharmaceuticals Sales* (*《藥品網絡銷售監督管理辦法》*), providing that companies selling prescription drugs online must ensure the authenticity and reliability of the prescription sources and enter into contracts with electronic prescription providers, a violation of which will be ordered rectification and subject to a fine of up to RMB100,000. Any failure to comply with such laws and regulations could subject us to disciplinary warnings and administrative penalties, which may, in turn, materially and adversely affect our business, financial condition and results of operations.

Additionally, we cannot assure you that our scrutiny measures and mechanism will be effective or sufficient. There may be loopholes in our scrutiny measures, and such measures may not be able to detect prescription abuse or fraudulent orders effectively and timely. As the methods used to bypass or cheat our scrutiny measures may change frequently and may not be recognized until they succeed, we may be unable to anticipate these methods or implement adequate preventative measures. Failure to effectively screen the sale of prescription drugs could expose us to liability under the applicable laws and regulations, which may incur significant liability and our business, financial condition and results of operations could be materially and adversely affected. In addition, failure by third-party merchants on our platform to effectively screen the sale of prescription drugs could expose them to liability under the applicable laws and regulations, which, in turn, may have a negative impact on our reputation, our financial condition and results of operations.

We are subject to extensive and evolving regulatory requirements.

We operate a multifaceted business in the healthcare and wellness industry in China, which is subject to strict and extensive regulations promulgated by the PRC Government. Specifically, the PRC Government scrutinizes foreign ownership, licensing requirements, permits and filings, and health data security and privacy in this industry. See "— If we fail to obtain or maintain necessary licenses, permits or certificates for our business, we may not be able to maintain or expand our business operations, which may materially and adversely affect our business, financial condition and results of operations," "— Risks Relating to Our Contractual Arrangements — If the PRC Government finds that our Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or their interpretation change in the future, we could be subject to severe consequences, including the invalidation of the Contractual Arrangements and being forced to relinquish our interests in those operations" and "Regulatory Overview — Regulations on Foreign Investment" for details.

In terms of our sale of pharmaceutical and healthcare products, it remains uncertain whether more stringent requirements may be imposed on our sales model according to any new laws and regulations that may be promulgated in the future. For example, on December 6, 2024, the NMPA released the *Implementation Rules for the Drug Administration Law of the People's Republic of China* 《中華人民共和國藥品管理法實施條例》. According to the rules, entities engaging in online drug sales must comply with the provisions of the Drug Administration Law and this rules.

Furthermore, given the increasing popularity of digital healthcare and wellness solutions, it is possible that additional laws and regulations may be introduced. Since laws and regulations pertaining to the digital healthcare and wellness industry are relatively new and evolving, accurate interpretation and enforcement may be challenging. This creates challenges in determining compliance with applicable laws and regulations under certain circumstances. The adoption of new laws or regulations, or the application of traditionally unrelated laws and regulations may impose higher requirements on digital healthcare and wellness solutions. As a result, our cost of doing business may increase, our operations may be disrupted, and the growth of affected industries may be impeded.

We cannot predict how complex the regulatory changes will be or the frequency of such changes, which may impose new requirements on our business. In the event of any violations, we may be required to modify our business models in ways that undermine the attractiveness of our products and services. In addition, we may face fines or other penalties, and if we find the compliance requirements to be overly burdensome, we may choose to terminate the non-compliant operations. In each case, our business, financial condition and results of operations may be materially and adversely affected.

We are exposed to risks arising from the evolving product mix of our wholesale business and the lack of long-term purchase commitments from customers.

The product mix of our wholesale business has varied across the Track Record Period, reflecting our strategic responses to evolving customer demand and broader market dynamics. According to Frost & Sullivan, China's healthcare product distribution industry underwent significant structural changes in 2024, driven by the continued deepening of volume-based procurement policies, broader healthcare reforms, and intensified competition. In response, we shifted our wholesale strategy from a pharmaceutical-focused model to one primarily centered on non-pharmaceutical products, while continuing to engage selectively in pharmaceutical wholesale. Frequent adjustments to our product mix may increase operational complexity and hinder inventory and supply chain planning.

In addition, we generally do not enter into long-term purchase agreements with wholesale customers. Most transactions are on a purchase order or short-term basis, and our customers may reduce, postpone, or cancel orders at their discretion. The absence of long-term purchase commitments limits our ability to forecast future sales and may affect the stability of our revenue. If we are unable to effectively anticipate market demand, optimize our product selection or maintain customer loyalty, our business, financial condition, and results of operations could be adversely affected.

The PRC digital healthcare integrated service industry is evolving and volatile, and if it develops more slowly than we expect or does not develop at all, the growth of our business will be materially and adversely affected.

The PRC digital healthcare integrated service industry remains at an early stage of its development and has experienced rapid growth in recent years. According to Frost & Sullivan, the market size of the PRC digital healthcare integrated service industry increased from RMB54.8 billion in 2019 to RMB220.3 billion in 2024 at a CAGR of 32.1% from 2019 to 2024, and is expected to further increase to RMB740.1 billion in 2030 at a CAGR of 22.4% from 2024 to 2030. However, the PRC digital healthcare integrated service industry is relatively new and unproven, and its market prospects remain uncertain, which may be subject to various risks and uncertainties, including, among others things:

- the evolving development of market demand;
- changes in user acceptance and market adoption;
- adverse publicity affecting the industry;
- technological innovations adopted in the industry; and
- adverse changes in government policies.

Given the aforementioned risks and uncertainties, although the market size of the PRC digital healthcare integrated service industry has experienced rapid growth in recent years, we cannot guarantee that the market demand for digital healthcare and wellness services in China will continue its rapid growth or will grow at all. If the industry develops at a slower pace than expected or fails to develop, our business prospects will be materially and adversely affected.

Due to our limited operating history in an emerging and rapidly evolving market, our historical results may not be indicative of our future performance.

The digital healthcare integrated service industry in China is emerging and evolves rapidly. We launched our platform in 2010 and have since experienced rapid business expansion. Revenue generated from digital healthcare and wellness solutions increased from RMB140.9 million in 2022 to RMB177.6 million in 2023, and further to RMB194.2 million in 2024. It further increased from RMB31.5 million for the three months ended March 31, 2024 to RMB33.3 million for the same period in 2025. However, our historical performance may not be indicative of our prospects and operating results, and there is no assurance that we will be able to sustain our historical growth rates going forward.

There are a series of factors that could potentially lead to a slowdown or decline in our revenue growth, some of which are beyond our control. These factors include more intense competition, slower growth in China's digital healthcare integrated service industry, and adverse changes in the government policies. As a result, we cannot guarantee that our revenue growth under the current business model will persist. We may need to adjust our business model as the industry and our business operation environment continue to evolve, and there is no guarantee that these adjustments will achieve the desired performance results.

Failure to monetize our solutions may materially and adversely affect our business, financial condition, and results of operations.

Our monetization mechanism encompasses various approaches such as performance-based commissions, advertising fees, subscription fees, software licensing fees, and technical service fees. See "Business — Our Business Model — Our Monetization Model."

Nevertheless, we cannot guarantee we would be able to consistently generate sustainable revenue under existing or potential new monetization mechanism. The success of our monetization efforts relies heavily on the market's acceptance of our products and services, the level of engagement from our Platform Participants, and the adaptability of our monetization mechanism. We may fail to demonstrate the benefit of our services to some participants in the digital healthcare integrated service industry, who may not perceive our solutions as intuitive, efficient, or as user-friendly as traditional methods, potentially leading them to curtail or cease their transactions with us. Moreover, as the preferences of Platform Participants continue to evolve, any delay in adjusting our monetization mechanism could result in a mismatch between their needs and our offerings, leading to decreased purchases or engagements from our platform. Furthermore, we cannot assure you that we will identify effective monetization mechanism for newly launched products or services in a timely manner, which could adversely affect our profitability.

If we fail to continue to monetize our products and services, or effectively monetize from our new additions, we may not be able to maintain or increase our revenue, and consequently, achieve or sustain profitability, and our business, financial condition and results of operations will be materially and adversely affected.

Any damage to the reputation and recognition of our brand names, including negative publicity against us, may materially and adversely affect our business operations and prospects.

We depend on our reputation and brand recognition in various aspects of our business. However, we cannot assure you that we will be able to maintain a positive reputation or brand recognition in the future. Our reputation and brand recognition may be materially and adversely affected by a number of factors, many of which are beyond our control, including, among others:

- disputes or legal proceedings related to the medical and healthcare services provided by medical professionals registered on our platform, as well as those associated with the medical and healthcare institutions collaborating with us;

- negative associations with the products sold by us or third-party merchants on our platform regarding their quality, efficacy, side effects, or other concerns;

- legal proceedings, regulatory investigations, fines, and penalties against us, specifically relating to the products or services available on our platform; and

- adverse publicity involving us, our Directors, officers, employees, medical professionals registered on our platform, medical and healthcare institutions we cooperate with, the products or services available on our platform, or our industry in general, whether founded or unfounded.

Any damage to our brand recognition or reputation can result in a decline in market recognition and trust in our platform, products and services. This, in turn, may lead to reduced customer purchases, decreased market demands, and a potential loss of business partners, as well as the withdrawal of cooperation from medical and healthcare institutions and professionals. Negative publicity can also divert management's attention and trigger government investigations or other forms of scrutiny. These consequences can materially and adversely affect our business, financial condition, and results of operations.

Our business and growth strategy depend on our ability to retain and expand collaboration with high-caliber medical and healthcare institutions and professionals. If we are unable to do so, our future growth would be restrained, and our business and reputation may be materially and adversely affected.

Our business heavily relies on our ability to establish and enhance collaborations with high-caliber medical and healthcare institutions and professionals. We generate revenue from (i) providing tailored digital solutions to medical and healthcare institutions, encompassing online marketing and digital hospital solutions, and (ii) offering online healthcare services facilitated by medical professionals. Beyond the financial aspect, collaborations with these institutions and professionals play a pivotal role in cultivating a robust synergy that attracts individual users and other Platform Participants to our platform. This convergence forms the foundation of our online healthcare and wellness service platform, fortifying our ability to provide exceptional value to all Platform Participants involved. As of March 31, 2025, our platform had connected with over 14,400 hospitals and over 30,200 primary healthcare institutions cumulatively since our inception. As of the same date, we collaborated with over 902,300 medical professionals cumulatively since our inception, which included approximately 46,200 registered physicians. For more details, see "Business — Our Collaboration with Medical and Healthcare Institutions" and "Business — Physician Management."

Attracting medical and healthcare institutions to adopt our digital healthcare and wellness solutions depends on our ability to offer high-quality products and services at competitive prices, adapt to their evolving needs, deliver reliable performance, remain competitive against other providers, and effectively market and sell our offerings. Strengthening our collaboration with medical and healthcare institutions relies on various factors, including our brand reputation, user acceptance of our platform, and the platform's user-friendly interface.

When selecting a collaboration platform, medical professionals generally consider key factors such as platform reputation and brand recognition, user base and activity, pricing and revenue sharing mechanisms, technological infrastructure, management efficiency, and support staff. We may not always have a competitive advantage in one or more of these factors, which could impact our ability to attract and retain desired medical professionals. Moreover, medical professionals registered on our platform can provide medical consultation services. Upon completing multi-site registration in accordance with physician registration regulations, which permit licensed physicians to offer online medical diagnoses and treatments and practice at multiple sites, they are also eligible to provide online prescription renewal services through our platform. If future restrictions are imposed by the PRC Government on such service provision or practices, we may struggle to retain those medical professionals registered on our platform and attract new ones.

Failing to excel in any of these aspects could hinder our ability to maintain and expand collaborations with high-caliber medical and healthcare institutions and professionals. As a result, our business operations will be adversely affected, and we may not be able to grow our revenue as quickly as we anticipate, or at all.

We may fail to retain and expand our individual user base, as a result of which our business, financial condition and results of operations may be materially and adversely affected.

The success of our platform also relies on our individual user base. As of March 31, 2025, we had 55.2 million registered individual users cumulatively since our inception, with average MAUs of 3.3 million for the three months ended March 31, 2025. It is crucial for us to retain and attract individual users by providing them with a satisfactory user experience. Achieving this goal requires us to establish connections with high-caliber and renowned medical and healthcare institutions and professionals, consistently deliver reliable and efficient online healthcare services, offer a wide range of pharmaceutical and healthcare products, as well as consumer healthcare packages, and ensure the quality of our products and services. However, our ability to achieve this may be affected by various factors, many of which are beyond our control, such as the quality of products and services supplied by third-party suppliers or provided on our platform by medical and healthcare institutions and professionals, and the evolving demands of individual users. If these parties fail to deliver a satisfactory user experience, it may negatively impact user stickiness and willingness to purchase our offerings, potentially harming our reputation and leading to user attrition. Furthermore, as we will continue to invest in retaining and attracting individual users, our customer acquisition costs may increase, which could adversely affect our profitability, financial condition, and results of operations.

Furthermore, our individual user base plays a pivotal role in shaping our online healthcare and wellness service platform, generating robust synergies among other Platform Participants. This symbiotic relationship is exemplified by our collaborations with medical and healthcare institutions and professionals as well as third-party merchants, all of which substantially depend on the sustained growth and expansion of our individual user base within the platform. Public medical and healthcare institutions utilize our platform to optimize patient management, promote their clinical specialties, and source suitable patients to enhance their brand recognition in specific fields. Private medical and healthcare institutions rely on individual user traffic on our platform to promote their products and services, enhance their brand awareness and support their business development. Third-party merchants depend on acquiring individual user traffic on our platform to expand their sales channels and boost their sales performance. Therefore, if we fail to retain and expand our individual user base, our business, financial condition, and results of operations may be materially and adversely affected.

Any downturn in the business performance of the medical and healthcare institutions with which we collaborate may adversely and materially affect our business, financial condition and results of operations.

The business performance of medical and healthcare institutions may be adversely affected by various factors beyond their control, such as economic downturns and adverse changes in government policy. If the medical and healthcare institutions we collaborate with or intend to collaborate with experience a decline in their business performance, they may tighten their procurement policies, leading to a reduction or even cessation of their procurements from us. As a result, our business, financial condition, and results of operations may be adversely and materially affected.

In addition, some of the services provided to individual users involve offline medical and healthcare services provided by medical and healthcare institutions. Any business interruption faced by the institutions we collaborate with could create difficulties in delivering services, resulting in a subpar user experience for our individual users, as a result of which both our business and reputation would be adversely affected. For example, during the outbreak of COVID-19, certain medical and healthcare institutions suspended their operations following anti-pandemic measures. As a result, our business performance and financial results were adversely affected during the same period.

If we fail to obtain or maintain necessary licenses, permits or certificates for our business, we may not be able to maintain or expand our business operations, which may materially and adversely affect our business, financial condition and results of operations.

Our business is subject to governmental supervision and regulation by various PRC governmental authorities, including, but not limited to the MOFCOM, the MIIT, the NHC, the NMPA, the SAMR, the Cyberspace Administration of China, and their corresponding local regulatory authorities. See "Regulatory Overview" for details. Many of our existing business operations require us to obtain or maintain specific licenses, permits, or certificates, some of which are subject to periodic renewal requirements and inspections by various governmental authorities. See "Business — Licenses, Permits and Certificates" for more details. Moreover, the introduction of new products or services and expansion into new areas may necessitate obtaining new permits, licenses, or certificates, as well as allocating additional resources to monitor the relevant regulatory development.

The interpretation and implementation of license or permit renewal may vary among different cities, provinces, municipalities, and autonomous regions in China. We cannot assure you that we can always meet the relevant local requirements timely. If we fail to timely obtain, maintain, or renew any major licenses, permits, certificates or approvals, we may face administrative penalties, suspension of operations, or even revocation of operating licenses, the occurrence of which could materially and adversely affect our business, financial condition, and results of operations. For example, we had not obtained a value-added telecommunication business operating license required for online data processing and transaction processing for our sale of pharmaceutical and healthcare products on our official websites. In addition, there remains uncertainty about whether we are required to obtain certain licenses for offering free science popularization videos on our platform. To mitigate the risks, we had suspended sale of pharmaceutical and healthcare products and the video uploading function on our platform as of the Latest Practicable Date. We cannot assure you that these suspensions would not adversely affected our business and results of operations.

In addition, due to regulatory uncertainties surrounding the industries in which we operate, there can be no assurance that we can obtain any new approvals, permits and licenses if required by any future laws or regulations. If we fail to obtain such approvals, licenses, or permits required for our business pursuant to future laws or regulations, we could be subject to liabilities and operational disruption and our business could be materially and adversely affected. In the worst-case scenario, we may also be subject to fines, confiscation of illegal gains or revocation of our relevant permits, all of which may materially and adversely affect our business, financial condition and results of operations.

We may become subject to product liability claims, or claims or administrative penalties for counterfeit, substandard or unauthorized products on our platform, which could cause us to incur significant expenses and be liable for significant damages if not covered by insurance.

We are exposed to risks inherent in marketing and selling pharmaceutical and healthcare products in China. Claims, user complaints or administrative penalties may arise if any of such products are deemed or proven to be unsafe, ineffective or defective, or they are found to contain illicit substances. We may also be subject to allegations of having engaged in practices such as improper filling of prescriptions, sale of counterfeit and substandard medicines or other healthcare products, or providing inadequate warnings or insufficient or misleading disclosures of side effects.

In addition, in the event that any use or misuse of the products that we sell results in personal injury or death, product liability claims may be brought against us for damages. If we are unable to defend ourselves against such claims, we may be subject to civil, administrative or even criminal liabilities for physical injury, death or other losses caused by products we sell, which could lead to suspension or cessation of sales of the relevant products and even the revocation of our business licenses or relevant permits.

Any product liability claims made against us could cause negative publicity, impairment of Platform Participants' confidence in us, significant decrease in sale volume and may result in fines and penalties from regulatory authorities. Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of our management team from our operations, which could have a material adverse effect on our business, financial condition, and results of operations. In the event that such product liability claims are attributable to our suppliers or business partners, there can be no assurance that we will obtain full indemnification from them. Even if we do, our reputation may still be severely impaired.

We rely on third-party pharmaceutical supply chain companies to store and deliver our orders. If this company fails to provide reliable storage and delivery services, our business, financial condition and results of operations, may be materially and adversely affected.

We engage third-party pharmaceutical supply chain companies to store and deliver pharmaceutical and healthcare products. These third-party companies are responsible for storing our pharmaceutical and healthcare products under proper conditions and promptly delivering such products to our customers. Interruptions to or failures in this supplier's storage or delivery services could prevent the timely or proper delivery of our products to business customers and individual users. These interruptions may be due to events that are beyond our control or the control of these suppliers, such as inclement weather, natural disasters, transportation disruptions or labor unrest. If our products are not delivered on time or are delivered in a damaged state, business customers or individual users may refuse to accept our products and have less trust in our services. Any failure to provide high-quality delivery services to our business customers or individual users may adversely affect their experience, and our business and reputation could suffer.

Our business generates and possesses a large amount of personal information and medical data of individual users. Any failure to comply with relevant regulations on the collection, storage, use or disclosure of such information and data could materially and adversely affect our business and reputation.

During our business operations, we collect and maintain the personal information and medical data of our individual users. Accordingly, we face risks inherent in handling, securing, and protecting large volumes of information and data. In particular, we face a number of challenges relating to data from user activities on our platform, including:

- protecting the data in and hosted on our system, including protection against attacks on our system by external parties or misbehavior by our employees;
- addressing concerns related to privacy, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or protection of personal information.

Regulatory requirements regarding the protection of personal information and medical data of our individual users are constantly evolving and can be subject to significant change, making the extent of our responsibility in that regard uncertain. Our business, including our ability to operate and expand, could be adversely affected if legislation or regulations are adopted, interpreted or implemented in a manner that is inconsistent with our current business practices and requires changes to these practices, design of our websites, mobile apps, software embedded in our digital healthcare and wellness solutions, features, or our privacy policies. In particular, the success of our business has been, and we expect will continue to be, driven by our ability to responsibly gather and process the personal information and medical data of individual users. Therefore, our business could be harmed by any significant change to applicable laws, regulations or industry standards or practices regarding the collection, storage, use or disclosure of information that individual users share with us, or regarding the manner in which the express or implied consent of individual users to such collection, storage, use and disclosure is obtained. Such changes may require us to modify our digital healthcare and wellness solutions, possibly in a material manner, and may limit our ability to develop new kinds of services, products and features.

The measures that we have taken to maintain the security of our individual users' personal information and medical data may not always be effective, considering the increase in personal information and medical data collected and maintained by us and the increasing level of expertise of hackers. There is a risk that such information could be compromised in the event of a security breach on our platform. Such information could also be divulged due to, for example, theft or misuse arising from staff misconduct or negligence.

In addition, we use individual users' de-identified medical information on an aggregated basis after redacting personal identifiers. However, any change in such laws and regulations or any change in the interpretations of the constantly evolving data privacy and security regulatory requirements could impose more stringent data protection requirements, which in turn, may require us to strengthen our current data protection measures in a timely manner. Any failure to do so may affect our ability to use personal information and medical data.

Security breaches and attacks against our system and network, as well as any potential failure to protect confidential and proprietary information, could damage our reputation, lead to legal liabilities, and have adverse effects on our business, financial condition and results of operations.

Our ability to provide products and services relies heavily on technology, especially the Internet. However, our technology operations are susceptible to disruptions caused by computer viruses, spam attacks, unauthorized access, and similar events. Any disruptions or instability in our technology or external technology supporting our platform, online management platform and hospital management systems could materially harm our business and reputation.

There is no guarantee that our cybersecurity measures will detect or prevent all attempts to compromise our systems. This includes distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches, or other disruptions that may jeopardize the security of information stored in and transmitted by our systems. Breaches in our cybersecurity measures could result in unauthorized access to our systems, data misappropriation, deletion or modification of user information or data, or interruptions to our business operations such as denial-of-service attacks. Since the techniques used to gain unauthorized access or sabotage systems evolve frequently and may not be known until launched against us, we may be unable to anticipate or implement adequate measures to protect against these attacks. During the Track Record Period, we were not subject to any attacks that had materially and adversely affected our business operations. However, there is no assurance that we will not face such attacks in the future. If we are unable to prevent these attacks and security breaches, we may face significant legal liability, reputation risks, and substantial revenue loss due to decreased sales and customer dissatisfaction.

Any significant interruptions or delays in services on our platform, as well as the presence of undetected errors or design faults, could adversely affect our business, financial condition, and results of operations.

The technologies underlying our services are highly complex and may contain undetected errors or vulnerabilities. Some of these issues may only come to light after our services have been used by our Platform Participants. The discovery of any actual or perceived errors, failures, bugs, or vulnerabilities in our services could lead to service delays or interruptions on our platform. This can result in negative publicity, reputational damage, loss of customers and users, less market acceptance of our platform, diminished competitive position, revenue loss, or liability for damages, overpayments, and underpayments. In such cases, we may need to allocate additional resources to address the problem, which can be costly and may not guarantee a successful resolution. Even if we are successful, our reputation and brands may still suffer damage. For example, our online management platform and hospital management systems, which are provided to medical and healthcare institutions, could experience errors or interruptions during their operations. This may lead to a poor user experience and reduced trust in our services among medical and healthcare institutions. As a result, our business, financial condition and results of operations may be materially and adversely affected.

While we may procure underlying technologies that support our services from business partners or suppliers, there is no guarantee that the provisions included in our agreements with them, intended to limit our exposure to claims, will be enforceable or adequate to protect us from liabilities or damages related to specific claims. Any claim brought against us by a customer or user, even if unsuccessful, would likely require significant time and financial resources to defend. Additionally, such claims could have a severe impact on our reputation and brands.

We rely on third-party technical service providers whose systems are exposed to the risks of cyberattacks and other technological issues.

We currently utilize technical services of third-party providers in China to host our network infrastructure and store sensitive information, including user data. However, the systems of these third-party technical service providers may be susceptible to security breaches and attacks. Precautionary measures that we have taken may not be sufficient to fully protect the stored information from unauthorized access, leaks, or compromise.

In addition, the systems of our technical service providers may experience disruptions due to technological problems or cyberattacks. These disruptions can cause the systems to malfunction, resulting in limited access to information for us and our customers. There can be no assurance that we will be promptly notified of such technological problems or cyberattacks, or that the third-party technical service providers will be able to resolve these issues promptly and properly. Any security breach or other technological problem with these third-party service providers could lead to service disruptions, compromise the sensitive information we store, and have a material adverse effect on our business, reputation, as well as potentially result in legal claims and liabilities.

We may not be able to recoup the investments we make in research and development, which in turn could adversely impact our financial condition and results of operations.

Our ability to continually enhance our services is crucial to our success. If we fail to adapt to rapid technological changes in a cost-effective manner and develop new features and functions that meet our customers' demands, our services may lose marketability and competitiveness, negatively affecting our business, financial condition and results of operations.

We have made and will continue to allocate investments to research and development in technologies that we believe will benefit our business, particularly our digital healthcare and wellness solutions. We incurred research and development expenses of RMB54.1 million, RMB41.7 million, RMB50.5 million, RMB11.9 million and RMB9.0 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, accounting for 10.3%, 6.6%, 8.1%, 12.7% and 8.9% of our total revenue for the same periods, respectively. While research and development investments are vital to our success, there is no guarantee that they will yield the desired results. We may encounter challenges that could delay or impede the development process, despite committing significant time and financial resources. Even if our research and development projects do result in new services, they may require an extended testing period before their commercial launch, and after their launch, the market reception or revenue generation of the final offerings may be insufficient to cover the incurred expenses.

Our business, financial condition and results of operations may be adversely affected by the recoverability of our prepayments, deposits and other receivables.

As of December 31, 2022, 2023 and 2024 and March 31, 2025, our net prepayments, deposits and other receivables amounted to RMB25.0 million, RMB25.5 million, RMB34.8 million and RMB44.1 million, respectively, with provision for impairment of RMB0.6 million, RMB0.6 million, RMB0.7 million and RMB0.8 million as of the same dates, respectively. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Prepayments, Deposits and Other Receivables" for details.

We cannot guarantee that our suppliers will always fulfill their obligations and provide the products or services in accordance with our agreed terms. In the event of any failure on the part of our suppliers, our ability to deliver services to our customers may be compromised, resulting in potential damage to our reputation, as well as adverse effects on our financial condition and results of operations. Furthermore, if any of our suppliers, to whom we have made prepayments, breach their obligations to deliver the relevant products or services, we may encounter difficulties in recovering the prepayments, despite our contractual rights. Also, we cannot assure you that we will be able to recover our prepayments, deposits and other receivables from obligors other than suppliers. Such circumstances could have an adverse impact on our liquidity, results of operations and financial condition may be affected.

We are subject to credit risk in respect of our trade receivables.

Our liquidity and profitability would be affected by the timely settlement of payments by our customers. Our trade receivables represent amounts due from customers for services performed in the ordinary course of business. The gross carrying amount of trade receivables was RMB73.1 million, RMB134.6 million, RMB195.6 million and RMB193.0 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively, representing our maximum exposure to credit risk associated with trade receivables as of the respective dates. Trade receivables are generally settled in accordance with the terms specified in the underlying contracts, which may vary depending on the specific business line. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade Receivables" for details.

While we are committed to diligently pursuing the collection of our trade receivables, there are uncertainties in the recoverability of our trade receivables. If we fail to receive payments from our customers on a timely basis, our cash flows and financial position could be materially and adversely affected.

If we are unable to fulfill our performance obligations in respect of contract liabilities, our business, financial condition and results of operations may be adversely affected.

As of December 31, 2022, 2023 and 2024 and March 31, 2025, we recorded contract liabilities of RMB56.1 million, RMB45.7 million, RMB43.3 million and RMB56.0 million, respectively. Our contract liabilities mainly arise from advance payments made by customers, which are commonly incurred in our digital hospital solutions and wholesale of pharmaceutical and healthcare products, while the underlying services have not yet been provided or the underlying products have not yet been delivered. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Contract Liabilities" for details.

If we fail to fulfill our performance obligations as stipulated in our customer contracts, it may prevent us from recognizing the associated contract liabilities as revenue. Furthermore, our customers may request refunds for the payments they have made, which could have an adverse impact on our cash flow, liquidity position, and ability to meet our working capital requirements. Consequently, our business, financial condition and results of operations may be negatively affected. In addition, any failure to meet our performance obligations could harm our relationships with customers, leading to potential repercussions on our reputation and overall business performance.

Share-based payment may cause shareholding dilution to our existing Shareholders and have a material and adverse effect on our financial performance.

To attract and retain personnel for positions of substantial responsibility and to provide additional incentives to our Directors and selected employees, we have implemented an equity-settled share-based payment plan in which we receive services from our Directors and employees in exchange for our equity instruments. See "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme."

We incurred share-based payment expenses of RMB46.4 million, RMB60.0 million, RMB18.5 million and RMB7.8 million in 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. To further incentivize our Directors and selected employees to contribute to us, we may grant additional share-based payment in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore, have a material and adverse effect on our financial performance.

If we fail to develop and release new services, or if we are unable to effectively add enhancements, new features and modifications to our existing offerings, our business could be adversely affected.

To ensure the growth of our business, it is crucial that we continually improve and enhance our current services. This can involve adding new features and modifications, as well as introducing new offerings to our platform. We must also stay attuned to evolving market demands and identify new industry pain points in order to timely release new services that address these needs.

However, there are inherent uncertainties in forecasting and predicting the demands and needs of our Platform Participants. In addition, it is challenging to keep pace with the rapid technological developments within the healthcare and wellness industry and effectively compete with competitors who promptly adopt new technologies. Furthermore, there are risks associated with the release of new services and/or products. For example, they may encounter low market acceptance, and our sales and marketing strategies for these offerings may be proved ineffective. Moreover, the introduction of new equivalents by others could adversely impact the performance of certain existing services from which we currently generate revenue.

If we fail to embrace new technologies, such as AI and big data analytics, or adapt our platform to meet evolving user requirements and emerging industry standards, our business may be materially and adversely affected.

To maintain our competitiveness, it is essential that we continuously enhance and improve the responsiveness, functionality, and features of our services. The industries in which we operate are characterized by rapid technological advancements, shifting user preferences and needs, and frequent introductions of new products and services driven by emerging technologies like AI and big data analytics. In addition, new industry standards and practices continue to emerge, potentially rendering our existing technologies and systems obsolete. Success in our industry hinges on our ability to identify, develop, acquire, or obtain licenses for cutting-edge technologies that are relevant to our business. Furthermore, we must effectively respond to technological advancements and adapt to emerging industry standards and practices in a cost-effective and timely manner.

In recent years, we have made substantial investments in the development of various new technologies and business initiatives, such as our *Healthcare 160 Platform* and its Internet portals. However, we cannot assure you that we will successfully develop or effectively utilize these new technologies, recoup the associated development costs, or adapt our platform, mobile apps, proprietary technologies, and systems to meet evolving user requirements and emerging industry standards. Failing to keep pace with technology development or being unable to adapt in a cost-effective and timely manner to new technologies, changing market conditions, and user demands could have a material and adverse impact on our business, financial condition, and results of operations.

Any interruption or failure in the operation of our platform could harm our business, financial condition and results of operations.

Our *Healthcare 160 Platform* serves as the foundation for delivering well-rounded services to our valued Platform Participants. The seamless functioning of our platform relies on the continuous and stable operation of its underlying systems, networks, data center, and cloud storage center. While we had not experienced any material service interruption or failure during the Track Record Period and up to the Latest Practicable Date, we cannot assure you that our platform will not experience disruptions, outages, or other performance difficulties in the future, due to a variety of factors, including infrastructure changes, human or software errors, and hardware failure. Neither can we assure that our recovery plans in place will fully safeguard us in the event of a system failure.

As the number of our Platform Participants continues to grow while our products and services become more intricate, ensuring the consistent performance and improvement of our offerings may be challenging. Our platform infrastructure and cloud hospital services currently rely on our existing data center. However, the increasing demands of our expanding user base, including their requirements for service upgrades and operational monitoring, may necessitate the expansion of our data center's capacity. We cannot assure you that we will be able to promptly and cost-effectively expand the data center facilities to meet the growing demand for infrastructure capacity.

We may be held liable for the information or content displayed on, retrieved from or linked to our platform, as well as contents created by us, which may adversely affect our business, financial condition and results of operations.

As part of our efforts to attract traffic and promote our brand, we offer a content posting toolkit to medical and healthcare institutions and professionals for publishing health information on our platform. Through our *160 Cloud Hospital* and *160 Yihu app*, we facilitate the posting of articles and other information by medical and healthcare institutions and medical professionals to promote healthcare knowledge, disease awareness, and recovery care within our platform. Furthermore, we have established a user review mechanism that enables individual users to post their reviews and comments on the services they received from our platform.

Under the relevant laws and administrative regulations, we have obligation to monitor content, including content posted or distributed by our Platform Participants or available on our platform, to identify factually incorrect, defamatory material or any other content prohibited by the relevant laws and administrative regulations, and take prompt and appropriate actions accordingly. In addition, we may be held liable for any unlawful actions by users on our websites or mobile interfaces, as well as for any inappropriate content distributed by Platform Participants on our platform.

Determining the accuracy or legality of certain information is not always straightforward, which requires us to invest resources and implement measures to ensure the compliance with terms and policies of our platform. Despite requiring adherence from all Platform Participants, including medical and healthcare institutions, professionals, and third-party merchants, complete adherence by every participant remains a challenge. As our platform expands with new features, managing content efficiently becomes increasingly challenging. Should any content be deemed inaccurate or illegal by relevant authorities, we may face fines, revocation of business operation licenses, or restrictions on operating our websites, WeChat Official Accounts, and mobile apps in the PRC.

Moreover, Internet content providers and publishers are prohibited from posting or displaying content that violates PRC laws and regulations, undermines the national dignity or the public interest of the PRC, or is obscene, superstitious, frightening, gruesome, offensive, fraudulent or defamatory. The Cybersecurity Law, effective from June 1, 2017, was enacted by the PRC Government in November 2016 to safeguard cyberspace security and regulate network operators. If the PRC Government determines that any information posted by us or third parties on our platform violates content restrictions, we would be required to remove such content and could face penalties, including income confiscation, fines, business suspension, and license revocation, which would have a material adverse impact on our business, financial condition, and results of operations.

We may be subject to penalties or disputes for failure to manage the multi-site practices of registered physicians on our platform.

The practice of physicians is strictly regulated under PRC laws, rules and regulations. Physicians practicing at medical institutions are required to hold valid practicing licenses and practice within the authorized scope of their licenses. If a physician practices at multiple medical institutions within the same region, the physician must designate one institution as his primary practicing institution and register it with the relevant administrative authority. For any additional practicing institutions, the physician must file the necessary documentation with the relevant approving authority. Violations, such as practicing at an unregistered institution or issuing prescriptions outside the authorized institutions, may result in regulatory penalties ranging from warnings to license suspensions and, in severe cases, license revocation. The unregistered medical institution may also face penalties, including a fine up to RMB5,000 and potential revocation of its Practicing License for Medical Institutions. Pursuant to relevant laws and regulations, physicians intending to issue prescriptions through our platform are mandated to complete multi-site registration prior to rendering these services.

During the Track Record Period, certain registered physicians provided online prescription renewal services to individual users through our platform, which are required to complete filings for multi-site practices pursuant to relevant regulations. Although we have implemented measures to ensure that registered physicians completed all required filings, registrations, and government procedures before joining or offering services on our platform, we cannot assure you that all these physicians will do so in a timely manner or at all. Furthermore, we cannot guarantee that they will strictly adhere to the permitted scope of their licenses. If registered physicians are found to have incomplete registrations or filings or practice beyond the authorized scope, they may face disciplinary actions and a potential loss of their practicing licenses. In addition, if their multi-site practices breach contractual obligations with other institutions, such as non-compete obligations, we may be held liable for aiding in these breaches, leading to legal disputes and potential damages. Failure to properly manage physician registration on our platform may result in administrative penalties, including fines, or in the worst-case scenario, revocation of our Practicing License for Medical Institutions, both of which could have a significant adverse impact on our business.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any incidents of registered physicians practicing beyond the permitted practice scope or without sufficient qualification that resulted in any administrative penalties against us. We generally enter into service agreements with registered physicians, which require them to provide online healthcare or prescription renewal services to individual users in compliance with relevant PRC laws and regulations. See "Business — Physician Management — Registered Physicians" for more details. However, there is no guarantee that all physicians on our platform will strictly adhere to these policies, and it is possible that healthcare administrative authorities may retroactively identify deficiencies in physician registrations, resulting in penalties for the physicians and/or us. Any of these scenarios could materially and adversely affect our business.

We may become subject to medical liability claims in connection with our online prescription renewal services, which could cause us to incur significant expenses and be liable for significant damages if any claim is not covered by insurance.

We face risks of medical liability claims against registered physicians who provide online prescription renewal services to individual users on our platform, as well as against physicians from the Internet hospital with which we collaborate for the same services (collectively, the "**Relevant Physicians**"). We could be held accountable for the actions of the Relevant Physicians, leading to costly and time-consuming legal proceedings. Defending against such claims can impose a considerable financial burden on us.

While we have implemented measures to ensure that the Relevant Physicians properly assess the medical conditions of patients, we cannot assure that such measures will eliminate the risk of misdiagnosis or erroneous prescriptions. There are factors beyond our control that could lead to sub-standard services, mishandling of sensitive information, misconduct, or medical malpractice by the Relevant Physicians. In addition, instances may arise where patients provide inauthentic, inaccurate, incomplete, or outdated medical records that could lead to misdiagnosis or erroneous prescriptions.

We currently do not carry any professional liability insurance for our online prescription renewal services. We cannot assure the availability of adequate professional liability insurance for the registered physicians on our platform or for ourselves in the future, and even if available, it may not be on commercially acceptable terms. Any medical claims, regardless of their merit, can divert management's attention from our operations, generate negative publicity, and undermine user confidence in our service, which may materially and adversely affect our business operations, reputation and brand names. Furthermore, we cannot assure you that the Internet hospital with which we collaborated has carried any professional liability insurance for the physicians providing services on our platform, potentially hindering our ability to claim indemnity from the Internet hospital in the event of medical ability claims related to the services provided by their physicians.

If we fail to consistently provide satisfactory pharmacy marketplace services to third-party merchants or retain their cooperation, our business, financial condition and results of operations may be materially and adversely affected.

The success of our pharmacy marketplace depends on the participation of third-party merchants who sell their products through our platform, which in turn is driven by our ability to provide satisfactory pharmacy marketplace services to them and retain their cooperation with us. These third-party merchants are attracted to our platform and collaborate with us primarily due to the monetization opportunities and potentials that arise from their sales generated through our platform.

We create value for these third-party merchants by granting them access to our individual user base, facilitating extensive collaborations with medical and healthcare institutions and professionals, providing fulfillment capabilities, and offering broad market coverage.

However, we cannot assure that these value-added services will constantly appeal to such third-party merchants or that we will be able to retain their cooperation. Since third-party merchants often operate their own offline businesses, they may choose to prioritize their offline operations over collaborating with us for online endeavors. Moreover, due to the highly competitive nature of the digital healthcare integrated service industry, third-party merchants may perceive our platform as ineffective and opt to partner with our competitors instead.

In addition, there is a possibility that third-party merchants may fail to deliver satisfactory user experiences, quality products, and services that meet the needs and demands of our individual users. If any of the aforementioned scenarios materialize, our pharmacy marketplace may not grow as anticipated, and our business, financial condition and results of operations may be materially and adversely affected.

We have limited control over the third-party merchants which we cooperate with. Any failure to control the quality of products they sell on our platform, or to make timely and accurate delivery of their products sold on our platform, may have a material and adverse effect on our business, financial condition and results of operations.

We have been enhancing our engagement with third-party merchants on our platform, empowering them with our traffic while elevating our brand visibility. This synergy contributes to a wide range of pharmaceutical and healthcare products available to individual users, partly leveraging the diverse product offerings of these third-party merchants. However, we do not have as much control over the procurement, storage and delivery of products sold by these third-party merchants compared to the products we directly offer. If any of these third-party merchants fails to adequately control product quality, encounters delay in delivering their products to individual users, provides counterfeit or unlicensed products, or otherwise leads to an unsatisfactory user experience, the reputation of our platform and brands may be materially and adversely affected.

In addition, we could face claims and lawsuits for the losses and may be subject to administrative inquiries, inspections, investigations and proceedings by relevant regulatory and other governmental agencies for misconduct by any of these third-party merchants. Actions brought against us may result in settlement, injunctions, fines, penalties or other results adverse to use that could harm our business, financial condition, and results of operations. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant to us.

We face risks related to our leased properties.

As of the Latest Practicable Date, we had not registered 11 of our leasehold interests in leased properties with the relevant PRC governmental authorities as required by PRC law, thereby exposing us to potential fines. As advised by our PRC Legal Advisors, in the case of an unregistered lease, the penalty can range from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As such, we estimate that the maximum penalty we may be subject to for those unregistered lease agreements will be approximately RMB110,000. Although we have proactively requested lessors of the unregistered leased properties to complete or cooperate with us in completing the registration in a timely manner, we have no control over whether and when they will do so.

Furthermore, some lessors have not provided us with ownership certificates or other similar proof for certain properties that we have leased. Therefore, we cannot assure you that these lessors are entitled to lease the respective properties to us. If the lessors are not entitled to lease the properties to us and the owners of those properties dispute the validity of our lease agreements with the lessors, we may be unable to enforce our rights to lease those properties under the existing lease agreements.

As of the Latest Practicable Date, we were not aware of any claim or challenge brought by any third parties against us or our lessors with respect to any defects in our leasehold interests. However, if property owners attempt to challenge or void our lease agreements for properties in question, we may be required to vacate those properties and incur additional costs. In such an event, we would only be able to seek indemnities from the lessors for their breach of the lease agreements. We cannot guarantee the availability of suitable alternative locations on commercially reasonable terms or at all. If we are unable to relocate our office in a timely manner in the event of an eviction, our operation may be interrupted.

We may be subject to risks associated with the "two-invoice system" and national centralized procurement using a volume-based procurement approach in the future, particularly the potential expansion of the application scope thereby.

In December 2016, as one of the measures of the PRC healthcare system reform, the State Council issued the *Notice of Publishing Opinions on Implementing Two-invoice System in Drug Procurement Among Public Medical Institutions (For Trial Implementation)* (*《印發關於在公立醫療機構藥品採購中推行"兩票制"的實施意見(試行)的通知》*). The "two-invoice system" requires the sales of pharmaceutical products from a pharmaceutical manufacturer to a public medical and healthcare institution through a single level of distributor. Pharmaceutical trading companies are required to comply with the "two-invoice system" only when directly transacting with public medical and healthcare institutions.

During the Track Record Period and up to the Latest Practicable Date, we had not sold any pharmaceutical and healthcare products to public medical institutions that could subject us to regulation requirements under the "two-invoice system." However, we cannot assure you that the relevant authorities will not impose new requirements on us in connection with the two-invoice system, should any new laws or regulations be published in the future. Any failure to comply with the "two-invoice system" may result in our disqualification from participating in future procurement or dealing with public medical and healthcare institutions and adversely affect our reputation. Furthermore, our business customers who source pharmaceutical products from us are precluded from reselling these products to public medical and healthcare institutions under the "two-invoice system", which could potentially curtail our business opportunities and confine the potential growth of our business.

In addition, a national centralized procurement process employing a volume-based procurement ("**VBP**") approach has been implemented for the sale of certain pharmaceuticals and high-value medical consumables to public medical and healthcare institutions, which aims to reduce healthcare costs and enhance the accessibility of essential medicines and medical devices. Although we had not engaged in national centralized procurements using the VBP approach during the Track Record Period up to the Latest Practicable Date, we cannot guarantee that the scope of the VBP approach will not expand in the future. Should we engage in procurements under the VBP approach, we may be required to fulfill specific criteria and qualifications, which we may not currently meet, or provide a competitive price for the products sold that may compress our profit margin. Failure to meet these requirements could lead to lost business opportunities and negatively impact our business, financial condition, and results of operations.

We face counterparty risks in our retail of pharmaceutical and healthcare products as we rely on third-party e-commerce platforms for a portion of our retail business.

We sell a portion of pharmaceutical and healthcare products through third-party e-commerce platforms under retail model. As such, we may be subject to counterparty risks from these third-party e-commerce platforms. We cannot assure you that we will be able to maintain our relationships with these third-party e-commerce platforms, which are not obliged in any way to continue to cooperate with us at a level in the future that is similar to that in the past or at all. Should any of these third-party e-commerce platforms terminate the business relationship with us entirely or fail to process transactions or settlements on time, we may not be able to secure new business from other platforms to compensate for such a reduction in sales or loss of businesses. If our relationship with these third-party e-commerce platforms deteriorates, or if there is a perceived decline in the quality of service or general reputation of these third-party e-commerce platforms among users, we cannot assure you that our sales through these third-party e-commerce platforms will not decrease accordingly. As a result, our business, financial condition, and results of operations may be adversely affected.

Any disruption or malfunction of Internet infrastructure and telecommunication network could adversely affect our business and results of operations.

Our operations depend on the performance of the Internet infrastructure and fixed telecommunications networks, as well as the effectiveness of mobile operating systems and networks. Almost all access to mobile Internet in China is provided by state-owned telecommunication operators under the administrative control and regulatory supervision of the MIIT. We primarily rely on a limited number of telecommunication service providers to provide data communication capacity through local telecommunication lines and Internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with public communication networks, such as mobile Internet and fixed telecommunication networks. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the public communication infrastructure will be able to support the demands associated with the continued growth in usage. In addition, we have no control over the costs of the services provided by public communication service providers. If the prices we pay for their services rise significantly, our financial performance may be adversely affected. Furthermore, if mobile access fees or other charges to mobile users increase, our user traffic may decline, which may harm our business.

The growth and activity of our Platform Participants on mobile devices depend upon the effective use of mobile operating systems, networks and standards that we do not control. We cannot ensure the interoperability of our platform with all the recently developed operating systems, networks and standards.

The surge in online purchases made through mobile devices, both in a general context and specifically among our Platform Participants, has been remarkable, and we anticipate this trend to continue. To optimize our Platform Participants' mobile shopping experience, we encourage them to download our mobile apps tailored for their particular devices and systems instead of accessing our sites from an Internet browser on their mobile devices. Nevertheless, newly released mobile devices and systems may present new and unpredictable technical problems, for which we may need to devote significant resources to the development, support and maintenance of our mobile apps on these new devices and systems. Our business operation and future growth could suffer if we experience difficulties in integrating our mobile apps into these new mobile devices, or if problems arise with our relationships with providers of mobile operating systems or mobile app stores.

Furthermore, we depend on the interoperability of the websites, WeChat Official Accounts, mobile apps and other portals that we operate with popular mobile operating systems that we do not control, such as iOS and Android, and any changes in such systems that degrade the functionality of our portals or give a competitive advantage to our competitors could adversely affect the usage of our sites on mobile devices. In the event that it becomes more difficult or infeasible for our Platform Participants to access and use our portals on their mobile devices or computers, or if our Platform Participants choose not to access or use our portals, our user growth could be harmed, which may adversely affect business, financial condition and operating results.

Our delivery, return and exchange policies may affect our results of operations.

We generally do not allow refunds for our services or return or exchange of our products, unless required by laws and regulations. For details, see "Business — Customers and Customer Support — Our Customer Support — Product Return Policy." However, we may be obligated by law to introduce new return and exchange policies or modify existing ones in order to protect consumer rights. These changes could lead to additional costs and expenses that may not be offset by increased revenue. On the other hand, if we make policy revisions that make it more difficult for individual users to return products, our individual users may be dissatisfied, which may cause us to lose existing users and materially and adversely affect our results of operations.

If our product return rates unexpectedly increase or exceed our projections, it can have adverse effects on both our revenue and costs. Additionally, certain agreements with our suppliers may prevent us from returning certain products to them. Consequently, we may encounter challenges such as increased inventory levels, impairment of inventory value, and higher fulfillment costs. These factors have the potential to significantly impact our working capital, and as a result, our business, financial condition and results of operations may be materially and adversely affected.

We may be involved in claims and legal proceedings and become the subject of regulatory investigations and proceedings, and there is no guarantee that we will always be successful in defending ourselves against such claims or proceedings.

We may be subject to claims and legal proceedings in the ordinary course of our business and inquiries, inspections, investigations and proceedings initiated by relevant regulatory and other governmental agencies. Our business activities, particularly in areas such as medical disputes, disputes involving sale of pharmaceutical and healthcare products, the publication of articles on healthcare topics, and the protection of personal and confidential information of our users and business partners, expose us to litigation and regulatory risks. During the Track Record Period, we were involved in a legal proceeding stemming from a dispute arising from a commodity transaction, which was ruled by relevant court that we shall refund the deposit and indemnify the loss of interests to the plaintiff. As a result, we made the provision for litigation loss of RMB12.4 million and RMB0.4 million in 2022 and 2023, respectively. See "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Other (Losses)/Gains, Net." Although we have implemented certain internal measures to avoid similar disputes, we cannot assure you that we will not be involved in any legal proceedings in the future. The actions taken against us could lead to settlements, injunctions, fines, penalties or other results adverse to us that could harm our business, financial condition, and results of operations. Even if we are able to successfully defend ourselves against such actions, the costs associated with such defense efforts could be substantial. In the event of a significant judgment or regulatory action against us, or if our business is disrupted due to regulatory investigations against or adverse adjudications in proceedings involving our Directors, officers, or employees, it would have a material adverse effect on our liquidity, business, financial condition, and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot guarantee that our operations or any aspects of our business do not or will not infringe upon or violate trademarks, patents, copyrights or other intellectual property rights held by third parties. We may, from time to time or in the future, become involved in legal proceedings and claims related to the intellectual property rights of others. In addition, there may be instances where we unintentionally infringe upon third-party intellectual property rights of which we are unaware. Moreover, there can be no assurance that holders of intellectual property purportedly relating to some aspect of our technology platform or business, if any such holders exist, would not seek to enforce such intellectual property against us in the PRC or in any other jurisdictions.

Furthermore, the application and interpretation of intellectual-property-related laws, procedures and standards across jurisdictions are still evolving and uncertain, and there can be no assurance that courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities, prohibited from using the intellectual property in question, incur licensing fees, or forced to develop alternatives of our own. In addition, we may incur significant expenses and may be forced to divert management's time and other resources from our business and operations to defend against third-party infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, which may materially and adversely affect our business, financial condition and results of operations.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

Third parties, including our competitors, could be infringing, misappropriating, or otherwise violating our intellectual property rights, including our copyrights, rights to our trademarks and domain names, trade secrets and our proprietary patent. For example, there is no assurance that other companies will refrain from copying our copyrighted content, such as health information, from our mobile apps and websites. They may employ methods like website scraping, robots or other means to copy, publish or aggregate our content alongside other information to their own advantage. When third parties replicate, publish, or combine content from our mobile apps and websites, it may increase their competitiveness and reduce the likelihood of individual users utilizing our mobile apps and websites to find the information they need. This, in turn, could materially and adversely affect our business, financial condition and results of operations.

Monitoring unauthorized use of our intellectual property is difficult and costly. We may seek to enforce our rights against potential infringement, misappropriation or violation of our intellectual property. However, the steps we have taken to protect our proprietary rights may not be adequate to enforce our rights against such infringement, misappropriation or violation of our intellectual property rights. Any inability to meaningfully enforce our intellectual property rights could harm our ability to compete and reduce demand for our products and solutions.

We may become involved in lawsuits to protect or enforce our intellectual property rights, and any adverse result in any litigation proceeding could harm our business. In addition, in any lawsuit that we bring to enforce our intellectual property rights, a court may refuse to stop the other party from using the technology at issue on the ground that our intellectual property rights do not cover the use or technology in question. Further, in such proceedings, the defendant could counterclaim that our intellectual property is invalid or unenforceable, and if the court agrees, we could lose valuable intellectual property rights. The outcome of any such lawsuits is unpredictable, and even if we prevail, the process can be prolonged and costly.

The success of our pharmaceutical and healthcare product sales business is conditioned on the effective management of our inventory levels. Failure to manage our inventory effectively could have a material and adverse effect on our business, financial condition and results of operations.

We aim to maintain optimal inventory levels in order to successfully meet our customers' demands. However, we are exposed to inventory risk as a result of various factors that are beyond our control, including shortages or delays in supplies, changing medical demands, the volatile economic environment, and other force majeure events. There can be no assurance that we can accurately predict these trends and events and avoid over-stocking or under-stocking our inventories.

Inventory levels in excess of demand may result in inventory write-downs, expiration of our inventories, or an increase in inventory holding costs, which may have a potential negative effect on our liquidity. In addition, if we underestimate demand, we may experience inventory shortages which may, in turn, result in unfulfilled customers' demands, leading to a negative impact on customer experiences. There can be no assurance that we will be able to maintain proper inventory levels of our inventories, and any such failure may have a material adverse effect on our business, financial condition, and results of operations.

We face risks related to pandemics, natural disasters, wars, terrorist activities and similar events, which could significantly disrupt our operations.

Our business can be affected by pandemics, natural disasters, wars, terrorist activities and similar events. Any of these circumstances may affect our provision of services, as well as our supply chain. We cannot assure you that we will be able to take adequate steps to effectively respond to these unforeseeable events or mitigate the potential impact of such events, which may adversely affect our business, financial condition and results of operations.

To varying degrees, our business operations had been affected by the COVID-19 outbreak. Many of our collaborating offline medical and healthcare institutions were temporarily closed, and their operations as well as our services provided to these institutions were suspended for a certain period of time, which in turn led to a significant decrease in the volume of our online transactions subject to fulfillment by the offline medical and healthcare institutions during that period. Although the negative impact on our operations caused by COVID-19 had been gradually eased since December 2022, in the event that future waves of severe epidemic diseases disrupt normal business operations and social activities, we may face reduced market demand and operational challenges with our services.

We may not be able to conduct our marketing activities effectively, properly, or at reasonable costs, which would have an impact on our business operations.

We invest significant resources in a variety of different marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products and services. In recent years, we continued to invest in marketing activities to support our business growth. We incurred selling and marketing expenses of RMB97.4 million, RMB101.8 million, RMB117.3 million, RMB27.4 million and RMB19.7 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. However, our brand promotion and marketing activities may not be well received and may not result in the levels of sales that we anticipate despite our investment in marketing. Meanwhile, marketing approaches and tools in the PRC digital healthcare integrated service industry are continually evolving, which may require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share could fall and materially and adversely affect our financial condition, results of operations and profitability.

Publishing online advertisements is subject to stringent scrutiny, which could expose us to potential legal risks and challenges that can significantly impact our business operations.

Under PRC laws and regulations, all advertisements published online containing (i) drug names, applicable symptoms treated by such drugs (major functions) or other drug-related aspects or (ii) medical device names and the applicable scope, performance, structure and composition, function and other contents relevant to medical devices are subject to examination by relevant government authorities. Pursuant to the *Measures for Administration of Internet Advertising* (*《互聯網廣告管理辦法》*) (the "**Internet Advertising Measure**"), Internet advertisers are prohibited from publishing (i) advertisements of prescription drugs on the Internet or (ii) advertisements for medical treatment, drugs, medical devices, health food, and formula food for special medical purposes by way of introducing knowledge on health or health maintenance. In the context of introducing knowledge on health or health maintenance, the address, contact information, shopping links and other contents of sellers or service providers of relevant medical treatment, drugs, medical devices, health food, or formula food for special medical purposes shall not be presented on the same page or at the same time.

We are subject to risks related to advertisements, as we provide advertising services to third-party merchants who are sellers of pharmaceutical and healthcare products. Unless we are granted a waiver, we are prohibited from publishing advertisements of prescription drugs on any online platform that we operate and must ensure that any advertisement of medical treatment, drugs or medical devices does not include any assertion or guarantee as to the function, safety, curative rate, or effectiveness of such medical treatment, drugs or medical devices. We are also prohibited from publishing advertisements for medical treatment, drugs, medical devices, health food, and formula food for special medical purposes by way of introducing knowledge on health or health maintenance. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or administrative penalties, or other sanctions by any competent regulatory authorities in relation to the violations of advertisement-related laws and regulations. Strict requirements under PRC advertising-related laws and regulations necessitate the implementation of effective internal procedures to examine the content of advertisements displayed on the websites we operate. Failures to meet these requirements may subject us to fines, administrative penalties or other sanctions imposed by relevant regulatory authorities, which may materially and adversely affect our business, financial condition and results of operations.

Our business depends on the continued efforts of our senior management and key personnel. If one or more of our senior management and/or key personnel were unable or unwilling to continue in their present positions, our business may be severely disrupted.

Our future success depends heavily upon the continued services of our senior management and our key personnel in various corporate functions, who have contributed significantly to our current achievements. Among our senior members, the services of Mr. Luo, our founder and the chairman of the Board, who possesses extensive cross-industry experience in the Internet and medical fields, are especially crucial to our success. Furthermore, our key R&D staff, who are responsible for research and development of the key features and technologies of our platform, play essential roles in enhancing our products and services, enabling us to maintain competitiveness in the industry. Accordingly, we believe that our ability to retain senior management and key personnel is a critical factor in our competitiveness.

If we lose the services of any senior management or key personnel, we may not be able to identify suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and prospects and prolong our expansion strategies and plans. Furthermore, if any of our senior management or key personnel joins a competitor or forms a competing company, we may lose a significant number of our existing customers and potentially lose our substantial research and development achievements, which could have a material adverse effect on our business, financial condition, and results of operations.

We have limited business insurance coverage, which could expose us to significant costs and business disruption.

In line with the industry practice, we currently do not maintain additional insurance policies such as business interruption insurance, product liability insurance, key man life insurance, or insurance coverage for damages to our platform, information technology systems, or properties. We may not be able to acquire insurance for certain types of risks we are exposed. Any product liability claim, business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

If our risk management and internal control system is not adequate or effective, and if it fails to detect potential risks in our business as intended, our business, financial condition and results of operations could be materially and adversely affected.

We have established our internal control system, such as an organizational framework and, policies and procedures that are designed to monitor and control potential risk areas relevant to our business operations. However, due to the inherent limitations in the design and implementation of our risk management system, it may not be sufficiently effective in identifying, managing and preventing all risks if external circumstances change substantially or extraordinary events take place.

Furthermore, our future business initiatives may give rise to additional risks that are currently unknown to us, despite our efforts to anticipate such issues. If our risk management system fails to detect potential risks in our business as intended or is otherwise exposed to weaknesses and deficiencies, our business, financial condition and results of operations could be materially and adversely affected.

Our risk management also depends on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended or such implementation will not involve any human errors, mistakes or intentional misconducts. If we fail to implement our policies and procedures in a timely manner or fail to identify risks that affect our business before we have sufficient time to plan for contingencies for such events, our business, financial condition and results of operations could be materially and adversely affected.

Our business may be materially and adversely affected by adverse news, scandals or other incidents associated with China's healthcare and wellness industry.

Incidents that reflect doubt as to the quality and safety of services provided by participants in the PRC healthcare and wellness industry and pharmaceutical products manufactured, distributed or sold in the PRC, including our competitors, have been and may continue to be subject to widespread media attention. Such incidents may damage the reputation of not only the parties involved but also the general healthcare and wellness industry, even if such parties and incidents have no relation to us, our management, our employees, our suppliers, our customers or the physicians connected with our platform. Such negative publicity may indirectly and adversely affect our reputation and business operations. In addition, other incidents, negative publicity or scandals implicating us or our employees, regardless of their merit, may also have an adverse impact on us and our reputation and corporate image.

Any non-compliance with applicable anti-bribery and anti-corruption laws and other forms of illegal acts and misconducts by our employees, third-party merchants, or other Platform Participants could harm our business and reputation and subject us to regulatory investigations, penalties or other negative consequences.

Our business operations are subject to anti-bribery and anti-corruption laws and regulations in China, which prohibit companies and their intermediaries from making improper payments or other benefits to government or other parties for the purpose of obtaining or retaining business. We cannot assure you that our internal control and risk management measures relevant to compliance with anti-bribery and anti-corruption laws, regulations and policies will always effectively prevent relevant non-compliance. We also cannot guarantee that we could be exculpated from the penalties or liabilities that may be imposed by the relevant government authorities due to violations by our employees, customers, and suppliers. If any of our employees, customers or suppliers are found or alleged to have violated anti-bribery or anti-corruption laws and regulations, we may face relevant investigation activities or be involved in fines, lawsuits, which may cause damage to our reputation, business operations and financial condition and may distract the attention of our management.

Furthermore, other illegal acts and misconducts, such as unauthorized business transactions, bribery and breach of our internal policies and procedures, by our employees, third-party merchants or other Platform Participants may be difficult to detect, and the precautions we take to prevent and detect such activities may not be effective. It could subject us to financial loss and sanctions imposed by governmental authorities while seriously damaging our reputation. This may also impair our ability to effectively attract prospective users, develop user loyalty, obtain financing on favorable terms and conduct other business activities.

In particular, we may face risks with respect to fictitious or other fraudulent activities. There can be no assurance that the measures we have implemented to detect and reduce the occurrence of fraudulent activities would be effective in combating fraudulent transactions or improving overall satisfaction among our suppliers and users.

Our risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, we may be unable to identify non-compliance or suspicious transactions promptly, or at all. Therefore, we are subject to the risk that fraud or other misconduct may have previously occurred but gone undetected, or may occur in the future. This may materially and adversely affect our business, financial condition and results of operations.

The wide variety of payment methods that we adopt may subject us to risks related to third-party payment processing.

We accept a variety of payment methods, including bank transfers and third-party online payment platforms such as WeChat Pay, UnionPay, Alipay and JD Pay. We may be charged transaction and other fees for certain payment methods, which may be subject to change or adjustment over time and result in an increase in our operating costs. We may also be subject to fraud and other illegal activities in connection with the various payment methods we accept, including online payments. We are also subject to various rules, regulations and requirements governing electronic funds transfers, both in China and globally, which could change or be reinterpreted to make it difficult or impossible for us to comply with. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and even lose our ability to process electronic funds transfers or facilitate other types of online payments, which could materially and adversely affect our business, financial condition and results of operations.

In addition, our business depends on the billing, payment and escrow systems provided by third-party payment service providers, primarily commercial banks in China. These systems are crucial for maintaining accurate customer payment records and facilitating payment collection. Certain commercial banks in China impose limits on the amount that can be transferred through automated payments from customers' bank accounts to their accounts linked to third-party online payment services. We cannot predict whether such restrictions or any additional restrictions imposed by such banks would have any material adverse effect on our platform.

Furthermore, finding suitable third-party payment service providers and establishing and maintaining relationships with them require significant time and resources. These providers may decide to terminate their relationship with us, propose terms that are unfavorable or unacceptable to us, or fail to fulfill their contractual obligations as per our agreed terms. If (i) the quality, utility, convenience and attractiveness of their payment processing and escrow services decline, (ii) we cannot continue our relationship with these service providers on commercially acceptable terms or at all, or (iii) any disagreements or disputes with these service providers arise, the attractiveness of our platform could be materially and adversely affected.

We are also subject to various rules, regulations and requirements governing electronic funds transfers, both in China and globally, which are subject to amendment and reinterpretation that may render them difficult or impossible for us to comply with. In addition, the commercial banks and third-party online payment service providers that we work with are subject to the supervision of the PBOC, an authority that may publish rules, guidelines, and interpretations from time to time regulating the operation of financial institutions and payment service providers, which may in turn affect the business arrangements between such entities and us. For example, in November 2017, the PBOC published a notice (the "**PBOC Notice**") on the investigation and administration of illegal offering of settlement services by financial institutions and third-party payment service providers to unlicensed entities. The PBOC Notice is intended to prevent unlicensed entities from using licensed payment service providers as a conduit for conducting the unlicensed payment settlement services. As of the Latest Practicable Date, we had entered into third-party payment service agreements only with licensed entities that are reputable commercial banks, and such business arrangements were confirmed by or filed with PBOC by such licensed entities. Nevertheless, as the laws and regulations in this area are still evolving and subject to interpretation, we cannot assure that the PBOC or other governmental authorities will not require suspensions or amendment of these business arrangements in the future. If the PBOC or other relevant governmental authorities consider our current or planned new settlement mechanisms not fully compliant with the PRC regulations, or if our cooperating payment service providers are required by the PBOC or any new legislation to suspend their services or amend their business arrangement with us, we may not be able to claim our ownership and exclusive control of the payments from the buyers in the bank accounts opened with the relevant commercial banks, and we may incur additional expenses and invest considerable resources in complying with the requirement.

Any failure to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds may subject us to fines and other legal or administrative sanctions.

PRC companies are required to pay for their employees' social insurance and housing provident funds in amounts equal to a certain percentage of salaries, which include bonuses and allowances, up to a maximum amount specified by the local government of their business operation place. Employers that fail to promptly pay for social insurance and housing provident funds in full amount may be ordered to make the supplemental payment within a stipulated period, subject to a late fee ranging from one to three times of the overdue amount or compulsory enforcement by the court. See "Regulatory Overview — Regulations on Employment" for details.

During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees. As of March 31, 2025, the total unpaid amount of our social insurance and housing provident fund contributions was approximately RMB26.9 million. As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations: (i) with respect to social insurance, the relevant authorities may order us to pay the outstanding amounts within the prescribed time period with a late charge at the daily rate of 0.05% on the outstanding amounts, and if and only if we fail to do so, they may impose a maximum fine or penalty equivalent to three times the outstanding amounts; and (ii) with respect to housing provident funds, the relevant authorities may order us to pay the outstanding amounts within the prescribed time period, and they may apply to a competent court for enforcement of the outstanding amounts if we fail to do so. See "Business — Employees." Even though historically we were not imposed any administrative penalties as a result of our non-compliance with social insurance and housing provident fund related PRC laws and regulations, we may be subject to fines and compulsory enforcement in respect of the overdue contributions if we are ordered by the relevant authorities.

In addition, according to the applicable PRC laws and Regulations, an employer must open a social insurance registration account and a housing provident fund account to pay social insurance and housing provident funds for each employee. During the Track Record Period, some of our PRC subsidiaries engaged a third-party agency in paying social insurance and housing provident funds for some of our employees, which is not in strict compliance with the requisite legal requirements. If such agencies fail to pay the social insurance or housing provident funds for and on behalf of our employees as they agreed, or if such arrangements are challenged by government authorities, the relevant authorities may impose additional contribution, late payment fee and/or penalties on us or require rectification, for the failure to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer. There can be no assurance that such agencies will keep paying the social insurance and housing provident funds for the relevant employees in full, or that there will not be any employee complaint against us in relation to such agencies' failure to make full social insurance and housing provident fund contribution. Any such complaints, orders or penalties may have an adverse effect on our financial condition and results of operations.

RISKS RELATING TO OUR CONTRACTUAL ARRANGEMENTS

If the PRC Government finds that our Contractual Arrangements do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or their interpretation change in the future, we could be subject to severe consequences, including the invalidation of the Contractual Arrangements and being forced to relinquish our interests in those operations.

Foreign ownership in entities that engage in Internet and related businesses, including value-added telecommunication services and online medical institution services, is subject to restrictions under current PRC laws and regulations, unless certain exceptions apply.

We are an exempted company incorporated in the Cayman Islands and our indirect wholly-owned PRC subsidiary, Zhejiang Renren'ai, is considered a wholly foreign-owned enterprise (the "**WFOE**") under the PRC laws and regulations. Accordingly, it is ineligible to provide value-added telecommunication services or other restricted services that are related to our business as a WFOE. To overcome this, we conduct such business activities through our Consolidated Affiliated Entities in the PRC, namely our Onshore Holdcos and their respective subsidiaries based on a series of Contractual Arrangements among the WFOE, the Consolidated Affiliated Entities, and their Registered Shareholders. See "Contractual Arrangements" for a detailed description of the Contractual Arrangements.

We have been advised by our PRC Legal Advisors that the interpretation and application of the Foreign Investment Law and its implementation regulations, as well as other current and future PRC laws and regulations in relation to the contractual arrangements, may be determined on an ad hoc basis depending on the specific facts and circumstances. If the PRC Government determines that we are in violation of any existing or future PRC laws or regulations or that we lack any requisite permits or licenses to operate our business, the relevant governmental authorities hold wide discretion in addressing such violation, which may include but are not limited to:

- revoking the business licenses of such entity;

- discontinuing or restricting certain transactions between certain of our PRC subsidiaries and Consolidated Affiliated Entities;

- imposing fines, confiscating the income from the Consolidated Affiliated Entities, or imposing other requirements that we or our Consolidated Affiliated Entities may struggle to fulfill;

- requiring us to restructure our ownership structure or operations, including terminating the Contractual Arrangements with our Consolidated Affiliated Entities and deregistering the equity pledges of our Consolidated Affiliated Entities, which in turn would affect our ability to consolidate, derive economic interests from, or exert effective control over our Consolidated Affiliated Entities;

- restricting or prohibiting the use of the proceeds from the Global Offering or our other financing activities to finance our business and operations; or

- taking other regulatory or enforcement actions that could harm our business.

Any of these events could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If occurrences of any of these events result in losing our right to direct the activities of our Consolidated Affiliated Entities or our right to receive substantially all economic benefits and residual returns from them, and if we are unable to satisfactorily restructure our ownership structure and operations, we would no longer be able to combine the financial results of our Consolidated Affiliated Entities in our consolidated financial statements. Any of these outcomes or any other significant penalties imposed in such circumstances would have a material adverse effect on our business, financial condition and results of operations.

We rely on Contractual Arrangements to exercise control over a portion of our business, but they may not be as effective as direct ownership in providing operational control.

To operate our businesses within the framework of foreign ownership restrictions, we have relied and will continue to rely on Contractual Arrangements with the Consolidated Affiliated Entities and their Registered Shareholders. For a description of these Contractual Arrangements, see "Contractual Arrangements." However, these Contractual Arrangements may not be as effective as direct ownership that grants us control over our Consolidated Affiliated Entities.

If we had direct ownership of our Consolidated Affiliated Entities, we could exercise our rights as a shareholder to make changes in the board of directors, which could, in turn, influence the management level, subject to applicable fiduciary obligations. However, under the current Contractual Arrangements, we rely on the performance of obligations by the Consolidated Affiliated Entities and their Registered Shareholders to maintain control over our Consolidated Affiliated Entities. However, the shareholders of the Consolidated Affiliated Entities may not act in the best interests of our Company or fulfill their obligations as stipulated in these contracts. This inherent risk persists throughout the period in which we operate our business through the Contractual Arrangements with the Consolidated

Affiliated Entities. Therefore, our Contractual Arrangements with the Consolidated Affiliated Entities may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership.

If we exercise the option to acquire equity interest of the Consolidated Affiliated Entities, this equity interest transfer may subject us to certain limitations and substantial costs.

Pursuant to the Exclusive Option Agreements under the Contractual Arrangements, the WFOE or its designated person(s) has the irrevocable and exclusive right to purchase all or a part of the equity interest in the Consolidated Affiliated Entities from their respective shareholders free of charge or at a nominal consideration, or if the aforementioned consideration is not permitted under then applicable PRC laws, at the minimum consideration permitted under such laws.

The equity transfer may be subject to approvals from and filings with the MOFCOM or its local counterparts. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authorities. The equity transfer price received by the Consolidated Affiliated Entities under the Contractual Arrangements may also be subject to enterprise income tax, and these amounts could potentially be substantial.

Any failure by our Consolidated Affiliated Entities or its shareholders to perform their obligations under our Contractual Arrangements would have a material and adverse effect on our business.

If the Consolidated Affiliated Entities or their shareholders fail to perform their respective obligations outlined in the Contractual Arrangements, we may be required to incur substantial costs and allocate additional resources to enforce these arrangements. For example, if the shareholders refuse to transfer their equity interests in the Consolidated Affiliated Entities to us or our designated party upon exercising the purchase option as stipulated in the Contractual Arrangements, or if they act in bad faith against us in any other manner, we may need to initiate legal proceedings to compel them to fulfill their contractual obligations. In the event that we are unable to enforce these contractual arrangements, or if we encounter significant delays or obstacles during the enforcement process, we may not be able to effectively control our Consolidated Affiliated Entities, thereby negatively impacting our business operations.

Relevant Registered Shareholders of our Consolidated Affiliated Entities may possess actual or potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

Our control over Consolidated Affiliated Entities is based upon the Contractual Arrangements with, among others, such Consolidated Affiliated Entities and their respective shareholders. Although these individuals are contractually obligated, or obligated under their fiduciary duty to our Company, to act in good faith and in our best interest, they may have potential conflicts of interest with us. These shareholders may breach, cause the Consolidated Affiliated Entities to breach, or refuse to review the existing Contractual Arrangements we have with them and our Onshore Holdcos, which would have material and adverse effect on our capacity to exert effective control over our Consolidated Affiliated Entities, and receive substantially all the economic benefits derived from our Consolidated Affiliated Entities. For example, these shareholders might cause the Consolidated Affiliated Entities to act against our interests by, among other things, failing to make timely payments as required by the Contractual Arrangements. We cannot guarantee that in the event of conflicts of interest, these shareholders will act in the best interests of our Company, nor can we guarantee that such conflicts will be resolved in our favor.

We rely on such shareholders to comply with the PRC laws and regulations, which protect contractual rights and provide that a director or senior management owes a fiduciary duty to us. In addition, the laws of the Cayman Islands also provide that directors and officers have a duty to act in good faith in our interests and to avoid conflicts between their personal interests and our interests.

In addition, relevant Registered Shareholders may breach or refuse to renew, or cause the Consolidated Affiliated Entities to breach or refuse to renew, the Contractual Arrangements with us. At present, we have not established any mechanisms to address potential conflicts of interest between these shareholders and our Company. If any such shareholders breach their agreements with us or otherwise have disputes with us, we may have to initiate arbitration or other legal proceedings, the outcome of which involves significant uncertainty. Such disputes and proceedings may significantly distract our management's attention, adversely affect our ability to control Consolidated Affiliated Entities, result in negative publicity, or otherwise adversely affect the reputation of the Consolidated Affiliated Entities. We cannot assure you that the outcome of any such dispute or proceeding will be in our favor.

Our Contractual Arrangements may result in adverse tax consequences to us.

Under the PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or scrutiny by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements were not made on an arm's length basis and adjust the Consolidated Affiliated Entities' income and expenses for PRC tax purposes by requiring a transfer pricing adjustment. A transfer pricing adjustment could materially and adversely affect us by (i) increasing the tax liabilities of the Consolidated Affiliated Entities without reducing the tax liability of WFOEs, which could further result in late payment fees and other penalties to the Consolidated Affiliated Entities for underpaid taxes; or (ii) limiting the ability of the Consolidated Affiliated Entities to obtain or maintain preferential tax treatment and other financial incentives.

We may face the risk of losing access to and benefits from assets held by our Consolidated Affiliated Entities that are critical to the operation of our business if our Consolidated Affiliated Entities go bankrupt or become subject to dissolution or liquidation proceedings.

Within the framework of our Contractual Arrangements, our Consolidated Affiliated Entities currently hold, or may hold in the future, certain assets that play a critical role in the functioning of our business. These assets encompass intellectual property, premises, and licenses associated with value-added telecommunication services, practicing of medical institutions and others. If our Consolidated Affiliated Entities go bankrupt, resulting in their assets being subject to liens or the claims of third-party creditors, we may no longer be able to carry out some or all of our current business activities conducted through the Contractual Arrangements, which could materially and adversely affect our business, financial condition and results of operations.

According to the provisions of the Contractual Arrangements, our Consolidated Affiliated Entities are restricted from selling, transferring, mortgaging, or disposing of their assets, as well as any legal or beneficial interests in their business, without our prior consent. However, in the event of a voluntary or involuntary liquidation proceeding involving any of our Consolidated Affiliated Entities, independent third-party creditors may assert their rights to claim some or all of these assets. This could impede our ability to conduct business operations effectively, thereby materially and adversely affecting our business, financial condition and results of operations.

We do not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.

At present, our existing insurance policies do not provide coverage for the risks pertaining to the Contractual Arrangements and the transactions they entail. Furthermore, we have no plans to acquire additional insurance specifically addressing these risks. In the event that any risks arise from the Contractual Arrangements in the future, including those that impact the enforceability of the contracts involving the WFOE, the Consolidated Affiliated Entities, and the Registered Shareholders, our business, financial condition and results of operations may be adversely affected.

The treatment of our Contractual Arrangements as a foreign investment rather than a domestic investment may have potential implications for our corporate structure and business operations.

On March 15, 2019, the NPC promulgated the *Foreign Investment Law of the PRC (《中華人民共和國外商投資法》)* (the "**FIL**"), which came into effect on January 1, 2020, and replaced the previous laws governing foreign investment in China, namely the *Equity Joint Venture Law of the PRC (《中華人民共和國中外合資經營企業法》)*, the *Cooperative Joint Venture Law of the PRC (《中華人民共和國中外合作經營企業法》)* and the *Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》)*, as well their implementation rules and ancillary regulations, or the Outgoing FIE Laws. Meanwhile, the *Implementing Rules of Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》)* came into effect as of January 1, 2020, which clarified and elaborated the relevant provisions of the FIL. Although the FIL does not explicitly define contractual arrangements as a form of foreign investment, it includes a catch-all provision that encompasses investments made by foreign investors through other means as provided by laws, administrative regulations, or the State Council. Therefore, there is no guarantee that contractual arrangements will not be classified as foreign investments in the future. In addition, future laws, administrative regulations, or provisions may require further actions to be taken regarding existing Contractual Arrangements, leading to substantial uncertainties as to whether we can fulfill these requirements in a timely manner, if at all.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment pursuant to the *Special Administrative Measures for Access of Foreign Investments* (the "**Negative List**") (2024 Version) (《外商投資准入特別管理措施(負面清單)》(2024年版)), jointly promulgated by the MOFCOM and the NDRC on September 6, 2024. The Foreign Investment Law provides that (i) foreign-invested entities operating in "restricted" industries are required to obtain market entry clearance and other approvals from relevant PRC governmental authorities; (ii) foreign investors shall not invest in any industries that are "prohibited" under the Negative List. We engage in the operation of value-added telecommunications services and medical institution services, both of which are considered restricted items as per the Negative List. In addition, our business involves radio and television program production activities, which fall into the category of prohibited items according to the Negative List. These activities are facilitated through our Consolidated Affiliated Entities. See "Contractual Arrangements."

As a result, we may need to take additional actions regarding our Consolidated Affiliated Entities to enhance operational control or comply with the requirements of the stock exchange where we are listed. These actions could involve adjusting the Contractual Arrangements, registering equity interest changes, registering new equity pledges, obtaining additional operating permits or amending existing ones, such as the Value-Added Telecommunications Business Operating Licenses. However, there are significant uncertainties regarding our ability to complete these actions in a timely manner, if at all. Failure to address these regulatory compliance challenges adequately could have material and adverse effects on our corporate structure, corporate governance, financial condition, and business operations.

If our business operations conducted through our Consolidated Affiliated Entities become subject to restrictions outlined in the Negative List or any successor regulations, and the Contractual Arrangements are not recognized as domestic investment, we may be deemed in violation of the Foreign Investment Law, the validity and legality of the Contractual Arrangements may be called into question. In such a scenario, we may be required to unwind the Contractual Arrangements and/or divest any affected businesses, resulting in the inability to operate those businesses through the Contractual Arrangements. As a result, we would no longer be able to combine or consolidate the financial results of the Consolidated Affiliated

Entities into our financial statements and would need to derecognize their assets and liabilities in accordance with relevant accounting standards. This would lead to the loss of our rights to receive economic benefits from our Consolidated Affiliated Entities.

RISKS RELATING TO OUR OPERATIONAL ENVIRONMENT

Changes in the economic, political and social conditions, as well as laws, regulations and policies, could materially and adversely affect our business, financial condition, and results of operations.

Our business and prospects are subject to changes in the economic, political and social conditions, and government policies of the place where we operate. For example, during the Track Record Period, all of our revenue was generated from our operations in the PRC. Consequently, our business, financial condition, and results of operations are significantly influenced by the economic, political, social, and legal landscape of the PRC.

Our performance has been and will continue to be affected by the Chinese economy, which in turn is influenced by the global economy. The uncertainties relating to the global economy as well as the geopolitical environment across various regions of the world will continue to impact the economic growth in the PRC. It may be challenging for us to accurately predict all the risks and uncertainties that may arise from the current economic, political, social and regulatory development. Any prolonged slowdown in the global economy could lead to a reduction in demand for our products and services, as well as services by our customers, thereby materially and adversely affecting our business, financial condition and results of operations.

Changes and developments in the applicable laws, rules and regulations may subject us to uncertainties.

We are subject to various laws, rules and regulations, including those associated with foreign ownership and licensing and permit requirements applicable to companies in the Internet industry in the PRC. In addition to existing laws, rules and regulations, new laws, rules and regulations relevant and applicable to our business operations may be promulgated or announced, which may impose additional licensing and permit requirements for our operation. Moreover, there are uncertainties in the interpretation and enforcement of these laws, rules, and regulations. To ensure regulatory compliance, we may need to implement corresponding measures, such as adjusting our business or transactions and hiring compliance experts and talent. However, these actions may incur additional costs and have a negative impact on our business. If any competent authorities determine that we are not in compliance with any new laws, rules, and regulations, we could be subject to penalties, and our business operations could be disrupted.

If we fail to comply with laws or regulations in relation to the direct investment and loans by offshore holding companies to Chinese entities, our ability to use the net proceeds from the Global Offering for additional capital contributions or provide loans to our major PRC subsidiaries may be delayed or limited.

Under Chinese regulations, any capital contributions or loans made by our offshore entity to our Chinese subsidiaries, including the net proceeds from the Global Offering, are subject to certain government registration and approval requirements. For example, according to the relevant regulations pertaining to foreign-invested enterprises in the PRC, capital contributions to our PRC subsidiaries must undergo the necessary filings and registrations with relevant local branches of the SAMR and other governmental authorities in the PRC. In addition, (i) any foreign loan secured by our PRC subsidiaries is required to be registered with SAFE, or its local counterparts; and (ii) each of our PRC subsidiaries may not secure loans exceeding (a) the difference between its registered capital and the total investment amount as recorded in filings with competent governmental authorities or (b) the upper limit calculated based on a statutory formula under the macro-prudential management of full-covered cross-border financing by SAFE and the PBOC. Any medium or long-term loan provided by us to our variable interest entity and its subsidiaries must be recorded and registered by the NDRC and SAFE or its local counterparts. Moreover, we cannot assure you that we will be able to complete the requisite registrations or obtain the necessary government approvals in a timely manner, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our PRC subsidiaries.

Furthermore, SAFE issued the *Circular Concerning Reform of the Administrative Approaches to the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》)* (the "**SAFE Circular 19**"), which took effect on June 1, 2015 and was last amended on March 23, 2023. The SAFE Circular 19 allows the use of RMB capital converted from foreign currency-denominated capital for equity investments in the PRC, provided that such usage shall fall within the scope of business of the foreign-invested enterprise so that it will be regarded as the reinvestment of foreign-invested enterprise. In addition, SAFE promulgated the *Circular on Further Promoting the Cross-border Trade and Investment Facilitation (《關於進一步促進跨境貿易投資便利化的通知》)* on October 23, 2019 (the "**SAFE Circular 28**"), pursuant to which all foreign-invested enterprises can make equity investments in the PRC with their capital funds, provided that such investments do not violate the Negative List and that the target investment projects are genuine and in compliance with PRC laws and regulations. On April 10, 2020, SAFE promulgated the *Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》)* (the "**SAFE Circular 8**"), under which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing, without providing the advance evidentiary materials concerning the authenticity of each expenditure, provided that their capital use shall be authentic and compliant with prevailing administrative regulations.

If we fail to complete the necessary registrations or filings or obtain approvals, our ability to make equity contributions or provide loans to our Chinese subsidiaries or fund their operations may be negatively affected, which may adversely affect our Chinese subsidiaries' liquidity and ability to fund their working capital and expansion projects and meet their obligations and commitments, and this may, in turn, have a material adverse effect on our business, financial condition and results of operations.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with the Global Offering and any further capital-raising activities.

On March 31, 2023, the *Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》)* (the "**Overseas Listing Trial Measures**") and its relevant five guidelines promulgated by the China Securities Regulatory Commission (the "**CSRC**") became effective. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets (the "**Overseas Offering and Listing**"), either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other filing documents. The Overseas Listing Trial Measures also require subsequent reports to be submitted to the CSRC on material events (the "**Material Events**"), such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. For more details, please refer to "Regulatory Overview — Regulations on M&A Rules and Overseas Listing."

We are required to file with the CSRC in accordance with the Overseas Listing Trial Measures after our application for the Listing is submitted, and there is uncertainty as to whether we will be able to complete the filing procedures or obtain approval for the Global Offering in a timely manner or at all. In addition, according to the Overseas Listing Trial Measures, any future issuance or listing after the Global Offering will also be subject to the filing procedure of CSRC and we are also required to report certain material matters to CSRC after the Global Offering. Any failure to obtain or delay in obtaining such filing or completing such procedures for the Global Offering, or a rescission of any such filing obtained by us, may restrict our ability to complete the Global Offering and would subject us to administrative penalties by the CSRC or other PRC regulatory authorities, or any future equity capital-raising activities, which could harm our reputation and may adversely affect our business and financial position.

Furthermore, the *Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》)* promulgated by the CSRC came into effect on March 31, 2023, pursuant to which any future inspection or investigation conducted by overseas securities regulator or the relevant competent authorities on our PRC domestic companies with respect to our overseas issuance and listing shall be carried out in the manner in compliance with PRC laws and regulations. If we fail to comply with such regulations, our reputation and business operations may be adversely affected.

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in tax consequences to us and our non-PRC shareholders, and have a material adverse effect on our results of operations and the value of your investment.

Under the *Enterprise Income Tax Law of the PRC* (the "**EIT Law**") and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over, and overall management of the business, productions, personnel, accounts, and properties of an enterprise. In April 2009, the State Administration of Tax (the "**SAT**") issued *the Notice of the State Administration of Taxation on Issues about the Determination of Chinese-Controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management* (*《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》*) (the "**Circular 82**"), which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China, and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books, records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

As substantially all of our management members are based in China, it remains unclear how the tax residency rule will apply in our case. If the PRC tax authorities determine that our Company, or any of our subsidiaries outside of China, is a PRC resident enterprise for PRC enterprise income tax purposes, then our Company or such subsidiary could be subject to PRC tax at a rate of 25% on its worldwide income, which could materially reduce our net income. In addition, we and/or our offshore subsidiaries may also be subject to PRC enterprise income tax reporting obligations. If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized from the sale or other disposition of our Shares may be subject to PRC tax, and dividends we pay may be subject to PRC withholding tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty). It is unclear whether non-PRC Shareholders of our Company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our Shares.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

As a holding company, we principally rely on dividends and other distributions on equity paid by our PRC subsidiaries and remittances from our Consolidated Affiliated Entities, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our Shareholders and service any debt we may incur. If our PRC subsidiaries and Consolidated Affiliated Entities incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under relevant PRC laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated after-tax profits (if any), to be determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Under the current regulation, our PRC subsidiaries may also allocate a portion of their respective after-tax profits based on PRC accounting standards to discretional reserve funds, which are not distributable as cash dividends. Any limitation on the ability of our Consolidated Affiliated Entities to make remittances to our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments, or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Our ability to continue to enjoy preferential tax treatments is uncertain, which could have a material adverse impact on our financial condition and results of operations.

During the Track Record Period, we enjoyed certain preferential tax treatment and subsidies offered by relevant governmental authorities in the PRC. For example, Shenzhen Ningyuan and Blue Dragonfly Internet were accredited as "New and High Technology Enterprises" by relevant authorities in 2021 and 2020, respectively, for a term of three years. According to the *Announcement of the State Administration of Taxation on Issues Concerning the Implementation of Preferential Income Tax Policies for High-Tech Enterprises* (《國家稅

務總局關於實施高新技術企業所得稅優惠政策有關問題的公告》), New and High Technical Enterprise is subject to income tax at a tax rate of 15%. Certain subsidiaries have been approved as Small Low-profit Enterprises and are entitled to a preferential income tax rate, ranging from 20% to 25%.

However, there can be no assurance that we will be able to maintain or obtain similar government subsidies or preferential tax treatment on a recurring basis, or at all, in the future. If we are unable to obtain or maintain government subsidies or grants or any favorable tax treatment in the future, our business, financial condition, and results of operations could be adversely affected.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option schemes may subject the PRC plan participants, or us, to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the *Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company* (*《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》*), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE or its local branches or commercial banks and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the completion of the Global Offering. Failure to complete SAFE registrations may subject them to fines, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us, or otherwise materially adversely affect our business operations.

We may undergo approval procedures under the M&A Rules and certain other PRC regulations which could make it more difficult for us to pursue growth through acquisitions in China.

According to the *Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)* (the "**M&A Rules**") jointly issued by six PRC regulatory agencies on August 8, 2006, effective on September 8, 2006, and amended on June 22, 2009, it requires that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is of concern, (ii) such a transaction involves factors that have or may have an impact on the national economic security, or (iii) such a transaction will lead to a change in control of a domestic enterprise which holds famous trademarks or PRC time-honored brands. On December 19, 2020, the NDRC and the MOFCOM jointly issued the *Measures for the Security Review for Foreign Investment (《外商投資安全審查辦法》)*, which took effect on January 18, 2021. These measures set forth the provisions concerning the security review mechanism on foreign investment, including, among others, the types of investments subject to review, and the review scopes and procedures.

In addition, the PRC Anti-Monopoly Law requires that the anti-monopoly enforcement agency be notified in advance of any concentration of undertaking if certain thresholds are triggered. On February 7, 2021, the Anti-Monopoly Committee of the State Council published the *Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《國務院反壟斷委員會關於平台經濟領域的反壟斷指南》)* (the "**Anti-Monopoly Guidelines**"), which stipulates that any concentration of undertakings involving variable interest entities is subject to anti-monopoly review. The Anti-Monopoly Guidelines provide more stringent rules for Internet platform operators, including regulations on the use of data and algorithms, technology, and platforms to commit abusive acts.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the abovementioned regulations and other relevant rules to complete such transactions could be time-consuming, which could affect our ability to expand our business or maintain our market share.

You may experience difficulties in effecting service of the legal process and seeking recognition and enforcement of judgments across jurisdictions.

The legal systems across different jurisdictions vary significantly. Therefore, cross-jurisdictional process of services and/or judgment recognition or enforcement may be difficult, subject to applicable international treaties, intergovernmental arrangements, and local enforcement rules in different jurisdictions. As a result, investors may experience difficulties in effecting service of process and/or recognizing and enforcing any overseas judgments against us, our Directors, or any executive officers.

Governmental regulations on currency conversion may limit our ability to utilize our revenue effectively and affect the value of your investment.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China, are subject to PRC foreign exchange regulations, under which payments for current account items, such as profit distribution and trade-and-service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE, provided that certain procedural requirements are met. However, approval from or registration with relevant governmental authorities is required for converting Renminbi into foreign currency and remitting it out of China to cover capital expenses, such as the repayment of loans denominated in foreign currencies.

The PRC Government may also regulate cross-border transactions categorized under a capital account. Given that we generate substantially all our revenue in RMB, failure to adhere to foreign exchange regulations in the PRC may limit our capability to pay dividends in foreign currencies to our Shareholders. Furthermore, PRC regulations relating to offshore investment activities by PRC residents may establish regulatory procedural requirements on certain investment activities of our PRC subsidiaries, such as on a registered capital increase or profit distributions to us. Failure to complete the required procedures could also potentially expose us, our PRC subsidiaries, or our PRC resident Shareholders to liabilities or penalties under PRC law.

If our PRC resident Shareholders fail to comply with any applicable filing or registration requirement, our PRC subsidiaries may be prohibited from distributing their profits or the net proceeds from any capital reduction, share transfer or liquidation to us. We may also be prohibited from making additional capital contributions to our PRC Subsidiaries.

We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries and on our PRC subsidiaries' ability to distribute profits to us, if our PRC resident shareholders or beneficial owners fail to comply with relevant PRC foreign exchange regulations.

Under the regulations promulgated by SAFE, PRC residents and PRC corporate entities shall register with, and obtain approval from, local branches of SAFE in connection with their direct or indirect offshore investment activities. For instance, the *Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》)*, or the SAFE Circular 37, was promulgated by SAFE in July 2014, requiring PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. These regulations apply to our Shareholders who are PRC residents and may apply to any offshore acquisitions that we make in the future.

PRC residents who make, or have previously made, prior to the implementation of these foreign exchange regulations, direct or indirect investments in offshore companies, are required to register those investments under these foreign exchange regulations. Any PRC resident who is a direct or indirect shareholder of an offshore company is required to update the previously filed registration with the local branch of SAFE, with respect to that offshore company, to reflect any material change involving its round-trip investment, capital variation, such as a change of PRC shareholders, the name of a company, terms of operation, an increase or decrease in capital, transfer or swap of shares, merger or division. On February 28, 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or the SAFE Notice 13, which became effective on June 1, 2015. In accordance with the SAFE Notice 13, PRC residents are required to apply for foreign exchange registration of foreign direct investment and outbound direct investment, including such registrations required under the SAFE Circular 37, with qualified banks, instead of SAFE. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

In addition, under the SAFE Circular 37, a PRC entity has to undergo the foreign exchange registration and updating procedure in accordance with the Provisions on Foreign Exchange Administration of the Outbound Direct Investment of Domestic Institutions, issued by SAFE in July 2009, and other relevant regulations. Moreover, pursuant to the Measures for the Administration of Outbound Investment promulgated by the MOFCOM in August 2014, and the Administrative Measures of Outbound Investment of Enterprises promulgated by NDRC in December 2017, both of which replaced previous rules regarding outbound direct investment by PRC entities, any outbound investment of PRC enterprises is required to be approved by or filed with the MOFCOM, the NDRC or their local branches.

If any PRC shareholder fails to make the required registration or to update the previously filed registration, the PRC subsidiary of that offshore parent company may be restricted from distributing its profits, and the proceeds from any reduction in capital, share transfer, or liquidation to its offshore parent company, and the offshore parent company may also be restricted from injecting additional capital into its PRC subsidiary. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

We are committed to ensuring that our Shareholders who hold Shares in our Cayman Islands holding company and who are known to us as being PRC residents will comply with, applicable PRC regulations, including the requirements of the NDRC and the MOFCOM and their filing obligation under the SAFE Circular 37 and other implementation rules. However, we may not be fully informed of the identities of all our Shareholders or beneficial owners who are PRC residents, and we cannot assure you that all of our Shareholders and beneficial owners who are PRC residents will comply with our request to make, obtain or update, any applicable registrations, or comply with other requirements under the SAFE Circular 37 or other related rules, in a timely manner. Failure of our beneficial owners who are PRC residents to register or amend certificates, filings, or registrations in a timely manner pursuant to applicable PRC regulations, or the failure of future beneficial owners of our Company who are PRC residents to comply with the registration procedures set forth in applicable PRC laws and regulations, could subject us to fines or legal sanctions, restrict our investment activities in the PRC and overseas, restrict our cross-border investment activities, limit our subsidiaries' ability to make distributions, pay dividends or make other payments to us, or affect our ownership structure, which could adversely affect our business and prospects.

Our ability to access credit and capital markets in the future may be adversely affected by factors beyond our control.

Changes in interest rates or disruptions in any relevant financial markets can have a significant impact on our cost of borrowing and our ability to access sources of liquidity. If interest rates increase or market disruptions occur, it may become more expensive for us to borrow funds or we may face difficulties in obtaining necessary financing to support our operations and meet our financial obligations in a timely manner.

As we continue to invest in our business to support growth and address business challenges, there may be a need for additional funds. However, there is no guarantee that the cash flow generated from our operations will be sufficient to meet all our cash requirements, in which case we may need to seek external financing. However, there is uncertainty as to whether we will be able to secure such financing, and if we do, it may come at less favorable terms or higher interest rates, which could negatively impact our financial position. Any failure to secure necessary financing or any limitations on our access to credit and capital markets could have adverse effects on our ability to finance our operations, meet our financial obligations, and implement our growth strategy.

RISKS RELATING TO THE GLOBAL OFFERING

No public market currently exists for our Shares; the market price of our Shares may be volatile and an active trading market for our Shares may not develop.

No public market currently exists for our Shares. The initial Offer Price for our Shares to the public will be the result of negotiations between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of the Shares following the Global Offering. We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares. A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the Shares will not decline following the Global Offering.

In addition, the trading price and trading volume of the Shares may be subject to significant volatility in response to various factors, including:

- variations in our operating results;
- changes in financial estimates by securities analysts;
- announcements made by us or our competitors;
- investors' perception of us and of the investment environment in Asia;
- developments in the global and PRC healthcare product distribution and digital healthcare integrated service industries;

- changes in pricing made by us or our competitors;
- acquisitions by us or our competitors;
- the depth and liquidity of the market for our Shares;
- additions to or departures of, our executive officers and other members of our senior management;
- release or expiry of lock-up or other transfer restrictions on our Shares;
- sale or anticipated sale of additional Shares; and
- the general economy and other factors.

Moreover, it is possible that our Shares may be subject to changes in price not directly related to our performance.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of the Offer Shares is higher than the net tangible assets value per Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible value to HK$0.76 per share, based on the low-point of the Offer Price at HK$11.89, or HK$1.04 per share, based on the high-point of the Offer Price at HK$14.86. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets would be distributed to Shareholders after the creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible assets value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible assets value per Share at that time.

Our Controlling Shareholders may have significant influence over the Company, and their interests may not be aligned with the interests of the other Shareholders.

Our Controlling Shareholders may have substantial influence over our business, including matters relating to our management, policies, and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all our assets, the election of Directors, and other significant corporate actions. Immediately following the completion of the Share Subdivision and the Global Offering and assuming the Over-allotment Option is not exercised, our Controlling Shareholders will be interested in 34.08% of the issued share capital of our Company. The concentration of ownership may discourage, delay, or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as a part of a sale of our Company and might reduce the price of our Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders may exercise their substantial influence over us and cause us to enter into transactions, take actions, make decisions, or refrain from doing any of the above in a manner that conflicts with the best interests of our other Shareholders.

Future sales or perceived sales of our Shares in the public market by major Shareholders following the Global Offering could materially and adversely affect the price of our Shares.

Prior to the Global Offering, there has not been any public market for our Shares. Future sales or perceived sales by our existing Shareholders, or issuance by us of significant amounts of our Shares after the Global Offering, could result in a significant decrease in the prevailing market prices of our Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price for our Shares and our ability to raise equity capital in the future.

We may not declare dividends on the Shares.

We cannot guarantee when, if, or in what form, dividends will be paid on the Shares following the Global Offering. A declaration of dividends must be proposed by our Board and will be based on, and limited by, various factors, including our business and financial performance, capital and regulatory requirements, and general business conditions. Furthermore, we may not have sufficient profits to make dividend distributions to Shareholders in the future, even if our financial statements prepared under IFRS indicate that our operations have been profitable.

Certain facts, forecasts, and statistics contained in this prospectus are derived from various official sources and may not be complete or up to date.

Facts, forecasts, and statistics in this prospectus relating to the PRC, the PRC economy, and the healthcare and wellness industry are obtained from various official government information sources including official government publications that we believe are reliable. However, we cannot guarantee the quality or reliability of these official government information sources. Neither we, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers nor our or their respective affiliates or advisors have verified the facts, forecasts, and statistics or ascertained the underlying economic assumptions relied upon in those facts, forecasts, and statistics obtained from these official government information sources. Due to possibly flawed or ineffective collection methods, or discrepancies between published information and market practice and other problems, the statistics in this prospectus relating to the PRC economy, the healthcare and wellness industry, the healthcare product distribution industry, and the digital healthcare integrated service industry may be inaccurate or may not be comparable to statistics produced for other economies, which therefore should not be unduly relied upon. As such, no representation as to the accuracy of such facts, forecasts and statistics obtained from various official government information sources is made. Moreover, these facts, forecasts, and statistics involve risks and uncertainties and are subject to change based on various factors and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as may be the case in other countries.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations, the market price and trading volume may decline.

The trading market for our Shares will be influenced by research or reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our Shares or publish negative opinions about us, the market price for our Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume of our Shares to decline.

Our future results could differ materially from those expressed or implied by the forward-looking statements.

The forward-looking statements included in this prospectus are based on various assumptions. There are also uncertainties, risks, and other unforeseen factors that may cause our actual performance or achievements to be materially different from those expressed or implied by such forward-looking statements. See "Forward-looking Statements" for details of these statements and the associated risks.

You should only rely on the information included in this prospectus to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares, or the Global Offering.

There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering. We have not authorized the disclosure of any information concerning the Global Offering in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness, or reliability of any of the projections, valuations, or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions based on the information contained in this prospectus only and should not rely on any other information.

In preparation for the Listing, our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since substantially all of the business operations of our Group are managed and conducted outside Hong Kong, and all of our executive Directors ordinarily reside in the PRC, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules subject to the following conditions:

(a) we have appointed Mr. Luo and Ms. Yu Wing Sze (余詠詩), as our authorized representatives for the purposes of Rule 3.05 of the Listing Rules to serve as our principal channel of communication with the Stock Exchange. We have provided the Stock Exchange with their contact details, and they will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;

(b) as and when the Stock Exchange wishes to contact our Directors on any matters, each of our authorized representatives will have means to contact all of our Directors promptly at all times. We will implement measures such that (i) each Director must provide his or her mobile phone number, office phone number, facsimile number and email address to our authorized representatives and the Stock Exchange; and (ii) in the event that a Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his or her accommodation to our authorized representatives. We have provided the Stock Exchange with the contact details of each Director to facilitate communication with the Stock Exchange;

(c) each Director who is not an ordinary resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period of time;

(d) we have appointed the compliance advisor, Shenwan Hongyuan Capital (H.K.) Limited, pursuant to Rule 3A.19 of the Listing Rules, who will act as our additional and alternative channel of communication with the Stock Exchange, and its representative(s) will be fully available to answer enquiries from the Stock

Exchange. The compliance advisor will advise our Company on on-going compliance requirements and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing, and will have access at all times to our authorized representatives, our Directors and the other senior management of our Company to ensure that it is in a position to provide prompt responses to any queries or requests from the Stock Exchange in respect of our Company; and

(e) any meeting between the Stock Exchange and our Directors will be arranged through our authorized representatives or compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our company secretary must be an individual who by virtue of his or her academic or professional qualifications or relevant experience is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the listing applicant and other issuers and the roles he/she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

We have appointed Mr. Tang Shihua (唐世華) ("**Mr. Tang**") as one of the joint company secretaries. Mr. Tang has abundant knowledge about our business operations and corporate culture and extensive experience in matters concerning the Board and our corporate governance. However, Mr. Tang does not possess the specified qualifications strictly required by Rule 3.28 of the Listing Rules. As a result, we have appointed Ms. Yu Wing Sze (余詠詩) ("**Ms. Yu**"), who meets the requirements under Rule 3.28 of the Listing Rules, to act as the other joint company secretary and to assist Mr. Tang in the compliance matters for the Listing as well as other Hong Kong regulatory requirements for an initial period of three years from the Listing Date. Over such period, we will implement the following measures to assist Mr. Tang to satisfy the requisite qualifications as prescribed in Rules 3.28 and 8.17 of the Listing Rules:

(a) Ms. Yu will assist Mr. Tang so as to enable him to discharge his duties and responsibilities as a joint company secretary of our Company. Given Ms. Yu's relevant experiences, she will be able to advise both Mr. Tang and us on the relevant requirements of the Listing Rules as well as other applicable laws and regulations of Hong Kong;

(b) Mr. Tang will be assisted by Ms. Yu for an initial period of three years commencing from the Listing Date, which should be sufficient for him to acquire the requisite knowledge and experience under Rule 3.28 of the Listing Rules;

(c) we will ensure that Mr. Tang has access to the relevant trainings and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of a Hong Kong listed company, and Mr. Tang has undertaken to attend such trainings;

(d) Ms. Yu will communicate with Mr. Tang on a regular basis regarding matters in relation to corporate governance, the Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to our operations and affairs. Ms. Yu will work closely with, and provide assistance to Mr. Tang with a view to discharge his duties and responsibilities as a company secretary, including but not limited to organizing the Board meetings and Shareholders' meetings; and

(e) pursuant to Rule 3.29 of the Listing Rules, Mr. Tang and Ms. Yu will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Mr. Tang and Ms. Yu will be advised by our legal advisors as to Hong Kong laws and our compliance advisor as and when appropriate and required.

Accordingly, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules, for an initial period of three years from the Listing Date (the "**Waiver Period**"), on the conditions that (i) Mr. Tang must be assisted by Ms. Yu, who possesses the qualifications and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company. Prior to the expiry of the three-year period, we will conduct a further evaluation of the qualification and experience of Mr. Tang to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied, and we will liaise with the Stock Exchange to assess whether Mr. Tang, having had the benefit of Ms. Yu's assistance for three years, would have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules such that there is no need to further apply for a waiver.

See "Directors and Senior Management" for further details of Mr. Tang's and Ms. Yu's biographies.

CONNECTED TRANSACTIONS

We have entered into the Contractual Arrangements which would constitute continuing connected transactions of our Company under the Listing Rules upon the Listing. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject to certain conditions.

For details of such continuing connected transactions and the waiver, see "Connected Transactions" in this prospectus.

THE PRE-IPO SHARE OPTION SCHEME

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company:

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this prospectus. Our Company is also required to disclose in this prospectus full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards;

(b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in this prospectus particulars of any capital of any member of our Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

(c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in this prospectus, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares and debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As of the Latest Practicable Date, our Company had granted options under the Pre-IPO Share Option Scheme to a total of 105 grantees, among which:

(a) six Directors and senior management of our Company and four connected persons of our Company had been granted (i) options to subscribe for 1,680,653 new Shares (or 8,403,265 new Shares as adjusted after the Share Subdivision) and (ii) options to acquire 1,578,679 existing Shares (or 7,893,395 existing Shares as adjusted after the Share Subdivision) held by the trustee under the Pre-IPO Share Option Scheme, representing 2.50% and 2.35% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme); and

(b) the remaining 95 grantees who are not members of the Directors, senior management or connected persons of our Company had been granted (i) options to subscribe for 1,318,919 new Shares (or 6,594,595 new Shares as adjusted after the Share Subdivision) and (ii) options to acquire 1,658,666 existing Shares (or 8,293,330 existing Shares as adjusted after the Share Subdivision) held by the trustee under the Pre-IPO Share Option Scheme, representing 1.96% and 2.46% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme).

For further details of our Pre-IPO Share Option Scheme, see "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme."

We have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 105 grantees are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under the Pre-IPO Share Option Scheme in this prospectus would be costly and unduly burdensome for our Company because strict compliance with the relevant disclosure requirements to disclose names, addresses, and entitlements on an individual basis for the 105 grantees involved will require substantial number of pages of additional disclosure that does not provide any material information to the investing public and would significantly increase the cost and timing for information compilation, prospectus preparation and seeking consent from each grantee to disclose his/her personal information (including residential address);

(b) the grant and exercise in full of the options under the Pre-IPO Share Option Scheme will not cause any material adverse impact to the financial position of our Company;

(c) non-compliance with the above disclosure requirements would not prevent our Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company; and

(d) material information relating to the options under the Pre-IPO Share Option Scheme has been disclosed in this prospectus, including the total number of Shares subject to the Pre-IPO Share Option Scheme, the exercise price per Share, the potential dilution effect on the shareholdings upon Listing and impact on earnings per Share upon full exercise of the options granted under the Pre-IPO Share Option Scheme. Our Directors consider that the information that is reasonably necessary for potential investors to make an informed assessment in their investment decision making process has been included in the prospectus.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application will not prejudice the interest of the investing public.

The Stock Exchange has granted to our Company a waiver under the Listing Rules on the conditions that:

(a) full details of the options granted under the Pre-IPO Share Option Scheme to each of the Directors, senior management and connected persons of our Company, and other grantees who are entitled to 586,529 Shares (or 2,932,645 Shares as adjusted after the Share Subdivision) of the Company or more underlying the options granted under the Pre-IPO Share Option Scheme are disclosed in this prospectus, such details to include all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted by the Company under the Pre-IPO Share Option Scheme to the grantees other than those referred to in point (a) above, disclosure are made, on an aggregate basis, categorized into lots based on the number of Shares underlying the options granted to each individual grantee (after the Share Subdivision), being (i) 1 Share to 25,000 Shares, (ii) 25,001 Shares to 50,000 Shares, (iii) 50,001 Shares to 250,000 Shares, (iv) 250,001 Shares to 500,000 Shares and (v) 500,001 Shares or above. For each lot, the following disclosure are made on an aggregate basis: (i) the aggregate number of grantees and number of Shares subject to the options granted under the Pre-IPO Share Option Scheme, (ii) the consideration paid (if any) for the grant of the options under the Pre-IPO Share Option Scheme and (iii) the exercise period and the exercise price for the options granted under the Pre-IPO Share Option Scheme;

(c) the aggregate number of Shares underlying the options granted under the Pre-IPO Share Option Scheme and the percentage to our Company's total issued share capital represented by such number of Shares as of the Latest Practicable Date have been disclosed in "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme;"

(d) the potential dilution effect and impact on earnings per Share upon the full exercise of the options granted under the Pre-IPO Share Option Scheme have been disclosed in "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme;"

(e) a summary of the major terms of the Pre-IPO Share Option Scheme has been disclosed in "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme;"

(f) the particulars of the waiver are set out in this prospectus and this prospectus will be issued on or before September 9, 2025;

(g) a full list of all the grantees (including those persons referred to in sub-paragraph (a) above) containing all the details as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection as further described in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and on Display;" and

(h) SFC agreed to grant to our Company a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has agreed to grant to our Company a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) full details of the options granted by the Company under the Pre-IPO Share Option Scheme to each of the Directors, senior management connected persons of our Company, and other grantees who are entitled to 586,529 Shares (or 2,932,645 Shares as adjusted after the Share Subdivision) of the Company or more underlying the options granted under the Pre-IPO Share Option Scheme are disclosed in this prospectus, such details to include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted by the Company under the Pre-IPO Share Option Scheme to the grantees other than those referred to in point (a) above, disclosure are made, on an aggregate basis, categorized into lots based on the number of Shares underlying the options granted to each individual grantee (after the Share Subdivision), being (i) 1 Share to 25,000 Shares, (ii) 25,001 Shares to 50,000 Shares, (iii) 50,001 Shares to 250,000 Shares, (iv) 250,001 Shares to 500,000 Shares and (v) 500,001 Shares or above. For each lot, the following details are disclosed on in this prospectus: (i) the aggregate number of grantees and number of Shares subject to the options granted under the Pre-IPO Share Option Scheme, (ii) the consideration paid (if any) for the grant of the options under the Pre-IPO Share Option Scheme and (iii) the exercise period and the exercise price for the options granted under the Pre-IPO Share Option Scheme;

(c) a full list of all the grantees (including those persons referred to in sub-paragraph (a) above) who have been granted options to subscribe for Shares under the Pre-IPO Share Option Scheme, containing all the details as required in paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection as further described in "Appendix V — Documents Delivered to the Registrar of Companies in Hong Kong and on Display;" and

(d) the particulars of the exemption are set out in this prospectus and this prospectus will be issued on or before September 9, 2025.

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

CSRC FILING REQUIREMENT

The CSRC issued notice of filing on September 23, 2024 for the Global Offering and listing of our Shares on the Stock Exchange. The notice of filing only confirms the filing information of our Company's overseas offering and listing, and does not represent that the CSRC makes any substantial judgment or guarantee about the investment value of our Company's securities or the proceeds of investors, nor does it indicate that the CSRC makes any guarantee or affirmation about the authenticity, accuracy and completeness of this prospectus.

THE HONG KONG PUBLIC OFFERING, UNDERWRITING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 3,364,750 Offer Shares and the International Offering of initially 30,280,750 Offer Shares (subject to reallocation and the Over-allotment Option as set out in the section headed "Structure of the Global Offering"). For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, officers, agents, employees, advisors or representatives or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

OFFER SHARES FULLY UNDERWRITTEN

The Listing of the Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to us and the Overall Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price on or before the Price Determination Date. An International Underwriting Agreement relating to the International Offering is expected to be entered into on or around the Price Determination Date, subject to the Offer Price being agreed.

If, for any reason, the Offer Price is not agreed among us and the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the Price Determination Date, the Global Offering will not proceed and will lapse. For further information about the Underwriters and the underwriting arrangements, see the section headed "Underwriting."

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares."

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering."

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in the section headed "Structure of the Global Offering."

COMMENCEMENT OF DEALING IN THE SHARES

Dealings in the Shares on the Main Board of the Stock Exchange are expected to commence on Wednesday, September 17, 2025. The Shares will be traded in board lots of 250 Shares each. The stock code of the Shares will be 2656.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus. No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares to be issued pursuant to the Pre-IPO Share Option Scheme.

No part of our Company's Share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on the Stock Exchange or any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by or on behalf of the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Hong Kong Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHARE REGISTER OF MEMBERS AND HONG KONG STAMP DUTY

Our principal register of members will be maintained by its principal share registrar, Harneys Fiduciary (Cayman) Limited, in the Cayman Islands, and our Hong Kong register of members will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. All Offer Shares will be registered on the Company's register of members in Hong Kong. Dealings in the Shares will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the Shares or exercising any rights attaching to the Shares. We emphasize that none of our Company, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Joint Sponsors, the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains certain translations for the convenience purposes at the following rates:

RMB7.1072 : US$1
HK$7.7952 : US$1
RMB0.9117 : HK$1

No representation is made that any amounts in HK$, RMB and US$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

ROUNDING

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

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail unless otherwise stated. However, the translated English names of the PRC and foreign national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the names in their original languages shall prevail.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. LUO Ningzheng (羅寧政)	Room 16B, Building D Xiangge Mingyuan No. 11 Mianshan Road Nanshan District Shenzhen Guangdong Province PRC	Chinese
Mr. JI Cuilin (冀翠琳)	Room 2505, Block 2 Haixuan Square Jinlong Road Longgang District Shenzhen Guangdong Province PRC	Chinese
Mr. HUANG Lang (黃浪)	Room 18D, Building B Elite Territory Bao'an District Shenzhen Guangdong Province PRC	Chinese
Mr. WANG Lifa (王立法)	Room 708, Building D Golden Mansion Yuehai Road Nanshan District Shenzhen Guangdong Province PRC	Chinese

Name	Address	Nationality
Non-executive Directors		
Mr. ZHANG Ruxie (張如協)	Room 2408 No. 37 Binjiang Road East Haizhu District Guangzhou Guangdong Province PRC	Chinese
Ms. SUN Meng (孫萌)	Room 20A Wantuo Jiayuan Futian District Shenzhen Guangdong Province PRC	Chinese
Independent non-executive Directors		
Mr. ZOU Jun (鄒鈞)	Room 1602 No. 1, Lane 69 Tianyaoqiao Road Xuhui District Shanghai PRC	Chinese
Dr. XU Weiguo (徐衛國)	Room 801 No. 6, Lane 800 Huashan Road Shanghai PRC	Chinese
Dr. FAN Ming (范明)	Room 1801, Block 146 Youshan Meidi Garden Guyang Road Zhenjiang Jiangsu Province PRC	Chinese

For further information regarding our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors	**Shenwan Hongyuan Capital (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Zero2IPO Capital Limited Unit No. 1506B Level 15, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Sponsor-Overall Coordinator	**Shenwan Hongyuan Securities (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
Overall Coordinators	**Shenwan Hongyuan Securities (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Zero2IPO Securities Limited Unit No. 1506B Level 15, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Joint Global Coordinators	**Shenwan Hongyuan Securities (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Zero2IPO Securities Limited Unit No. 1506B Level 15, International Commerce Centre 1 Austin Road West Kowloon Hong Kong

Joint Bookrunners	**Shenwan Hongyuan Securities (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Zero2IPO Securities Limited Unit No. 1506B Level 15, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road, Central Hong Kong
	Eddid Securities and Futures Limited 21/F, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong
	Innovation Securities Co., Limited Suite 709A, One Pacific Place 88 Queensway, Admiralty Hong Kong
	Sun Securities Limited Rm 2104, Far East Consortium Building 121 Des Voeux Road Central Hong Kong
	South China Securities Limited 28/F, Bank of China Tower No.1, Garden Road, Central Hong Kong

Zhongtai International Securities Limited
19/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road, Kowloon
Hong Kong

uSMART Securities Limited
Room 2406, 24/F, FWD Financial Centre
308 Des Voeux Road Central, Sheung Wan
Hong Kong

Valuable Capital Limited
RM 3601-06 & 3617-19
36/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Joint Lead Managers

Shenwan Hongyuan Securities (H.K.) Limited
Level 6, Three Pacific Place
1 Queen's Road East
Hong Kong

Zero2IPO Securities Limited
Unit No. 1506B
Level 15, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

BOCI Asia Limited
26/F, Bank of China Tower
1 Garden Road, Central
Hong Kong

Eddid Securities and Futures Limited
21/F, CITIC Tower
1 Tim Mei Avenue, Central
Hong Kong

Innovation Securities Co., Limited
Suite 709A, One Pacific Place
88 Queensway, Admiralty
Hong Kong

Sun Securities Limited
Rm 2104, Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

South China Securities Limited
28/F, Bank of China Tower
No.1, Garden Road, Central
Hong Kong

Zhongtai International Securities Limited
19/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

Livermore Holdings Limited
Unit 1214A, 12/F, Tower II
Cheung Sha Wan Plaza
833 Cheung Sha Wan Road, Kowloon
Hong Kong

uSMART Securities Limited
Room 2406, 24/F, FWD Financial Centre
308 Des Voeux Road Central, Sheung Wan
Hong Kong

	Valuable Capital Limited RM 3601-06 & 3617-19 36/F, China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Capital Market Intermediaries	**Shenwan Hongyuan Securities (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
	Zero2IPO Securities Limited Unit No. 1506B Level 15, International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	ABCI Capital Limited *(acting as a Joint Bookrunner)* 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	ABCI Securities Company Limited *(acting as a Joint Lead Manager)* 10/F, Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong
	BOCI Asia Limited 26/F, Bank of China Tower 1 Garden Road, Central Hong Kong
	Eddid Securities and Futures Limited 21/F, CITIC Tower 1 Tim Mei Avenue, Central Hong Kong

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Suite 709A, One Pacific Place
88 Queensway, Admiralty
Hong Kong

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Hong Kong

South China Securities Limited
28/F, Bank of China Tower
No.1, Garden Road, Central
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Hong Kong

Valuable Capital Limited
RM 3601-06 & 3617-19
36/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Legal Advisors to our Company	*As to Hong Kong Laws* **Tian Yuan Law Firm LLP** Suites 3304-3309, 33/F Jardine House One Connaught Place Central Hong Kong *As to PRC Laws* **CM Law Firm** Room 2805, Plaza 66 Tower 2 1366 West Nanjing Rd Jing'an District Shanghai PRC *As to Cayman Islands Laws* **Harney Westwood & Riegels** 3501 The Center 99 Queen's Road Central Central Hong Kong
Legal Advisors to the Joint Sponsors and Underwriters	*As to Hong Kong Laws* **DLA Piper Hong Kong** 25/F, Three Exchange Square 8 Connaught Place Central Hong Kong *As to PRC Laws* **Han Kun Law Offices** 20/F, Kerry Plaza Tower 3 1-1 Zhongxinsi Road Futian District Shenzhen Guangdong Province PRC *As to PRC Laws* **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road Beijing 100025 PRC

Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants and* *Registered Public Interest Entity Auditor* 22/F, Prince's Building Central Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504, Wheelock Square 1717 Nanjing West Road Jing'an District Shanghai PRC
Receiving Bank	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong

Registered Office	4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands
Headquarters and Principal Place of Business in PRC	9/F, 11/F – 12/F, Building 2 Yongxin Times Square 4078 Dongbin Road Nanshan Street Nanshan District Shenzhen PRC
Principal Place of Business in Hong Kong	31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong
Company's Website	**www.91160.com** *(the information contained on the website does not form part of this prospectus)*
Joint Company Secretaries	**Mr. Tang Shihua (唐世華)** 9/F, Building 2 Yongxin Times Square 4078 Dongbin Road Nanshan Street Nanshan District Shenzhen PRC **Ms. Yu Wing Sze (余詠詩)** (*an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom*) 31/F, Tower Two Times Square 1 Matheson Street Causeway Bay Hong Kong

Authorized Representatives	**Mr. Luo Ningzheng (羅寧政)** Room 16B, Building D Xiangge Mingyuan No. 11 Mianshan Road Nanshan District Shenzhen PRC
	Ms. Yu Wing Sze (余詠詩) 31/F, Tower Two, Times Square 1 Matheson Street Causeway Bay Hong Kong
Audit Committee	Mr. Zou Jun (鄒鈞) (*Chairman*) Mr. Zhang Ruxie (張如協) Dr. Xu Weiguo (徐衛國)
Remuneration Committee	Dr. Xu Weiguo (徐衛國) (*Chairman*) Mr. Luo Ningzheng (羅寧政) Mr. Zou Jun (鄒鈞)
Nomination Committee	Mr. Luo Ningzheng (羅寧政) (*Chairman*) Dr. Fan Ming (范明) Dr. Xu Weiguo (徐衛國)
Compliance Advisor	**Shenwan Hongyuan Capital (H.K.) Limited** Level 6, Three Pacific Place 1 Queen's Road East Hong Kong
Principal Share Registrar and Transfer Office	**Harneys Fiduciary (Cayman) Limited** 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands

Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Banks	**Industrial Bank Co., Ltd., Shenzhen Central District Sub-branch** Tower A, Zhongyin Building Caitian Road, Futian District Shenzhen PRC
	Bank of China Co., Ltd., Shenzhen Yiyuan Road Sub-branch Block 10, Mingjia Fuju West Yiyuan Road, Nanshan District Shenzhen PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. We believe that the sources of such information are appropriate for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, Overall Coordinators, the Underwriters, or any other parties involved in the Global Offering, and no representation is given as to its accuracy. Accordingly, you should not place undue reliance on such information. For discussions of risks relating to our industry, please see "Risk Factors — Risks Relating to Our Business and Industry."

THE HEALTHCARE AND WELLNESS INDUSTRY IN CHINA

The healthcare and wellness industry in China encompasses two main segments: (i) the healthcare product distribution industry, which involves sales of pharmaceuticals, nutrition and healthcare products, medical devices, and other products for improving health and wellness in pharmacies, hospitals, and primary healthcare institutions, and (ii) the healthcare and wellness service industry, which includes services related to the health maintenance, recovery and promotion. According to Frost & Sullivan, the market size of China's healthcare and wellness industry increased from RMB8,232.6 billion in 2019 to RMB12,023.2 billion in 2024, at a CAGR of 7.9% from 2019 to 2024, and is expected to reach RMB19,647.8 billion in 2030, at a CAGR of 8.5% from 2024 to 2030.

THE HEALTHCARE PRODUCT DISTRIBUTION INDUSTRY IN CHINA

The healthcare product distribution industry in China encompasses the distribution of pharmaceutical and healthcare products to a diverse customer base, primarily including medical and healthcare institutions, retail pharmacies, other distributors, and manufacturers. These products span a wide range, including western drugs, traditional Chinese medicine drugs, medical devices, and more. According to Frost & Sullivan, the market size of the healthcare product distribution industry in China increased from RMB2,366.7 billion in 2019 to RMB2,940.7 billion in 2024, at a CAGR of 4.4% from 2019 to 2024, and is expected to reach RMB4,199.6 billion in 2030, at a CAGR of 6.1% from 2024 to 2030.

China's healthcare product distribution industry comprises two segments, namely the healthcare product wholesale market and the retail pharmacy market.

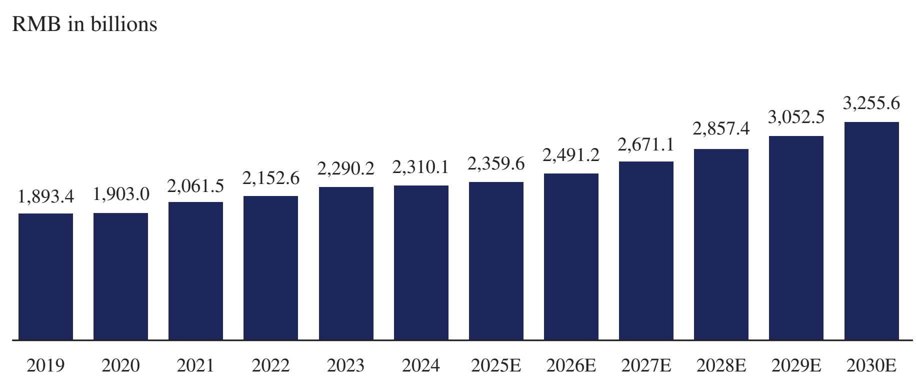
The Healthcare Product Wholesale Market in China

Overview

The healthcare product wholesale market in China refers to the revenue generated from bulk sales of pharmaceutical and healthcare products to medical and healthcare institutions and pharmaceutical trading companies. According to Frost & Sullivan, the market size of China's healthcare product wholesale market increased from RMB1,893.4 billion in 2019 to RMB2,310.1 billion in 2024, at a CAGR of 4.1% from 2019 to 2024, and is expected to reach RMB3,255.6 billion in 2030, at a CAGR of 5.9% from 2024 to 2030. The following diagram sets forth the historical and forecasted size of China's healthcare product wholesale market:

China's Healthcare Product Wholesale Market, 2019-2030E

Period	CAGR
2019-2024	4.1%
2024-2030E	5.9%



Source: MOFCOM, annual reports, public information, Frost & Sullivan analysis

Key Drivers

According to Frost & Sullivan, China's healthcare product wholesale market has been and is expected to be primarily driven by the following factors:

- *Fragmented procurement from primary healthcare institutions*. Primary healthcare institutions are becoming increasingly important in residents' medical consultations, medication purchases, medical tests, treatments, and other healthcare aspects. Compared to large-scale hospitals, primary healthcare institutions purchase smaller quantities of pharmaceuticals due to limited funds and preference of maintaining lower inventory levels. This results in frequent but fragmented pharmaceutical purchases with varying product demands. As a result, efficient and timely distribution is crucial. This fragmented nature of procurement drives the need for seamless coordination between upstream and downstream entities across different locations, fueling the demand for effective healthcare product wholesale;

- *Aging population and changing disease patterns*. According to the statistics from the National Bureau of Statistics, the population of individuals aged 65 years and above reached 220.2 million in 2024, accounting for 15.6% of the total population. Furthermore, the elderly population is anticipated to continue growing. Additionally, the prevalence of chronic health issues, including cardiovascular and metabolic diseases, has surged over the past decade and is projected to increase considerably in the future due to lifestyle changes. This combination of an aging population and shifting disease patterns is expected to generate substantial demand for healthcare products in China; and

- *Favorable policies on prescription outflow*. Prescription outflow is an industry term referring to the practice in which patients receive prescriptions from physicians at hospitals but choose to fill those prescriptions at pharmacies outside the hospital. In recent years, the PRC Government has implemented a series of favorable policies to support prescription outflow, thereby accelerating the growth of healthcare product wholesale market. These policies encompass the elimination of drug mark-ups, the establishment of dual-channel systems to adjustments in medical insurance accounts, and the issuance of the *Notice on Further Strengthening the Inclusion of Designated Retail Pharmacies in Outpatient Comprehensive Management* (*《關於進一步做好定點零售藥店納入門診統籌管理的通知》*) in 2023. These initiatives will collectively accelerate the outflow of prescriptions from hospitals to retail pharmacies.

Key Entry Barriers

According to Frost & Sullivan, new entrants to the healthcare product wholesale market in China primarily face the following entry barriers:

- *Increasingly tightened government regulations*. The healthcare product wholesale market in China is highly regulated and subject to extensive supervision from various governmental authorities, all aiming to ensure the safety, quality, and efficacy of pharmaceutical and healthcare products. To safeguard public health, governmental authorities are progressively tightening their supervision over various aspects of the distribution process, encompassing product labeling, transportation, storage, and post-market surveillance. As a result, the barriers to enter in the healthcare product wholesale market are becoming higher;

- *Building brand awareness*. Given the distinct nature of pharmaceutical and healthcare products, downstream buyers in the healthcare product wholesale sector attach greater importance to product quality and delivery capabilities when selecting their collaborators. Leading players in the market have dedicated years to accumulating essential expertise, resources, and experience, which in turn facilitate the establishment of strong brand recognition and trusted partnerships. New entrants face challenges in accumulating experience and establishing a reputable brand image that garners user trust; and

- *Implementing standardized management systems*. The landscape of healthcare product wholesale market in China has transformed due to the growth of online healthcare services and the expansion of pharmaceutical e-commerce. This evolution has led to a more diverse and fragmented demand for healthcare product wholesale services. As a result, the establishment of standardized management systems is playing an increasingly important role in enhancing the quality and efficiency of the logistic services of the industry. Industry leaders have developed profound data insights, industry expertise, and technological barriers through the implementation of such systems. This situation makes it challenging for new entrants to quickly replicate or surpass these systems in the short term.

Future Trends

The healthcare product wholesale market in China has demonstrated the following trends:

- *Increasing demand for high-quality medication*. The implementation of a hierarchical medical system encourages patients to seek healthcare services from local medical and healthcare institutions. This has subsequently spurred a heightened demand for high-quality pharmaceutical products, particularly new pharmaceuticals, in lower-tier cities. Simultaneously, pharmaceutical companies are increasingly willing to explore sales potential in broader markets. Consequently, the demand for healthcare product wholesale of innovative and new pharmaceuticals, which are relatively scarce in low-tier cities, could drive up the supply and sales of such drugs in more cities; and

- *Emergence of technological and digital solutions*. The rapid advancement of technology has paved the way for emerging digital solutions, which has significantly enhanced the operational efficiency of the healthcare product wholesale market by improving supply chain capabilities, standardizing inventory management, optimizing logistics, and so forth. Online platforms are also reshaping the traditional multi-level distribution system and fostering virtual alliances among buyers, thereby amplifying their bargaining power and reducing procurement costs. In addition, the integration of data analysis within the industry has emerged as a crucial strategy. By harnessing data-driven insights, businesses can identify untapped opportunities and make informed decisions, thus driving growth and development.

Competitive Landscape

China's healthcare product wholesale market is characterized by its competitive dynamism, with players continuously adapting to the evolving regulatory landscape, market demands, and technological advancements. It features a mix of large state-owned enterprises, listed companies, and a growing number of domestic private companies, each employing different strategies to navigate the regulatory environment and meet the diverse needs of customers. State-owned enterprises have traditionally dominated the market, benefiting from long-established relationships with manufacturers and healthcare institutions, extensive distribution networks, and significant logistics capabilities.

In 2024, over 15,000 market participants operated within China's healthcare product wholesale market. The top five market players collectively accounted for around 57.0% of the market share in terms of revenue in 2024. In contrast, small and medium-sized market players contributed to a fragmented market by sharing the remaining market share. For instance, market players generating around RMB1.0 billion in revenue ranked approximately 100th in 2024. Our Company ranked around 500th in terms of revenue in 2024, with a market share of less than 0.1% in China's healthcare product wholesale market. The following table sets forth the key market players in the healthcare product wholesale market in China in 2024:

Ranking	**Major player**	**Background**	**Revenue in 2024**	**Market share**
			RMB in billions	*%*
1.	Company A	Established in 1998 and headquartered in Beijing, Company A is a state-owned company listed on the Stock Exchange, primarily focusing on the distribution of healthcare products.	562.3	24.3
2.	Company B	Established in 1994 and headquartered in Shanghai, Company B is a state-owned company listed on both Shanghai Stock Exchange and the Stock Exchange, primarily engaging in research and development, manufacturing, distribution, and retail of pharmaceuticals.	275.3	11.9
3.	Company C	Established in 2007 and headquartered in Hong Kong, Company C is a listed company on the Stock Exchange, primarily focusing on providing research and development, production, wholesale, distribution, retail of pharmaceuticals.	257.7	11.2
4.	Company D	Established in 2000 and headquartered in Wuhan, Hubei Province, Company D is a listed company on Shanghai Stock Exchange, primarily focusing on wholesale and retail of pharmaceuticals and medical equipment.	145.5	6.3

Ranking	Major player	Background	Revenue in 2024	Market share
			RMB in billions	*%*
5.	Company E	Established in 1999 and headquartered in Chongqing, Company E is a listed company on Shenzhen Stock Exchange, primarily engaging in wholesale and retail of pharmaceuticals, medical devices, Chinese herbal medicines, and healthcare products.	76.6	3.3
		Sub-total	**1,317.4**	**57.0**

The Digital Retail Pharmacy Market in China

Overview

Retail pharmacies are the places or platforms where end customers purchase pharmaceuticals from retailers. According to Frost & Sullivan, the market size of the retail pharmacy market in China increased from RMB473.3 billion in 2019 to RMB630.6 billion in 2024 at a CAGR of 5.9% from 2019 to 2024, and is expected to reach RMB944.0 billion in 2030 at a CAGR of 7.0% from 2024 to 2030.

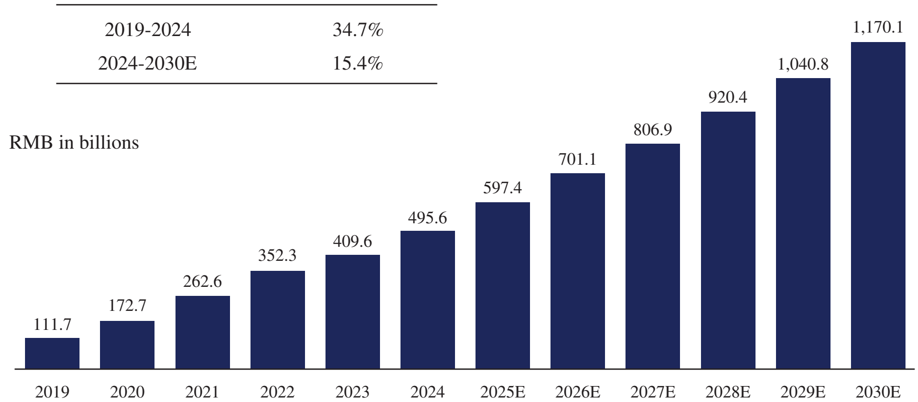
The retail pharmacy market in China has undergone three stages of development, each corresponding to a different business model. The first stage involved traditional offline pharmacies, where pharmaceutical and healthcare products and medical devices were sold in physical stores located in business districts. These pharmacies also provided limited disease diagnosis services and medication guidance to customers. In the second stage, pharmacies with hybrid sales emerged, combining offline presence with limited online services. These pharmacies maintained physical stores in business districts but allowed customers to order products online for in-store pickup or home delivery. This model started to digitize retail pharmacies. Now, in the third stage, the industry is moving towards the digital retail pharmacy model driven by technological advancements and changing consumer preferences.

Digital retail pharmacies conduct more business activities online, including sales of pharmaceutical and healthcare products and additional services like online professional guidance on medication usage. Unlike the previous models, digital retail pharmacies rely less on physical stores. They either provide comprehensive online platforms to optimize pharmaceutical retail or operate large-scale warehouses in remote areas to expand their product delivery reach.

The digital retail pharmacy market has become an increasingly significant part of the retail pharmacy market in China, encompassing the online sales of pharmaceutical and healthcare products, medical devices, and nutrition products. According to Frost & Sullivan, the market size of the digital retail pharmacy market in China increased from RMB111.7 billion in 2019 to RMB495.6 billion in 2024 at a CAGR of 34.7% from 2019 to 2024, and is expected to reach RMB1,170.1 billion in 2030 at a CAGR of 15.4% from 2024 to 2030. The following diagram sets forth the historical and forecasted size of China's digital retail pharmacy market:

China's Digital Retail Pharmacy Market, 2019-2030E

Period	CAGR
2019-2024	34.7%
2024-2030E	15.4%



Source: MOFCOM, annual reports, public information, Frost & Sullivan analysis

Key Drivers

According to Frost & Sullivan, China's digital retail pharmacy market has been and is expected to be primarily driven by the following factors:

- *Favorable government policies*. In February 2022, the NHC issued the *Rules for the Regulation of Internet Diagnosis and Treatment (for trial implementation)* (互聯網診療監管細則(試行)). This policy aims to implement a more transparent regulatory system, clarifying the regulation requirements for the digital retail pharmacy market in various aspects, including among others, medical staff identification, credentials, and fee management. A more transparent regulatory environment is expected to drive further growth of the digital retail pharmacy market. Furthermore, the *Notice of NHSA on Further Improving the Integration of Designated Retail Pharmacies into Outpatient Overall Management* (國家醫療保障局辦公室關於進一步做好定點零售藥店納入門診統籌管理的通知) encourages medical insurance settlements in retail pharmacies, including digital platforms, as well as prescription outflow;

- *Transformation of user habits*. Increasing smartphone use, easier access to Internet, demand for efficient and time-saving consumer experience and other factors have all contributed to a growing user preference for accessing healthcare services and products through digital solutions. In particular, the pervasive use of smartphones in China continues to accelerate digital transformation in healthcare retail, creating significant opportunities for digital retail pharmacy market. The increasing smartphone penetration significantly improves user accessibility and engagement, enabling a more efficient and time-saving shopping experience that aligns with evolving consumer preferences. This technological adoption facilitates targeted promotional delivery, personalized product recommendations, and timely service notifications, ultimately strengthening user conversion and retention rates on the platform. The COVID-19 pandemic has further promoted contact-less procurement of services and products, a substantial change in consumer behavior that has triggered the shift towards more digital interaction and further penetration of digital retail pharmacy; and

- *Increasing healthcare consumption capacity*. With the growing Internet penetration, the demographic composition of Internet users in China is shifting towards the middle and older age groups. This change, coupled with an increasing willingness to seek medical care, has led to higher consumption of digital retail pharmacy services. In addition, the rise in disposable income per capita has increased patients' ability to pay for healthcare services, leading to overall revenue growth for retail pharmacies.

Key Entry Barriers

According to Frost & Sullivan, new entrants to the digital retail pharmacy market in China primarily face the following entry barriers:

- *Consumer trust and brand recognition*. Consumers tend to choose well-known digital retail pharmacy platforms due to their concerns about the quality of pharmaceutical and healthcare products. First-movers that have acquired a large number of users in the past few years tend to enjoy a higher level of customer loyalty and brand reputation that appeals to both new and existing customers, whereas it is generally hard for new entrants to develop their brand reputation and consumer trust in a short time. Thus, it is difficult for new entrants to win trust from existing digital retail pharmacy consumers who are loyal to first-movers or to draw new consumers to this market through their platforms;

- *Market concentration*. The digital retail pharmacy market in China is highly competitive in terms of the number of market participants, but a few well-established players have dominated the market with high market share concentration. New entrants would need to differentiate themselves from the dominant players and compete against existing market participants; and

- *Legal and regulatory requirements*. To operate a digital retail pharmacy in China, companies need to obtain specialized licenses and comply with specific regulations, which may involve complex procedures, require adherence to strict criteria, and incur high compliance costs.

Competitive Landscape

China's digital retail pharmacy market is dynamic and highly competitive, characterized by a mix of large and small players, each employing unique business models to navigate the market. In 2024, there were over 400 market players operating within this market. The market share within this industry is highly fragmented, with dominance held by a few market leaders. These are listed companies boasting extensive networks of partnered retail pharmacies and significant revenue generation. The top five market players collectively accounted for around 22.5% of the market share in terms of revenue in 2024. Other market participants leverage their unique business strategies, sharing market shares within the industry. Our Company took a market share of less than 0.1% in China's digital retail pharmacy market in terms of revenue generated from its retail business in 2024.

THE HEALTHCARE AND WELLNESS SERVICE INDUSTRY IN CHINA

The healthcare and wellness service industry is an important part of the healthcare and wellness industry in China. The healthcare and wellness services primarily encompass examination, diagnosis, treatment, rehabilitation, and preventive healthcare services provided by medical and healthcare institutions to patients. According to Frost & Sullivan, the market size of China's healthcare and wellness service industry increased from RMB4.6 trillion in 2019 to RMB7.1 trillion in 2024 at a CAGR of 8.9% from 2019 to 2024, and is expected to reach RMB10.7 trillion in 2030, representing a CAGR of 7.0% from 2024 to 2030.

Pain Points of China's Healthcare and Wellness Service Industry

Scarcity and Uneven Distribution of Quality Medical Resources

China's medical resources are heavily concentrated in Class III hospitals, which represent a small fraction of the total hospitals. By the end of 2023, out of 38,355 hospitals, only 3,855 were Class III. Class III hospitals housed the majority of high-quality medical staff, with 55.9% of certified physicians and 55.9% of registered nurses by the end of 2023. Patients' preference for these hospitals exacerbates the imbalance, causing long wait times and limited access to quality care across other medical facilities. This creates a significant disparity between the supply of and demand for quality healthcare services.

Hospitals' Demands for Diversification of Revenue Stream

Public hospitals in China rely heavily on pharmaceutical sales, which accounted for 38.1% of outpatient and 22.3% of inpatient revenue in 2023. However, policies like volume-based procurement and zero-markup on drugs have reduced profitability. To address this, hospitals need to diversify their revenue streams by exploring new income sources and increasing revenue from service provisions.

Diagnosis Process with Room for Improvement

The traditional outpatient diagnosis process in China involves multiple stages, including patient registration, medical examination, queuing, and the actual diagnosis, typically taking around 180 minutes per visit. Due to the scarcity of quality medical resources, only 4.4% of this time is spent on the actual diagnosis. The rest is consumed by inefficient procedures like queuing and waiting, resulting in an unsatisfactory healthcare service experience for patients.

The Digital Healthcare Integrated Service Industry in China

Overview

The digital healthcare integrated services represent the technological advancement within the healthcare and wellness service industry, empowering medical and healthcare institutions to improve medical resource allocation and optimize medical procedures, making digital health become a popular tool to solve the aforementioned pain points. The digital healthcare integrated service industry in China encompasses a broad range of digital healthcare and wellness solutions, catering to all stakeholders in the diagnosis and treatment process, including public hospitals, private medical and healthcare institutions, medical professionals, users, and the government. It comprises two main segments: (i) the digital hospital operation solution market, which primarily covers digital hospital solutions; and (ii) the digital medical and healthcare service platform market, which primarily covers online marketing solutions for medical and healthcare institutions and professionals, as well as online healthcare services for individual users.

Amid the industry-wide digitalization trend, the digital healthcare integrated service industry in China is emerging as an increasingly dominant division of the healthcare and wellness service industry in China, driven by rising demand across its segments. This is evidenced by the substantial proportion of medical and healthcare institutions in China that have yet to undergo digitalization, highlighting significant market opportunities in the digital hospital operation solution market. According to the "2023-2024 CHIMA CIO Report," 65.0% of Class III hospitals and 82.9% of hospitals classified as Class II or below had not yet adopted cloud services by the end of 2023. In addition, the market potential for the digital medical and healthcare service platform in China is driven by the rapidly growing number of online healthcare service users, which reached 417.7 million as of December 31, 2024, with a utilization rate of 37.7%, as well as the increasing online marketing expenses spent by private medical and healthcare institutions, which accounted for over 60% of their total marketing expenses in 2024.

The Ecosystem of the Digital Healthcare Integrated Service Industry in China

The digital healthcare integrated service industry involves various participants by integrating (i) digital hospital operation solutions catering to medical and healthcare institutions, and (ii) digital medical and healthcare service platforms comprising digital medical service platforms and digital healthcare service platforms, which connect individual users with medical or healthcare service providers, mainly physicians as well as medical and healthcare institutions. The key values of digital healthcare integrated services to various participants are as follows:

- *Individual users.* Online consultation and diagnosis provide easier access to high-quality medical services, especially for individual users in rural areas. Hospital digitalization enhances diagnostic and treatment efficiency through online appointments, electronic payments, and digital test result reviews, improving accessibility and convenience;

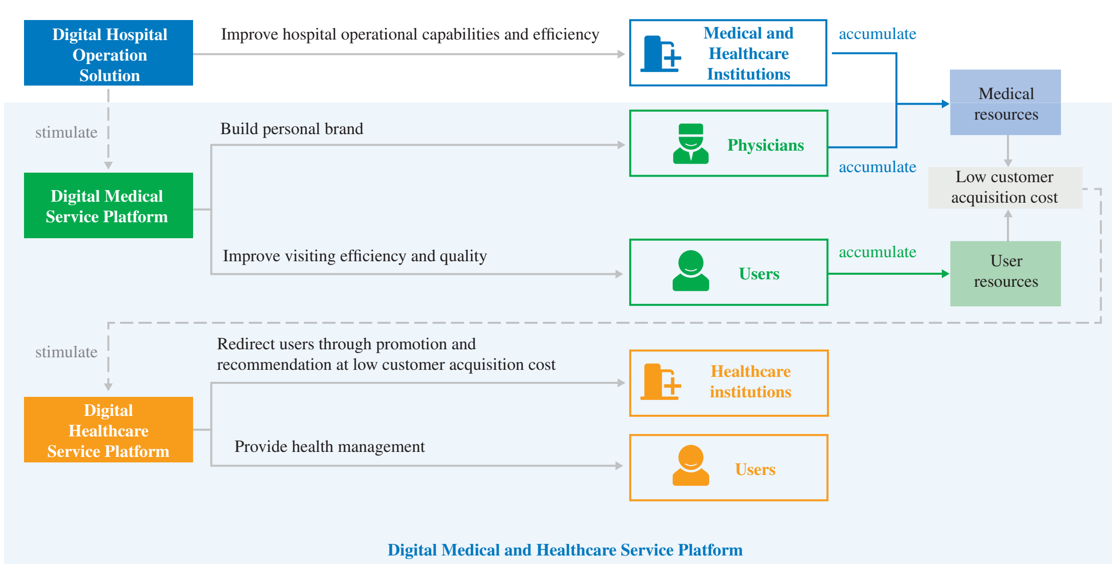
- *Physicians.* These platforms allow physicians to build their personal brands and provide online consultations, offering a legitimate way to increase their income beyond hospital settings;

- *Public hospitals.* Platforms help promote specialty departments and enhance operational efficiency through digital transformation; and

- *Private medical and healthcare institutions.* Platforms help establish brands and redirect online traffic to improve visibility and patient engagement. Cloud-based SaaS offers a cost-effective way to adopt digitalization without expensive infrastructure and labor costs.

The following diagram sets forth the ecosystem of the digital healthcare integrated service industry:

The Ecosystem of the Digital Healthcare Integrated Service Industry in China



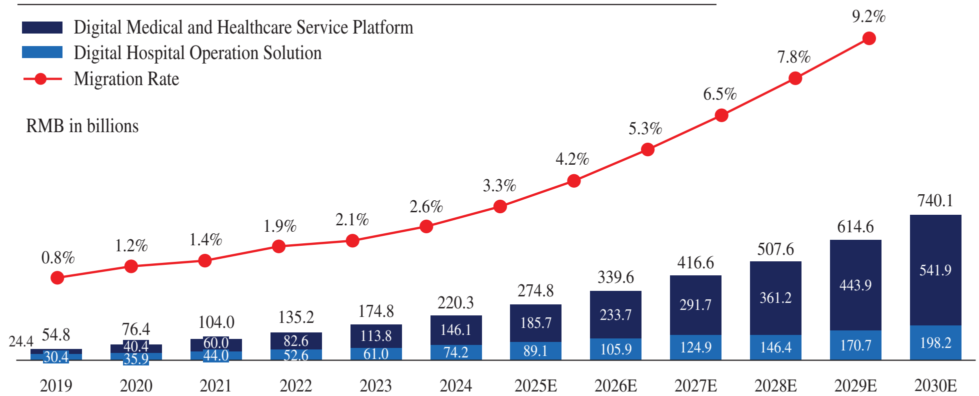
Source: Frost & Sullivan analysis

Market Size of the Digital Healthcare Integrated Service Industry in China

According to Frost & Sullivan, the market size of the digital healthcare integrated service industry in China increased from RMB54.8 billion in 2019 to RMB220.3 billion in 2024 at a CAGR of 32.1% from 2019 to 2024, and is expected to reach RMB740.1 billion in 2030 at a CAGR of 22.4% from 2024 to 2030. The following diagram sets forth the historical and forecasted size of China's digital healthcare integrated service industry:

China's Digital Healthcare Integrated Service Industry, 2019-2030E

Period	CAGR		
	Digital Hospital Operation Solution	Digital Medical and Healthcare Service Platform	Digital Healthcare Integrated Service
2019-2024	19.5%	43.1%	32.1%
2024-2030E	17.8%	24.4%	22.4%



Source: annual reports, public information, Frost & Sullivan analysis

Note:

(1) Calculated as dividing the market size of the digital healthcare integrated service industry in China of a year by the healthcare expenditure in China in the same year.

Key Drivers

According to Frost & Sullivan, China's digital healthcare integrated service industry is primarily driven by the following key factors:

- *Favorable policies*. In recent years, China has implemented a series of policies to promote the development of the healthcare and wellness service industry, especially the "Internet + Healthcare" initiative. For example, the *Opinions on Promoting the Development of "Internet+ Healthcare"* (《關於促進"互聯網+醫療健康"發展的意見》) issued by the State Council in April 2018 aims to merge Internet technologies with medical and healthcare services, enhancing the sharing of medical and healthcare information. This initiative is expected to refine the "Internet + Healthcare" standardized system, subsequently boosting demand for digital healthcare and wellness service platforms. Furthermore, the *National Health Plan for the 14th Five-Year Plan issued by the General Office of the State Council* (《國務院辦公廳關於印發"十四五"國民健康規劃的通知》) underscores the construction of Internet hospitals and chronic disease management online, spurring the need for building Internet hospitals and enhancing online medical services within the industry. The digital healthcare integrated services played a crucial role, especially during the COVID-19 outbreak, by enabling necessary medical services to be delivered online;

- *Innovative technology of digital healthcare.* Empowered by advancements in digital technologies, such as big data analysis and cloud-based technologies, digital healthcare integrated services redefine the standards of healthcare by offering patients convenient and efficient healthcare services. This allows more patients to access high-quality medical resources and valuable health information, and engage in effective communication with physicians. Simultaneously, hospitals and physicians of various levels can share their valuable medical knowledge and expertise;

- *Growing health awareness and increasing healthcare expenditure per capita.* The rise in disposable income per capita has led to increased healthcare expenditure and improved health awareness. Consequently, diagnosis and treatment rates, particularly for chronic diseases, have improved. The affluent population also exhibits a higher demand for health maintenance. Digitization is seen as an efficient method to meet these healthcare needs and is expected to experience rapid growth in the coming years; and

- *Evolving behavioral patterns.* As smartphone penetration deepens, alongside the increasing number of applications and the diversification of mobile app functions, digitalization is transforming various facets of individuals' lives, including medical services. This technological advancement is driving the transition of traditional offline medical services to digital healthcare platforms, enhancing efficiency and accessibility. The COVID-19 pandemic has further accelerated the adoption of online medical services to alleviate offline resource pressure and extend healthcare access to remote areas. These changes are expected to further increase the penetration rate of digital healthcare services and contribute to the development of the digital healthcare integrated service industry.

Competitive Landscape and Ranking

The digital healthcare integrated service industry in China encompasses various segments of the healthcare and wellness service industry that are undergoing transformation due to digital technology. As a result, major players in this industry have adopted diversified cooperation models, each with its own business focus within their respective segments. We ranked first among these major players in 2024 in terms of the following aspects: (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024. Furthermore, we ranked third among these major players in China in terms of (i) revenue generated from digital healthcare and wellness solutions in 2024 and (ii) accumulated number of registered users as of December 31, 2024. The following table sets forth the key digital healthcare integrated service providers in China in 2024:

Ranking	Major Player	Background	Cooperated Hospitals as of December 31, 2024	Cooperated Class III Hospitals as of December 31, 2024	Connected Medical Professionals as of December 31, 2024	Number of Online Appointments in 2024	Revenue in 2024	Accumulated Number of Registered Users as of December 31, 2024
					(in thousands)	(in millions)	(in millions, RMB)	(in millions)
1	**Our Company**	Established in 2005 and headquartered in Shenzhen, Guangdong Province, we established and operated the largest digital healthcare and wellness service platform in China, and also focused on the provision of cloud SaaS service	14,400	3,424	898.3	131.5	194.2	54.1
2	**Company G**	Established in 2010 and headquartered in Hangzhou, Zhejiang Province, Company G is a private company that established and operated the first Internet hospital in China, with an innovative model of "Internet + Medical Health"	over 8,100	over 2,700	318	115	around 680	over 270
3	**Company F**	Established in 2011 and headquartered in Shanghai, Company F is a company listed on the Stock Exchange, focusing on the provision of cloud hospital platform services, cloud healthcare services, and smart healthcare products	2,986	over 720	142	N/A	around 460	over 50

Ranking	Major Player	Background	Cooperated Hospitals as of December 31, 2024	Cooperated Class III Hospitals as of December 31, 2024	Connected Medical Professionals as of December 31, 2024	Number of Online Appointments in 2024	Revenue in 2024	Accumulated Number of Registered Users as of December 31, 2024
					(in thousands)	(in millions)	(in millions, RMB)	(in millions)
4	**Company H**	Established in 2015 and headquartered in Beijing, Company H is a private company focusing on the provision of medical insurance, direct-to-patient pharmacies, and Internet hospital services	over 700	over 500	310	N/A	around 160	over 13

Source: company websites, public information, Frost & Sullivan analysis

Competitive Landscape of Online Marketing Solutions Industry

The online marketing solutions industry in China is characterized by a high level of competition due to the variety of market players and their distinct marketing focuses. It primarily involves (i) digital medical service companies that offer online appointments and registration services, (ii) digital medical information companies that provide healthcare information and articles, (iii) digital retail pharmacies offering pharmaceutical products online, and (iv) social media platforms focusing on medical and healthcare-related content.

Our Company, functioning as both a digital medical service provider and a digital retail pharmacy, positions itself to offer a wide range of online marketing solutions to medical and healthcare institutions, physicians, and sell diversified healthcare products to individual users. This dual role enables us to address the diverse needs of our customers effectively, enhancing our competitive stance within the crowded market. As a result, our Company ranked third among the digital healthcare companies listed on the Stock Exchange in terms of revenue from online marketing solutions in 2024.

Competitive Landscape of Digital Hospital Solutions Industry

Digital hospital solutions cater to medical and healthcare institutions, aiming to enhance operational efficiency and patient experience. The digital hospital solutions industry in China primarily involves (i) specialized health-tech companies, which offer digitalization solutions to medical and healthcare institutions via cloud-based or integrated platforms, and (ii) healthcare IT solution providers, which include traditional IT companies that have expanded their business footprint into the healthcare industry. This industry sees a relatively high concentration among leading players within specific regions. Typically, these dominant entities initially establish their presence in particular areas, leveraging local synergies before expanding into adjacent territories.

Our Company holds a prominent position in Shenzhen, boasting the highest number of cooperated hospitals in the region. We have successfully expanded our operations to other cities, positioning ourselves as a front-runner in China's digital hospital solutions sector. In 2024, our Company ranked first among the digital healthcare companies listed on the Stock Exchange in terms of number of cooperated hospitals as of December 31, 2024.

Competitive Landscape of Online Healthcare Services Industry

The online healthcare services industry, encompassing services such as medical consultations and diagnoses conducted over the Internet, is characterized by its fragmented nature, featuring a multitude of competitors. Companies that have established connections with a large number of medical professionals are often preferred by users, as this indicates access to a broader spectrum of medical resources. Our Company stands out as a prominent player within this sector in terms of number of connected medical professionals as of December 31, 2024. In 2024, our Company ranked first among the digital healthcare companies listed on the Stock Exchange in terms of number of cooperated hospitals and connected medical professionals as of December 31, 2024.

The Digital Hospital Operation Solution Market in China

Digital hospital operation solutions offer cloud SaaS solutions to medical and healthcare institutions, enabling them to undergo digital transformation and construct Internet hospitals. These Internet hospitals are licensed online medical and healthcare institutions that integrated the resources of hospitals and physicians to provide online consultation and prescription services online. According to the NHC, the number of Internet hospitals in China increased from 158 in May 2019 to 3,340 in September 2024.

The digital hospital operation solution market in China has surged since 2019, which increased from RMB30.4 billion in 2019 to RMB74.2 billion in 2024 at a CAGR of 19.5% from 2019 to 2024. The market size is expected to rise to RMB198.2 billion in 2030 at a CAGR of 17.8% from 2024 to 2030.

Key Drivers

According to Frost & Sullivan, China's digital hospital operation solution market has been and is expected to be primarily driven by the following factors:

- *Hospitals' need for cost-effective digitalization solutions*. Following China's healthcare reform, hospitals, facing constrained profitability due to reduced income, are compelled to lower their operational costs to improve their financial performance. Hospitals, particularly smaller or private ones, though being aware of the necessity for digitalization, are often constrained by their limited budgets for substantial digital infrastructure investments. Consequently, there is a growing demand from these institutions for cost-effective digital solutions. Digital hospital operation solutions, particularly cloud-based SaaS models, are becoming increasingly attractive since they obviate the need for expensive digital infrastructure as an economical means to embrace digitalization;

- *Multi-practicing demands.* As physicians in China are permitted to engage in multi-practices, they seek platforms that facilitate practicing across multiple locations, thereby augmenting their income. The burgeoning demand for multi-practicing has ignited a trend toward the establishment of Internet hospitals by medical and healthcare institutions. This strategic move aims to attract high-profile medical professionals to join their platforms; and

- *Favorable Policies.* In recent years, several policies related to digital hospital operation solutions have been introduced. These include (i) the *Standards and Specifications on National Hospital Informatization Construction (Trial)* (*《全國醫院信息化建設標準與規範(試行)》*), which sets out information construction requirements for Class II and specific Class III hospitals, thereby promoting the digitalization and standardization of hospital information systems, (ii) the *Opinions of the General Office of the State Council on Promoting the Development of "Internet + Healthcare"*(*《國務院辦公廳關於促進"互聯網+醫療健康"發展的意見》*), which backs the development of Internet hospitals and online chronic disease management, (iii) the *Notice of the State Council on Printing and Distributing the "14th Five-Year" Digital Economy Development Plan* (*《國務院關於印發"十四五"數字經濟發展規劃的通知》*), which accelerates digital healthcare services and database improvements, fostering the digital and intelligent transformation of medical and healthcare institutions, and (iv) *Notice of the General Office of the State Council on Printing and Distributing the "14th Five-Year" National Health Plan* (*《國務院辦公廳關於印發"十四五"國民健康規劃的通知》*), which promotes "Internet + chronic disease management." These policies encourage the development of Internet hospitals and hospital digitization, thereby increasing the demand for digital hospital operation solutions.

Future Trends

The digital hospital operation solution market in China has demonstrated the following trends:

- *Increasing penetration of Internet hospitals.* The rise of Internet hospitals has resulted in a growing number of follow-up visits being transferred from offline hospitals to online platforms. Moreover, the increasing awareness and utilization of Internet hospitals have led to a surge in online consultations. This trend is expected to continue, driving further penetration of Internet hospitals. As a result, there will be an increasing demand for digital hospital operation solutions to facilitate the digital transformation of hospitals;

- *Customized digital hospital operation solutions.* Recognizing the distinct operational requirements of public hospitals and private medical and healthcare institutions, digital hospital operation solutions are well-positioned to offer customized services. These solutions integrate selected modules tailored to the specific needs of each individual customer, ensuring optimal functionality and efficiency;

- *Enhancing specialty construction.* The evolving landscape of hospital marketing has generated a greater demand for digital hospital operation solutions that can support hospitals in constructing and developing their advantageous specialties. By highlighting their strengths and leveraging digital tools, hospitals can attract more patients and enhance their competitive edge; and

- *More balanced distribution of medical resources.* The emergence of Internet hospitals enables patients residing in rural and remote regions to access high-quality medical resources through online consultations with physicians from higher-tier hospitals. This breakthrough not only addresses the disparity in the distribution of medical resources but also extends significant benefits to patients in less developed areas.

The Digital Medical and Healthcare Service Platform Market in China

A digital medical and healthcare service platform is a comprehensive platform that encompasses both a digital medical service platform and a digital healthcare service platform. This comprehensive platform not only facilitates physicians in promoting personal brands and managing patient interactions but also assists medical and healthcare institutions in channeling online traffic effectively through targeted online marketing and promotional strategies. Concurrently, it offers users a full spectrum of medical and healthcare services including both essential medical care and consumer healthcare services in a convenient and effective manner.

According to Frost & Sullivan, the market size of China's digital medical and healthcare service platform market increased from RMB24.4 billion in 2019 to RMB146.1 billion in 2024, at a CAGR of 43.1% from 2019 to 2024, and is expected to reach RMB541.9 billion in 2030, at a CAGR of 24.4% from 2024 to 2030.

Key Drivers

According to Frost & Sullivan, China's digital medical and healthcare service platform market has been and is expected to be primarily driven by the following factors:

- *Increasing demands for online medical and healthcare services.* The promotion of Internet hospitals, especially during the COVID-19 outbreak, has significantly increased the acceptance of online medical consultations and treatments, as well as online appointments. Consequently, there is a growing demand for online medical and healthcare services, which requires more advanced digital medical and healthcare service platforms to facilitate these services online;

- *Prosperity and synergy of other segments in digital healthcare integrated service industry*. Coupled with digital hospital operation solutions, these platforms create a synergistic, closed-loop ecosystem within the digital healthcare integrated service industry, enhancing the connectivity and delivery of diverse medical and healthcare services. Therefore, the growth of various segments within the industry will further fuel the overall development of the digital medical and healthcare service platform market;

- *Increasing awareness of health*. As the rising prevalence of chronic diseases among younger populations has heightened individual awareness of health issues, evidenced by the increase in healthcare expenditure per capita in China from RMB3,756.7 in 2017 to RMB6,452.3 in 2023, with a CAGR of 9.4% from 2017 to 2023, there is a growing focus on health management and disease prevention, supported by the *Healthy China 2030* Blueprint. This has led to increased visits to medical and healthcare institutions for check-ups and screenings, not just treatments. Digital medical and healthcare service platforms are meeting this demand by directing users to the appropriate medical and healthcare institutions and helping institutions connect with their target audience, thereby fueling the expansion of the digital medical and healthcare services platform market; and

- *Increasing attention on consumer experience*. With the medical and healthcare service market becoming increasingly competitive, customers are placing more importance on their overall service experience. This requires an improved appointment system, detailed information on physicians, and an advanced follow-up health management system. A digital healthcare platform can assist healthcare service institutions in implementing these functions, ultimately enhancing the customer experience.

Key Entry Barriers

According to Frost & Sullivan, new entrants to the digital medical and healthcare service platform market in China primarily face the following entry barriers:

- *Demand-side barrier: platform recognition and user trust.* The nature of medical and healthcare services makes platform recognition and user trust crucial for the business sustainability of digital medical and healthcare service platforms. Building recognition and trust among users is a time-consuming and delicate process. Newly launched platforms often require a period of time to cultivate customer habits and construct their brand. Consequently, compared to well-established platforms, new entrants generally face greater challenges in promoting their brand and acquiring customers; and

- *Supply-side barrier: connection with medical resources.* The availability of medical resources is essential for the overall operation and service delivery of digital medical and healthcare service platforms. This encompasses medical and healthcare institutions, medical professionals, and the range of medical and healthcare services offered. In addition to essential medical care, there is a growing demand for preventive healthcare services and health management services, designed to detect and cure diseases at an early stage. Therefore, market participants who encompass consumer healthcare services, such as physical examination and health management services, hold a pivotal advantage in the market landscape. In contrast, new entrants encounter challenges in furnishing comprehensive medical resources on their platforms.

SOURCES OF INFORMATION

In connection with the Global Offering, we have engaged Frost & Sullivan, an independent market research consultant, to conduct a detailed analysis of and prepare an industry report on the markets in which we operate with a commission fee of RMB0.5 million. Founded in 1961, Frost & Sullivan provides market research across various industries. The information disclosed in this prospectus from Frost & Sullivan is extracted from the Frost & Sullivan Report with their consent.

To compile and prepare the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the data and information collected, and crosscheck each respondent's information and views against those of others: (i) secondary research, which involved reviewing published sources including national statistics, annual reports of listed companies, industry reports and data based on Frost & Sullivan's in-house research database; and (ii) primary research, which involved in-depth interviews with the industry participants.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) China's economy is expected to grow at a steady rate supported by favorable government policies as well as the global economic recovery, among other factors; (ii) China's total population remains an increasing trend and the elderly population is expected to grow rapidly; (iii) there are no material changes in government policies in respect of the healthcare service markets in China; and (iv) there is no major technological breakthrough in the healthcare and wellness service industry during the forecast period. In addition to the macroeconomic factors, certain industry drivers, including but not limited to increasing disposable income and increasing healthcare awareness, are likely to drive the demand for healthcare services in the forecast period.

Unless otherwise noted, all data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there have been no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

REGULATIONS ON INTERNET MEDICAL SERVICES

Medical Institutions

According to the Regulations on Administration of Medical Institutions (《醫療機構管理條例》), promulgated by the State Council, effective from September 1, 1994, and most recently revised on March 29, 2022, hospitals, health centers, sanatoriums, out-patient departments, clinics, health clinics, health posts (rooms) and first aid stations are medical institutions. The health administrative departments of the local people's governments at or above the county level are responsible for the supervision and administration of the medical institutions within their respective administrative regions. The establishment of medical institutions by entities or individuals shall be subject to the examination and approval of the health administrative department of the local people's governments at or above the county level and such entities or individuals should obtain the written approval for the establishment. Furthermore, according to the Regulations on Administration of Medical Institutions and the Implementation Measures of the Administrative Regulations on Medical Institutions (《醫療機構管理條例實施細則》), medical institutions must complete a registration and obtain a Practicing License for Medical Institution before practicing and any medical practice without license will be ordered to terminate, subject to confiscation of income, medicines and equipment, and a fine of RMB3,000. In addition, unauthorized or unlicensed practicing will be punished in accordance with Law of the PRC on the Promotion of Basic Medical and Health Care (《中華人民共和國基本醫療衛生與健康促進法》). Medical institutions must conduct medical diagnosis and treatment activities in accordance with registered and approved subjects and shall not employ non-medical technical personnel in medical and health technical work.

Foreign Investment in Medical Institutions Business

According to the Special Management Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the 2024 Negative List, which was issued on September 6, 2024 by the National Development and Reform Commission ("**NDRC**") and MOFCOM and will come into effect on November 1, 2024, medical institutions are limited to the form of joint ventures.

The Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》), which was promulgated by Ministry of Health (repealed) and Ministry of Foreign Trade and Economic Cooperation (currently known as the MOFCOM) on May 15, 2000, and came into effect on July 1, 2000, allows foreign investors to partner with Chinese entities to establish medical institutions in China by means of equity joint venture or cooperative joint venture. An established medical institution in the form of equity joint venture or cooperative joint venture shall meet certain requirements, including: (1) the total investment sum shall not be less than

RMB20 million, and (2) the equity percentage of the Chinese partner in the joint venture shall not be less than 30%. In addition, establishment of equity joint venture or cooperative medical institutions shall be subject to approval by relevant authorities.

The Administrative Measures on Sino-Foreign Equity and Cooperative Medical Institutions in the Sichuan Province (《四川省中外合資、合作醫療機構管理辦法》), which was promulgated by the Health Department of Sichuan (currently known as the Health Commission of Sichuan Province) and Sichuan Provincial Department of Commerce on March 15, 2012, became effective on April 15, 2012 and was amended on January 16, 2015, stipulates that the equity ratio or beneficiary interests of the Chinese party of Sino-foreign joint ventures and cooperative medical institutions shall not be less than 10%.

Internet Hospitals

According to the Guiding Opinions on Vigorously Advancing the "Internet Plus" Action (《關於積極推進"互聯網+"行動的指導意見》), or the Opinions, which was issued by the State Council on July 1, 2015, encourages internet enterprises to cooperate with medical institutions in establishing online medical information platforms, strengthen the integration of regional healthcare service resources, and make full use of the internet, big data and other means to improve the capability to prevent and control major diseases and unexpected public health incidents.

According to the Opinion Concerning the Promotion of the Development of Internet Plus Medical and Health (《關於促進"互聯網+醫療健康"發展的意見》), promulgated and implemented on April 25, 2018, by the General Office of the State Council, third-party organizations such as internet medical health service platforms should ensure that the qualifications of their service staffs are compliant with the relevant regulation provisions and bear the responsibilities for the services provided. The internet medical health service platforms should establish or improve their privacy information protection system and their acts should also be strictly in accordance with the relevant regulation provisions regarding information security and confidentiality obligations for health and medical data.

On July 17, 2018, the National Health Commission (the "**NHC**") and State Administration of Traditional Chinese Medicine promulgated the Notice of Publishing of the Measures on the Administration of the Internet Diagnosis and Treatment (For Trial Implementation) and Other Two Documents (《關於印發<互聯網診療管理辦法(試行)>等3個文件的通知》), recently revised on September 28, 2018, which provides that Internet diagnosis and treatment refers to the use of physicians registered in the institution using the Internet and other information technology to carry out diagnosis of some common diseases, chronic diseases, re-diagnosis and "Internet Plus" family doctor contract services. Internet diagnosis and treatment activities must be provided by a medical institution with Medical Institution Practicing License and the medical institution shall apply for registration of Internet diagnosis and treatment activities. Medical institutions carrying out Internet diagnosis and treatment activities should be consistent with their diagnosis and treatment subjects.

According to the Measures for the Administration of Internet Hospitals (Trial) (《互聯網醫院管理辦法(試行)》), the state implements access management for internet hospitals pursuant to the Regulations on Administration of Medical Institutions (Revised in 2022) (《醫療機構管理條例(2022修訂)》) and the Detailed Rules for the Implementation of the Medical Institute Management Regulations (《醫療機構管理條例實施細則》).

The health administrative departments of the State Council and the competent departments of traditional Chinese medicine are responsible for the supervision and administration of the internet hospitals based in mainland China. And the local health administrative departments at all levels (including the competent departments of traditional Chinese medicine) are responsible for the supervision and management of internet hospitals within their respective jurisdictions.

Further, in terms of supervision and management of internet hospitals, provincial health administrative departments and the registration authorities for internet hospitals jointly implement supervision on internet hospitals through the provincial internet medical service supervision platform, focusing on the supervision on internet hospitals' personnel, prescriptions, diagnosis and treatment behaviors, patients' privacy protection and information security. Internet hospitals shall adopt information security protection measures for Level 3 information system in accordance with relevant information security laws and regulations, including completion of filings with local public security authorities. Physicians can only provide follow-up diagnosis services through internet hospitals for patients that have been diagnosed with certain common diseases or chronic diseases, unless the patients are in physical hospitals and the physicians in the physical hospital invite other physicians to provide diagnosis services through internet hospital.

To further standardize internet diagnosis and treatment activities and strengthen the construction of internet diagnosis and treatment system, the NHC and the National Administration of Traditional Chinese Medicine jointly promulgated the Detailed Rules for the Supervision of Internet Diagnosis and Treatment (Trial) (《互聯網診療監管細則(試行)》), or the Detailed Supervision Rules, on February 8, 2022. The Detailed Supervision Rules further specified the supervision on the medical institution, operation, personnel and quality safety of internet diagnosis and treatment activities.

On August 17, 2019, the National Healthcare Security Administration promulgated the Guiding Opinions on Improving the Policies of "Internet Plus" Medical Service Prices and Medical Insurance Payment (《關於完善「互聯網+」醫療服務價格和醫保支付政策的指導意見》), which requires that pricing policies for public and non-public medical institutions shall be managed according to the categories they belong. Non-public medical institutions shall provide "Internet plus" medical services with market-regulated prices. Medical institutions providing "Internet plus" medical services must charge fees with informed consent, and in compliance with laws and regulations, and should follow the principle of fairness, legality, and honesty. Within the limits allowed by policies, prices should be reasonably established and adjusted, and clearly disclosed.

REGULATIONS ON PHARMACEUTICAL OPERATION

In September 1984, the SCNPC promulgated the Drug Administration Law of the PRC (《中華人民共和國藥品管理法》), which was amended in 2001, 2013, 2015 and 2019, respectively, to regulate all entities or individuals engaging in research, manufacture, operation, use, supervision and management of drugs within mainland China. According to the Drug Administration Law, no pharmaceutical operation, including pharmaceutical wholesale and pharmaceutical retail business, is permitted without obtaining the Pharmaceutical Operation License. Where the trading of drugs is conducted without a Pharmaceutical Operation License, the illegal incomes by selling drugs shall be confiscated and the local Food and Drug Administration, or the FDA (now known as the Medical Products Administration, or the MPA) shall impose the fine ranging from 15 to 30 times of the value of the illegally sold drugs (including sold or unsold drugs). The Regulations for the Implementation of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》), was promulgated by the State Council in August 2002 and amended in 2016, 2019 and 2024, which emphasized the detailed implementation rules of drugs administration. The SAMR, promulgated the Measures for the Supervision and Administration of Drug Quality in Operation and Usage (《藥品經營和使用質量監督管理辦法》) on September 27, 2023 which came into effect on January 1, 2024, which stipulates the procedures for applying the Pharmaceutical Operation License and the requirements and qualifications for pharmaceutical wholesalers or pharmaceutical retailers with respect to their management system, personnel, facilities and so on. The valid term of the Pharmaceutical Operation License is five years and shall be renewed through application six months to two months prior to its expiration date.

According to the Measures on Prescription Drugs and OTC Drugs Classification Management (Trial) (《處方藥與非處方藥分類管理辦法(試行)》) and the Interim Provisions on the Circulation of Prescription and OTC Drugs (《處方藥與非處方藥流通管理暫行規定》), which were both promulgated by the China's Drug Administration, which was restructured and integrated into the CFDA (now known as the NMPA), in 1999 and became effective in January 2000 and January 2001 respectively, drugs are divided into prescription drugs and over-the-counter drugs, or OTC drugs. For prescription drugs, the dispensing, purchase, and use can only be based on the prescription issued by certified medical practitioners or certified medical assistant practitioners. In addition, the prescription drugs can only be advertised and promoted in professional medical magazines. OTC drugs, on the other hand, are further divided into Class A OTC drugs and Class B OTC drugs, both of which can be purchased and used without a prescription and promoted in public upon approval by the relevant governmental authorities. Moreover, according to the Measures for the Supervision and Administration of Drug Quality in Operation and Usage, pharmaceutical retail enterprises shall observe the classified management system of the State for prescription drugs and OTC drugs and sell prescription drugs by prescription in accordance with the provisions, and the prescriptions shall be kept for not less than five years. Pharmaceutical retail enterprises shall not donate prescription drugs and Class A OTC drugs by means of offering free drugs for purchase of drugs or commodity. Prescription drugs shall not be sold on open shelf.

According to the Measures for the Supervision and Administration of Drug Quality in Operation and Usage, medical institutions shall establish a drug quality management system and be responsible for the quality management in the whole process of purchase, storage and use of drugs by them. For the use of drugs under special management, such as radioactive drugs, the relevant licensing shall be obtained as required. Entities using drugs other than medical institutions shall also abide by such drug quality management provisions of measures for medical institutions. Furthermore, according to the Administrative Standard of Pharmaceutical Operating Quality (《藥品經營質量管理規範》), promulgated by the CDA in April 2000 and amended in 2012, 2015 and 2016 respectively, the pharmaceutical operation enterprises shall take effective quality control measures over the process of procurement, storage, transportation and sale of drugs in order to ensure their quality.

The Administrative Measures on Internet Drug Information Service (《互聯網藥品信息服務管理辦法》) was promulgated by the SFDA in July 8, 2004 and amended on November 17, 2017, pursuant to which the internet drug information services is to provide drug (including medical device) information services to online users; services are divided into commercial internet drug information services and non-commercial internet drug information services. The website operator that provides drugs (including medical devices) information services must obtain an Internet Drug Information Service Qualification Certificate from the competent counterpart of the NMPA. The valid term for an Internet Drug Information Service Qualification Certificate is five years and may be renewed at least six months prior to its expiration date upon a re-examination by the relevant governmental authorities. Furthermore, as requested by Internet Drug Measures, the information relating to drugs shall be accurate and scientific in nature, and its provision shall comply with the relevant laws and regulations. No product information of stupefacient, psychotropic drugs, medicinal toxic drugs, radiopharmaceutical, detoxification drugs and pharmaceutics made by medical institutes shall be distributed on the website. In addition, advertisements relating to drugs (including medical devices) shall be approved by the NMPA or its competent counterparts.

According to Interim Provisions on the Examination and Approval of Internet Drug Transaction Services (《互聯網藥品交易服務審批暫行規定》), which was promulgated by SFDA on September 29, 2005, and became effective on December 1, 2005, the enterprises engaging in the internet pharmaceutical transaction service shall be subject to examination and acceptance, and obtain the Qualification Certificate for Providing Internet Pharmaceutical Dealing Services. The Qualification Certificate for Providing Internet Pharmaceutical Dealing Services shall be valid for five years. And any enterprise engaging in online pharmaceutical product trading services to individual consumers shall be established in the form of a pharmaceutical retail chain enterprise. After obtaining the Qualification Certificate for Providing Internet Pharmaceutical Dealing Services issued by the competent food and drug supervision and administration authority, the applicant shall obtain the permit for operation of telecommunications services as required by the Administrative Measures on Internet-based Information Services (《互聯網信息服務管理辦法》), or go through the formalities for record-filing. According to the Decision of the State Council on Cancelling the Third Batch of Items Subject to Administrative Examination and Approval Designated by the Central Government to Local Governments (《國務院關於第三批取消中央指定地方實施行政許可事項的決定》), promulgated by the State Council on January 12, 2017, except for the third party platform, all the examination and approval of internet drug trading service company implemented by FDAs of provincial level are canceled. According to the Decision of the State Council on Cancelling Various Items Subject to Administrative Examination and Approval (《國務院關於取消一批行政許可事項的決定》) promulgated on September 22, 2017, the CFDA shall no longer accept applications for examination and approval of internet drug transaction service enterprises engaging the business as the third party platform. In August 3, 2022, State Administration for Market Regulation (the "**SAMR**") promulgated Measures for the Supervision and Administration of Online Pharmaceuticals Sales (《藥品網絡銷售監督管理辦法》), which came into effect in December 2022, aiming to enhance the supervision of online drug sales and online drug trading platform service activities and ensure the safety of drugs consumed by the general public. According to the Measures for the Supervision and Administration of Online Pharmaceuticals Sales, online drug retailers engaging in the sale of prescription drugs shall (i) must ensure that the prescription sources are authentic and reliable, and the real-name system shall be adopted; (ii) highlight the risk warning information, such as "prescription drugs must be purchased and used on the strength of prescriptions under the guidance of pharmacists", on each drug display webpage; and (iii) keep the records of prescriptions, online pharmaceutical services, etc., which shall be kept for at least five years and not be less than one year after the expiry of the validity date of drugs. Enterprises engaging in online drug sales shall report its corporate name, the name of its website, the name of its application program, its IP address, its domain name and its drug production permit or drug operation permit to the medical products administration authorities and any change in the aforesaid information shall be reported within 10 working days. A third-party platform shall file enterprise name, legal representative, unified social credit code, website name, domain name and other information with the provincial medical products administration of the place of the platform for record and the provincial medical products administration will make public such information.

Two-invoice System

In accordance with the 2016 List of Major Tasks in Furtherance of the Healthcare and Pharmaceutical Reforms (《深化醫藥衛生體制改革2016年重點工作任務》) issued by the General Office of the State Council on April 21, 2016, the "two-invoice system" will be implemented in the PRC. In accordance with the second half of 2023 List of Major Tasks in Furtherance of the Healthcare and Pharmaceutical Reforms (《深化醫藥衛生體制改革2023年下半年重點工作任務》) jointly issued by the NHC, NDRC, Ministry of Finance, Ministry of Human Resources and Social Security, National Healthcare Security Administration (or, the NHSA), and NMPA on July 21, 2023, the NHC, NMPA, NHSA and other four ministries and administrations will study and improve the policy measures related to the "two-invoice system." According to the Circular on Issuing the Implementing Opinions on Carrying out the Two-invoice System for Drug Procurement among Public Medical Institutions (for Trial Implementation) (《印發<關於在公立醫療機構藥品採購中推行「兩票制」的實施意見(試行)>的通知》, the "**Two-invoice Circular**"), which became effective on December 26, 2016, the two-invoice system means one invoice between the pharmaceutical manufacturer and the pharmaceutical distributor, and one invoice between the pharmaceutical distributor and the hospital, and thereby only allows a single level of distributor for the sale of pharmaceutical products from the pharmaceutical manufacturer to the hospital. The following enterprises may be recognized as manufacturers: (i) wholly owned or controlled commercial companies established by a pharmaceutical manufacturer or a group enterprise integrating research, industry and trade, selling only the drugs produced by such manufacturers or group enterprises; and (ii) domestic general agent holding exclusive marketing and distribution rights for imported drugs, provided that only one commercial company or one domestic general agent is permitted for each imported drug in China. The invoices issued for the transfer of drugs between a pharmaceutical distribution company and its wholly owned/controlled subsidiaries or among its wholly owned/controlled subsidiaries may not be regarded as "one invoice" in the context of "two-invoice system", provided that only one invoice is issued for such transfers. According to the Two-invoice Circular and the Several Opinions of the General Office of the State Council on Further Reforming and Improving the Policies on Drug Production, Circulation and Use (《國務院辦公廳關於進一步改革完善藥品生產流通使用政策的若干意見》) issued and became effective on January 24, 2017, two-invoice system shall be promoted on a priority basis in pilot provinces (autonomous regions and municipalities directly under the central government) involved in the comprehensive medical reform program and pilot cities for public hospital reform, while other regions are encouraged to implement such system, with an aim of promoting to nationwide implementation by the year of 2018.

REGULATIONS ON MEDICAL DEVICES

The Measures on the Supervision and Administration of the Business Operations of Medical Devices (《醫療器械經營監督管理辦法》), or the Measures on Medical Devices, which was promulgated on July 30, 2014, and was latest amended by SAMR on March 10, 2022, apply to any business activity of medical devices and its supervision and administration within the territory of mainland China. Pursuant to the Measures on Medical Devices, NMPA shall be responsible for the supervision and administration of nationwide business operations concerning medical devices. Medical devices are divided into three classes based on the degree of risk. Entities engaged in distribution activities of Class III medical devices must obtain a medical device operating license and entities engaged in distribution activities of Class II medical devices shall complete filings with the competent local MPA, while entities engaged in distribution activities of Class I medical devices are not required to conduct any filing or obtain any license. In addition, in accordance with Regulations on Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), promulgated by the State Council on February 9, 2021 and amended on December 6, 2024, Class II and Class III medical devices shall be registered, respectively with the NMPA and its local branches at provincial level, while Class I medical devices shall be filed with the competent local MPA. In the event that the business operator distribute Class III medical devices without a medical device operating license or the business operator distribute Class II or Class III medical devices that are not registered with the NMPA or its local branches, the MPA of the local people's governments at or above the county level may confiscate illegal proceeds, illegally produced or operated medical devices, and tools, equipment, raw materials and other articles that are used for the illegal production or operation and impose fine. In serious circumstances, the application for a medical device permit filed by the relevant liable person or the business operator will not be accepted within 10 years.

Medical device business in the PRC is also subject to the Good Supply Practice for Medical Devices (《醫療器械經營質量管理規範》) issued by the NMPA on December 4, 2023, and became effective on July 1, 2024, according to which enterprises engaging in medical device business shall carry out risk management based on the risk categories of medical devices operated by it, take corresponding quality management measures and keep relevant records or archives. The medical device business enterprises, unless otherwise provided therein, shall also have business premises and warehouses that match its business scope and scale, and the area of business premises and warehouses shall meet the business and quality management requirements. The storage operation area and auxiliary operation area of medical equipment shall be separated from office area and living area, or quarantine measures shall be taken for the storage operation area and auxiliary operation area. Also, medical device business enterprises shall strengthen the management of return of goods to ensure the quality and safety of medical devices at the stage of return and prevent the mixing in of counterfeit and inferior medical devices.

On December 20, 2017, the CFDA promulgated the Measures for Supervision and Administration of Online Sales of Medical Devices (《醫療器械網絡銷售監督管理辦法》), or the Online Medical Devices Sales Measures, which became effective on March 1, 2018. According to the Online Medical Devices Sales Measures, enterprises engaged in online sales of medical devices must be medical device manufacture and operation enterprises with medical devices production licenses or operation licenses or being filed for record in accordance with laws and regulations, unless such licenses or record-filing is not required by laws and regulations. Pursuant to the Online Medical Devices Sales Measures, enterprises engaging in online sales of medical devices through its own website shall obtain a Qualification Certificate for Internet Drug Information Services. And enterprises engaging in online sales of medical devices must display its medical device production and operation license or record-filing certificate on visible place of its homepage, and the information of the medical devices published on the website shall be consistent with the related contents registered or filed for record; in addition, the business scope shall not exceed the scope of its production and operation license or the scope filed for record. For the enterprises to provide a third-party platform for provision of medical devices online transaction services, such enterprises shall be filed for record with the local provincial FDA, and shall verify the materials submitted by any enterprise applying for entering the platform.

REGULATIONS ON INTERNET MEDICAL PERSONNEL

Medical Practitioners

On August 20, 2021, the Standing Committee of the National People's Congress, or the SCNPC, issued the Doctors Law of the PRC (《中華人民共和國醫師法》), or the Law on Physicians, effective from March 1, 2022. According to the Law on Physicians, when taking medical, preventive or healthcare measures and when signing relevant medical certificate, the licensed medical practitioners shall conduct diagnosis and investigation personally and fill out the medical files without delay. No medical practitioners may conceal, forge, or destroy any medical files or relevant data.

The Notice on the Several Opinions on Promoting and Regulating Concerning Multi-site Practice of Physicians (《關於印發<推進和規範醫師多點執業的若干意見>的通知》), which was jointly promulgated by the NHFPC and other four departments on November 5, 2014, and came into effect on the same date, puts forward to simplify the registration procedure of the multiple place practice and proposes the feasibility of exploring the "record management." According to Administrative Measures for the Registration of Medical Practitioners (《醫師執業註冊管理辦法》), which was promulgated by National Health and Family Planning Commission, or the NHFPC which had been abolished, on February 28, 2017, and became effective on April 1, 2017, medical practitioners shall obtain the Practice Certificate for Medical Practitioners to practice upon registration. Persons without Practice Certificate for Medical Practitioners shall not engage in medical treatment, prevention, and healthcare activities. A medical practitioner who practices in multiple institutions at the same place of practice shall determine one institution as the main practicing institution where he or she practices, and apply for registration to the administrative department of health and family planning that approves the practice of such institution; and, for other institutions where the medical practitioner is to practice, the medical practitioner shall apply for recordation to the administrative health and family planning authority that approves the practice of such institution, and indicate the names of the institutions where he or she is to practice. If a medical practitioner practices in another institution which is not at the registered place of practice, he or she shall apply for to register the additional institution to the administrative health and family planning authority approving the practice of such institution.

Prescription management

For the purpose of regulating the administration of prescriptions, the Measures for the Administration of Prescriptions (《處方管理辦法》) was promulgated by the Ministry of Health of the PRC (later dissolved into the NHFPC, currently known as the NHC) on February 14, 2007, and became effective on May 1, 2007. Under the Measures for the Administration of Prescriptions, a certified medical practitioner shall obtain the corresponding prescription right at the registered practice place and the certified medical practitioner shall issue prescriptions according to the requirements of medical treatment, disease prevention, healthcare, and subject to the treatment standards and drug instructions. Under any of the following circumstances, the health administrative department at or above the county level shall request the medical institutions to make corrections within a time limit, and may impose a fine of no more than RMB5,000; and under serious circumstances, Practicing License for Medical Institution will be revoked: (i) prescribing by a person who has not obtained the right to prescribe or whose prescription right has been canceled; (ii) prescribing narcotic drugs and the psychotropic drugs of category I by physicians who have not obtained the prescription right for such narcotic drugs and psychotropic drugs; or (iii) employing persons who have not obtained the qualifications for the professional and technical positions of pharmaceutical science to conduct the prescription dispensing. If the medical practitioners issue prescriptions without obtaining prescription rights or after the prescription rights have been revoked, they will be given a warning or be ordered to suspend their practicing activities for a period of not less than six months but not more than one year and under the serious circumstances, their Practice Certificates for Medical Practitioners will be revoked.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the National People's Congress (the "**NPC**"), promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), or the FIL, which came into effect on January 1, 2020, and replaced the trio of laws regulating foreign investment in mainland China, namely, the Law of the PRC on Sino-Foreign Equity Joint Ventures (《中華人民共和國中外合資經營企業法》), the Law of the PRC on Wholly Foreign-owned Enterprises (《中華人民共和國外資企業法》) and the Law of the PRC on Sino-Foreign Cooperative Joint Ventures (《中華人民共和國中外合作經營企業法》). Its accompanying administrative regulation, the Implementation Regulations of the Foreign Investment Law, was promulgated by the State Council in December 2019 and came into effect on January 1, 2020. The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition.

According to the FIL, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the 2024 Negative List. The FIL provides that foreign invested entities operating in foreign "restricted" or "prohibited" industries will require entry clearance and other approvals. The FIL does not comment on the concept of "de facto control" or contractual arrangements with consolidated affiliated entities, however, it has a catch-all provision under definition of "foreign investment" to include investments made by foreign investors in mainland China through means stipulated by laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions to provide for contractual arrangements as a form of foreign investment.

REGULATION ON VALUE-ADDED TELECOMMUNICATION SERVICE

License for Value-added Telecommunications Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), or the Telecommunications Regulations, as promulgated by the State Council in 2000 and most recently amended in 2016, requires telecommunications service providers to obtain operating licenses prior to the commencement of their operations. The Telecommunications Regulations distinguish "infrastructure telecommunications services" from "value-added telecommunications services" and operators of value-added telecommunications services shall obtain value-added telecommunications business operation licenses from the Ministry of Industry and Information Technology, or the MIIT, or its provincial branches prior to the commencement of such services. According to the Catalog of Telecommunications Business (《電信業務分類目錄》), which was promulgated by the MIIT, on February 21, 2003 and amended by the MIIT on December 28, 2015 and June 6, 2019, the information services and the online data processing and transaction processing services fall within the value-added telecommunications services.

The Administrative Measures on Telecommunications Business Permits (《電信業務經營許可管理辦法》), which was promulgated by the MIIT on March 1, 2009, and amended on July 3, 2017, sets forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), or the Internet Measures, promulgated by the State Council on September 25, 2000, and last amended on December 6, 2024, requires that an operator of commercial internet information services must obtain a value-added telecommunications business operating license from the appropriate telecommunications authorities for its provision of such internet information services.

On July 21, 2023, the MIIT issued the Notice on Carrying out the Filing of Mobile Internet Applications (《關於開展移動互聯網應用程序備案工作的通知》), requiring APP operators engaged in Internet information services within the territory of the PRC to complete filing formalities in accordance with the Anti-Telecommunications Network Fraud Law of the PRC (《中華人民共和國反電信網絡詐騙法》) and the Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》). App operators shall complete filing formalities with the provincial-level communications administration bureau where they are domiciled, and their network access service providers and app distribution platforms (including the distribution platforms of mini programs, quick applications, and others) shall submit such applications online for inspection and review through the "National Internet Basic Resources Management System."

Foreign Investment in Valued-Added Telecommunications Business

The NDRC and MOFCOM promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》), on September 6, 2024, to replace the previous negative list thereunder. According to the 2024 Negative List, the value-added telecommunications services (excluding e-commerce business, domestic multi-party communications, store-and-forward and call centers) fall into the "restricted" category. Foreign direct investment in telecommunications companies in mainland China is governed by the Provisions on Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which was promulgated by the State Council on December 11, 2001, and revised in 2008, 2016, 2022. The Provisions on Administration of Foreign-Invested Telecommunications Enterprises revised in 2022 abolishes the requirements of the main investor who must demonstrate a good track record and experience in operating a value-added telecommunication business and requires foreign-invested value-added telecommunications enterprises in mainland China to be established as Sino-foreign equity joint ventures, which the foreign investors may acquire up to 50% of the equity interests of such enterprise.

REGULATION ON INTERNET AUDIO-VISUAL PROGRAM SERVICES

On December 20, 2007, the State Administration of Radio, Film and Television, or the SARFT (the predecessor of the National Radio Television Administration, or the NRTA) and the Ministry of Information Industry jointly promulgated the Administrative Provisions on Internet Audio-Visual Program Services (《互聯網視聽節目服務管理規定》), or the Audio-Visual Program Provisions, which was most recently amended on August 28, 2015. Providers of internet audio-visual program services are required to obtain the license for online transmission of audio-visual programs, or the Audio-Visual License issued by SARFT, or complete record-filing procedures with SARFT. In general, providers of internet audio-visual program services must be either state-owned or state-controlled entities, and their businesses must satisfy the overall planning and guidance catalog for internet audio-visual program service determined by SARFT.

On March 17, 2010, the SARFT issued the Internet Audio-visual Program Services Categories for trial implementation (《互聯網視聽節目服務業務分類目錄(試行)》), or the Categories, which was amended on March 10, 2017. In addition, the Notice concerning Strengthening the Administration of the Live Video Broadcast Service of Online Audio-Visual Programs (《關於加強網絡視聽節目直播服務管理有關問題的通知》) promulgated by the State Administration of Press and Publication Radio, Film and Television, or the SAPPRFT (the predecessor of the NRTA) on September 2, 2016 emphasizes that, unless a specific license is granted, an audio-visual programs service provider is forbidden from engaging in live video broadcasting on major political, military, economic, social, cultural, or sports events, among others.

Pursuant to the 2024 Negative List, the foreign investment in online audio-visual program services is strictly prohibited.

REGULATIONS ON ONLINE PUBLISHING

On February 4, 2016, the SAPPRFT and the MIIT jointly issued the Rules for the Administration for Internet Publishing Services (《網絡出版服務管理規定》), or the Internet Publishing Rules, which became effective on March 10, 2016. The Internet Publishing Rules defines "internet publications" as digital works that are edited, produced, or processed to be published and provided to the public through the internet, including (a) original digital works, such as pictures, maps, games, and comics; (b) digital works with content that is consistent with the type of content that, prior to the internet age, typically was published in media such as books, newspapers, periodicals, audio-visual products, and electronic publications; (c) digital works in the form of online databases compiled by selecting, arranging, and compiling other types of digital works; and (d) other types of digital works identified by the SAPPRFT. Under the Internet Publishing Rules, internet operators distributing such publications via internet are required to apply for an internet publishing license with the relevant governmental authorities and for SAPPRFT approval before distributing internet publications.

Pursuant to the 2024 Negative List, the foreign investment in online publishing services is strictly prohibited.

REGULATIONS ON ADVERTISING

The Advertisement Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC, on October 27, 1994, and last amended on April 29, 2021, requires advertisers to ensure that the content of the advertisements is true. The content of advertisements shall not contain prohibited information, including but not limited to: (i) information that harms the dignity or interests of the State or divulges the secrets of the State, (ii) information that contains wordings such as "national level", "highest level" and "best", and (iii) information that contains ethnic, racial, religious, sexual discrimination. Advertisements posted or published through the internet shall not affect normal usage of network by users. Further, the Advertisement Law of the PRC prohibits the internet information service providers shall not publish medical, drugs, medical devices or dietary supplement advertisements in disguised form such as introduction of healthcare and wellness knowledge.

For drug and medical device advertisements, the SAMR also promulgated the Interim Administrative Measures for the Review of Advertisements for Drugs, Medical Devices, Health Food and Formula Food for Special Medical Purposes (《藥品、醫療器械、保健食品、特殊醫學用途配方食品廣告審查管理暫行辦法》) on December 24, 2019, which took effect on March 1, 2020, in which advertisements for drugs, medical devices, health food and formula food for special medical purpose shall not contain any false or misleading contents. Advertisers shall be responsible for the veracity and legitimacy of the contents of advertisements for drugs, medical devices, health food and formula food for special medical purpose.

In February 2023, the SAMR issued the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》) (the "**Internet Advertising Measures**"), which became effective on May 1, 2023, which reiterates the requirements under the PRC Advertising Law for advance approval from local administrative authorities to advertise pharmaceutical products and impose additional restrictions on the form and content of advertisements for pharmaceutical products. Pursuant to the Internet Advertising Measures, Internet advertisers are prohibited from publishing advertisements of prescription drugs on the Internet. Besides, Internet advertisers are prohibited from publishing advertisements for medical treatment, drugs, medical devices, health food and formula food for special medical purposes in disguised form by way of introducing knowledge on health or health maintenance. When introducing knowledge on health or health maintenance, the address, contact information, shopping links and other contents of sellers or service providers of relevant medical treatment, drugs, medical devices, health food, or formula food for special medical purposes shall not be presented on the same page or together with other contents.

REGULATIONS ON E-COMMERCE

According to the E-Commerce Law of the PRC (《中華人民共和國電子商務法》), or the E-Commerce Law, promulgated by the SCNPC on August 31, 2018 and effective from January 1, 2019, specified that the natural persons, legal persons and other non-legal persons who sell goods or provide services through the Internet and other information networks in China are e-commerce operators. When engaging in operation activities, e-commerce operators shall adhere to the principles of voluntariness, equality, fairness and integrity, abide by laws and business ethics to participate in market competition fairly, perform obligations in respect of consumer rights protection, environmental protection, intellectual property protection, cyber security and personal information protection, assume product and service quality responsibilities, and accept the supervision of the government and society.

The Provisions on the Administration of Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) which was promulgated by the Cyberspace Administration of China, or the CAC, on June 14, 2022, and effective from August 1, 2022, sets forth the relevant requirements for the App information service providers and App store service providers, including acquiring relevant qualifications in accordance with laws and regulations, establishing content review and management mechanism, and meeting the mandatory requirements of relevant national standards.

REGULATIONS ON FOOD OPERATION AND FOOD SAFETY

According to the Food Safety Law of the PRC (《中華人民共和國食品安全法》), or the Food Safety Law, which was promulgated by the SCNPC on February 28, 2009, and latest amended on April 29, 2021, and the Implementation Regulations for the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) promulgated by the State Council on July 20, 2009, and most recently revised on October 11, 2019 and effective from December 1, 2019, anyone who engages in food production, food selling, or catering services must obtain the license according to the Food Safety Law. Food producers and business operators shall take and conform to the measures specified in the Food Safety Law and its Implementation Regulations to ensure food safety, and violation of these required measures may subject food producers and business operators to legal consequences, including warnings, orders to rectify, confiscations of illegal gains, fines, recalls and destructions of food in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and even criminal punishment.

On June 15, 2023, the SAMR promulgated the Administrative Measures for Food Operation Licensing and Record-filing (《食品經營許可和備案管理辦法》), which came into effect on December 1, 2023. According to the aforementioned Measures, entities or individuals involved in food selling and catering service in China, unless otherwise provided therein, shall obtain the food operation license, which shall be valid for 5 years. The sale of prepackaged food only shall be filed for record with the local market regulatory authority at or above the county level. Food and drug administrative authorities shall implement classified licensing for food operation according to food operator's types and the degree of risk of their operation projects, and applications of food operation license shall be filed according to food operator's types of operation and classification of operation projects.

REGULATIONS ON CONSUMER PROTECTION

According to the Consumers Rights and Interests Protection Law of the PRC (《中華人民共和國消費者權益保護法》), or the Consumer Protection Law, which was promulgated in 1993 by the SCNPC and latest amended on October 25, 2013, and effective from March 15, 2014, it imposes stringent requirements and obligations on business operators including, among others, (i) ensure that the products and services provided satisfy the requirements for personal safety or property security, (ii) provide authentic and complete information about the quality, function, usage and term of validity of the products or services, (iii) ensure the actual quality and functionality of products or services are consistent with advertising materials, product descriptions or samples, failure of which may subject business operators to civil liabilities such as repairing, remaking, exchanging or returning of commodities, making up shortage, refunding purchase prices and service fees, and compensation, and even subject the business operators to criminal penalties if the business operators commit crimes by infringing the legitimate rights and interests of consumers.

The Civil Code of the PRC (《中華人民共和國民法典》), or the Civil Code, which was promulgated by the NPC on May 28, 2020, and became effective on January 1, 2021, and replaced the Tort Liability Law promulgated by the SCNPC on December 26, 2009, provides that if an online services provider is aware that an online user is engaged in infringing activities but fails to take necessary measures, it shall be held jointly liable. If the online service provider receives any notice from the infringed party on any infringing activities, the online service provider shall take necessary measures, including removing, blocking and unlinking the infringing content, in a timely manner. Otherwise, it shall be held jointly liable with the relevant online user.

In March 2021, the SAMR promulgated the Administrative Measures for Online Trading Supervision (《網絡交易監督管理辦法》), or Online Trading Measures, which became effective on May 1, 2021, to regulate the business of products sale and services provision through the internet and amended on March 18, 2025, which provides general obligations and responsibilities of online trading operators and online trading platform providers. The SAIC issued the Guidelines for the Performance of Social Responsibilities by Online Trading Platform Operators (《網絡交易平台經營者履行社會責任指引》) on May 28, 2014, to regulate online product trading and the relevant services, guide online trading platform operators to actively perform social responsibilities, protect the lawful rights and interests of consumers and business operators, and promote the sustainable and healthy development of the online economy. These guidelines aim at enhancing the social responsibilities of online trading platforms.

Product Quality

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993, and most recently amended on December 29, 2018, producers shall be responsible for the quality of their products and sellers shall adopt measures to maintain the quality of products for sale. Where a defective product causes physical injury or damage to a third-party's property, the victim may claim compensation from the manufacturer or the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer, and vice versa.

REGULATIONS ON INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

Personal Privacy Protection

Pursuant to the Civil Code, personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide, or make public personal information of others.

Further, the Ninth Amendment to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》), which was issued by the SCNPC on August 29, 2015, and became effective on November 1, 2015, stipulates that any network service provider that fails to fulfil the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to take corrective measures, will be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any severe effect due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities; or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

On August 20, 2021, the SCNPC promulgated the Law of Personal Information Protection of PRC (《中華人民共和國個人信息保護法》), or the Personal Information Protection Law, which became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of certain matters in a conspicuous manner and in clear and easy-to-understand language, including the processor's name, contact information; the purpose of processing personal information, processing method, type of personal information processed, and retention period; the methods and procedures for individuals to exercise their rights under the Personal Information Protection Law; and other matters that should be notified as required by laws and administrative regulations. Personal information processors should follow the following principles when processing personal information: (i) Lawfulness, Justification, and Good Faith; (ii) Clear Purpose and Minimum Necessity; (iii) Openness and Transparency; (iv) Data Quality; (v) Accountability. Personal information processors should also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests, and possible security risks, etc., and to prevent unauthorized access and personal information leakage, tampering, and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

The Data Security Law of the PRC (《中華人民共和國數據安全法》), promulgated by the SCNPC on June 10, 2021, effective from September 1, 2021, stipulates that in data processing by the data processor, the laws and regulations shall be complied with, a sound data security management system throughout the whole process shall be established, data security education and training shall be organized and conducted, and corresponding technical measures and other necessary measures shall be adopted to ensure data security. In data processing by making use of the internet or any other information networks, the abovementioned data security obligations shall be fulfilled on the basis of the classified protection system for cyber security.

Pursuant to the Regulations for Medical Institutions on Medical Records Management (《醫療機構病歷管理規定》) released on November 20, 2013, and effective from January 1, 2014, medical institutions and medical practitioners shall strictly protect the privacy information of patients, and any leakage of patients' medical records for non-medical, non-teaching or non-research purposes is prohibited. The NHFPC released the Measures for Administration of Population Health Information (Trial) (《人口健康信息管理辦法(試行)》) on May 5, 2014, which refers the basic population information, medical and health service information and other population health information generated in the process of service and administration by medical, health and family planning service agencies at all levels and according to national laws and regulations and their job responsibilities, as the population healthcare information, and emphasizes that it is not allowed to store population healthcare information in an offshore server, or to host or rent any offshore server. Pursuant to the Management Measures of Standards, Safety and Service of National Health and Medical Big Data (Trial) (《國家健康醫療大數據標準、安全和服務管理辦法(試行)》), promulgated by the NHC on July 12, 2018, the medical institutions should establish relevant safety management systems, operation instructions and technical specifications to safeguard the safety of healthcare big data generated in the process of health management service or prevention and cure service of diseases. And it also stipulates that such healthcare big data should be stored in domestic servers and shall not be provided overseas without safety assessment.

Internet Security

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), or the Cybersecurity Law, effective from June 1, 2017, which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity

Law, network operators, which are broadly defined as owners and administrators of networks and network service provider, are subject to certain security protection-related obligations, including but not limited to (i) complying with security protection obligations under graded system for cybersecurity protection requirements, which include formulating internal security management rules and operating instructions, appointing cybersecurity responsible personnel and their duties, adopting technical measures to prevent computer viruses, cyber-attack, cyber-intrusion and other activities endangering cybersecurity, adopting technical measures to monitor and record network operation status and cybersecurity incidents; (ii) formulating an emergency plan and promptly responding to and handling security risks, initiating the emergency plans, taking appropriate remedial measures and reporting to regulatory authorities in the event comprising cybersecurity threats; and (iii) providing technical assistance and support to public security and national security authorities for protection of national security and criminal investigations in accordance with the law.

On September 30, 2024, the CAC published the Regulations on Network Data Security Management (《網絡數據安全管理條例》), which clearly define if the network data processing activities have or may have impacts on national security, such activities shall be subject to national security review in accordance with relevant laws and regulations.

On July 7, 2022, the CAC has promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022, and requires that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to the relevant law to an overseas recipient shall conduct security assessment. The Measures for the Security Assessment of Cross-border Data Transfer provides four circumstances, under any of which the data processors providing important data or personal information collected and generated during operations within the territory of the PRC shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of cross-border data transfer, including: (i) the important data are transferred to an overseas recipient; (ii) the personal information is transferred to an overseas recipient by an operator of critical information infrastructure or a data processor that has processed personal information of more than one million people; (iii) a data processor provides personal information to an overseas recipient if such data processor has already provided overseas the personal information of 100,000 people or sensitive personal information of 10,000 people since January 1 of the preceding year; or (iv) other circumstances under which security assessment of outbound data transfer is required as prescribed by the national cyberspace administration.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. Pursuant to such regulations, "critical information infrastructure" means any important network facilities or information systems of important industries or fields such as public communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, and any other important network facilities or information systems which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, relevant administration departments of each critical industry and sector, or Protection Departments, shall be responsible to formulate eligibility criteria and determine the critical information infrastructure operator in the respective industry or field. The operators shall be informed about the final determination as to whether they are categorized as critical information infrastructure operators.

The Cybersecurity Review Measures (2020) (《網絡安全審查辦法》(2020)) promulgated in April 2020, which became effective in June 2020 provides that critical information infrastructure operators must pass a cybersecurity review when purchasing network products and services which do or may affect national security. On December 28, 2021, the CAC, together with certain other PRC governmental authorities, jointly released the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》), which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》), the purchase of network products and services by critical information infrastructure operator and the data processing activities carried out online platform operators, which affects or may affect national security, shall be subject to cybersecurity review. To go public abroad, an online platform operator who possesses the personal information of more than 1 million users shall declare for cybersecurity review. The cybersecurity review will evaluate, among others, the risk of critical information infrastructure, core data, important data, or the risk of a large amount of personal information being influenced, controlled or maliciously used by foreign governments after going public, and cyber information security risk. The Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》) set out certain general factors which would be the focus in assessing the national security risk during a cybersecurity review.

REGULATIONS ON M&A RULES AND OVERSEAS LISTING

MOFCOM, China Securities Regulatory Commission, or CSRC, SAFE and three other PRC governmental and regulatory agencies promulgated the Rules on Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) on August 8, 2006, as later amended on June 22, 2009, or the M&A Rules, governing the mergers and acquisitions of domestic enterprises by foreign investors. The M&A Rules, among other things, require that if a domestic company, domestic enterprise, or a domestic individual, through an overseas company established or controlled by it/him/her, acquires a domestic company which is affiliated with it/him/her, an approval from the MOFCOM is required. The M&A Rules further requires that a SPV, that is controlled directly or indirectly by the companies or individuals in mainland China and that has been formed for overseas listing purposes through acquisitions of domestic interest held by such companies or individuals in mainland China, shall obtain the approval of CSRC prior to overseas listing and trading of such SPV's securities on an overseas stock exchange. Moreover, if foreign investors merge a domestic enterprise and obtain the actual control over the enterprise, and if such merger involves any critical industry, affects or may affect the security of national economy, or causes transference of actual control over the domestic enterprise who possesses a resound trademark or China time-honored brand, the parties to the merger shall file an application to MOFCOM.

On July 6, 2021, the CPC Central Committee, and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》), which emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and improve the legislation on data security, cross-border data transmission, and confidential information management.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》), or the Trial Measures, and relevant five guidelines, which became effective on March 31, 2023. According to the Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the "**Overseas Offering and Listing**"), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as indirect Overseas Offering and Listing by a PRC domestic enterprise: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. The Trial Measures also requires subsequent reports to be submitted to the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

On February 17, 2023, the CSRC also held a press conference for the release of the Trial Measures, the officials from the CSRC clarified that the overseas listing of VIE-structured enterprises meeting the compliance requirements can complete the filing procedures with the CSRC.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Provisions on Confidentiality**"), which became effective on March 31, 2023. Pursuant to the Provisions on Confidentiality, where a domestic enterprise provides or publicly discloses documents and materials involving state secrets and working secrets of state organs ("**Relevant Documents and Materials**") to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses Relevant Documents and Materials through its overseas listing subjects, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall complete the corresponding procedures pursuant to the relevant provisions of the State. The work product formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and outbound transfers shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

REGULATIONS ON INTELLECTUAL PROPERTY

Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by SCNPC on August 23, 1982, which was most recently amended on April 23, 2019, and effective from November 1, 2019, and the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and later amended on April 29, 2014, and effective from May 1, 2014, a "first-to-file" principle is adopted with respect to trademark registration. Registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the registrants. The validity period for each renewal of registration is ten years commencing from the day immediately after the expiry of the preceding period. In the absence of a renewal upon expiry, the registered trademarks will be canceled.

Conducts that constitute an infringement of the exclusive right to use a registered trademark include but not limited to using an identical or similar trademark on the same or similar goods without the permission of the registrant, and the infringing party will be ordered to stop the infringement act immediately and may be subjected to a fine and other civil liability.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC, which was latest amended in November 2020, and the Implementation Rules of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

Pursuant to the Regulation on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, and latest amended on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated on February 20, 2002, Chinese citizens, legal entities, or other organizations enjoy the copyright in the software developed by them, whether published or not. And the developer may register software with the China Copyright Protection Center, which will grant certificates of registration to computer software copyright applicants.

Patent

Under the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC and latest amended in October 2020 and its Implementation Rule, patents are divided into 3 categories, which are invention patent, design patent and utility model patent. The validity period of invention patent right, design patent right and utility model patent right are, respectively, 20 years, 15 years and 10 years starting from the date of application. Implementation of a patent without the authorization of the patent holder constitutes an infringement of patent rights and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Domain Names

The Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) was promulgated by the MIIT in August 2017, which adopts the "first to file" rule to allocate domain names to applicants, and provide that the MIIT supervises the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

In November 2017, the MIIT promulgated the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Providing Internet-based Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》), which became effective on January 1, 2018. Pursuant to the notice, the domain name used by an internet-based information service provider in providing internet-based information services must be registered and owned by such provider in accordance with the law. If the internet-based information service provider is an entity, the domain name registrant must be the entity (or any of the entity's shareholders), or the entity's principal or senior manager.

REGULATIONS ON EMPLOYMENT

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), or the Labor Contract Law, and its implementations, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

The Labor Contract Law, which were most recently amended in December 2012, primarily aims at regulating rights and obligations of employment relationships, including the establishment, performance, and termination of labor contracts, pursuant to which labor contracts must be executed in writing if labor relationships are to be or have been established between employers and employees. Employers are prohibited from forcing employees to work above certain time limits and employers must pay employees for overtime work in accordance with national regulations. In addition, employee wages must not be lower than local standards on minimum wages and must be paid to employees in a timely manner.

Social Insurance

The Social Insurance Law of the PRC (《中華人民共和國社會保險法》), or the Social Insurance Law, issued by the SCNPC in 2010 and latest amended on December 29, 2018, established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), most recently amended on March 24, 2019, enterprises must register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and most recently amended on March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

In case of failure to register and open accounts for depositing employees' housing provident funds, the housing fund management center shall order employers to go through the formalities within a specified period, where employers fail to do such formalities within the prescribed time, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

REGULATIONS ON TAXATION

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the Enterprise Income Tax Law, effective as of January 1, 2008 and latest amended on December 29, 2018, the income tax rate for both domestic and foreign-invested enterprises is 25% with certain exceptions. To clarify certain provisions in the Enterprise Income Tax Law, the State Council promulgated the Implementation Rules of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) on December 6, 2007, which was further amended in 2019 and 2024. Under the Enterprise Income Tax Law and the Implementation Rules of the Enterprise Income Tax Law, enterprises are classified as either "resident enterprises" or "non-resident enterprises." Aside from enterprises established within the PRC, enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises" and are subject to the uniform 25% enterprise income tax rate for their global income. In addition, the Enterprise Income Tax Law provides that a non-resident enterprise refers to an entity established under foreign law whose "de facto management bodies" are not within the PRC, but has an establishment or place of business in the PRC, or does not have an establishment or place of business in the PRC but has income sourced within the PRC.

Value-added Tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》), latest revised by the State Council on November 19, 2017, the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》), promulgated by the Ministry of Finance and the State Administration of Taxation on December 15, 2008, and latest revised on October 28, 2011, and came into effect on November 1, 2011 (collectively, the "VAT Law"), all enterprises and individuals engaged in the sale of goods, the provision of processing, repairing and replacement of services, and the importation of goods within the territory of the PRC must pay value added tax ("VAT"). On November 19, 2017, the State Council promulgated The Decisions on Abolition of the Provisional Regulations of the PRC on Business Tax and Revision of the Provisional Regulations of the PRC on Value-added Tax (《關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》), or Order 691. According to the VAT Law and Order 691, all enterprises and individuals engaged in the sale of goods, the provision of processing, repairing and replacement of services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC must pay VAT. The VAT tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT tax rate applicable to the small-scale taxpayers is 3%. The Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》), or the Notice, was promulgated on April 4, 2018 and came into effect on May 1, 2018. According to the Notice, the VAT tax rates of 17% and 11% are changed to 16% and 10%, respectively. On March 20, 2019, the Ministry of Finance, State Taxation Administration and General Administration of Customs jointly promulgated the Announcement on Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》), or Notice 39, which came into effect on April 1, 2019. Notice 39 further changes the VAT tax rates of 16% and 10% to 13% and 9% respectively.

REGULATIONS RELATING TO LEASING

Pursuant to the Law of the PRC on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》), when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are also required to register the lease with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

According to the Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, if the lessor transfers the premises, the lease contract between the lessee and the lessor will still remain valid. Where the mortgaged property has been leased and the possession thereof has been transferred before the creation of mortgage, the original lease relations shall not be affected by the mortgage.

Pursuant to the Administrative Measures for the Leasing of Commodity Housing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2010, which came into force on February 1, 2011, within 30 days after the execution of the lease contract, parties to the lease contract shall register the lease contract with the competent construction (real estate) department under government of municipalities directly under the central government, cities and counties where the housing is located for filing. In the event that the parties fail to complete the registration and filing procedure of the lease, the competent construction (real estate) department shall order rectification within a time limit. If the rectification is not made within the time limit, a fine of less than RMB1,000 shall be imposed for an individual or a fine between RMB1,000 to RMB10,000 shall be imposed for an entity.

REGULATIONS RELATING TO FOREIGN EXCHANGE AND DIVIDEND DISTRIBUTION

Regulations relating to Foreign Currency Exchange

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was latest revised on August 5, 2008. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange or its local counterpart is obtained.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, on March 30, 2015, and it became effective on June 1, 2015, and was partially repealed on June 9 2016, December 30, 2019 and March 23, 2023. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), or the SAFE Circular 16, which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), or SAFE Circular 28, which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the 2024 Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), or SAFE Circular 8, issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties given they are newly issued regulations.

Regulations Relating to Foreign Exchange Registration of Overseas Investment by PRC Residents

In 2014, SAFE issued the Circular on Foreign Exchange Administration of Overseas Investments and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**"). SAFE Circular 37 regulates foreign exchange matters in relation to the use of special purpose vehicles by PRC residents or entities to seek offshore investment and financing or conduct round trip investment in the PRC. Under SAFE Circular 37, a "special purpose vehicle" refers to an offshore entity established or controlled, directly or indirectly, by PRC residents or entities for the purpose of seeking offshore financing or making offshore investment, using legitimate onshore or offshore assets or interests, while "round trip investment" refers to direct investment in the PRC by PRC residents or entities through special purpose vehicles, namely, establishing foreign-invested enterprises to obtain ownership, control rights and management rights. SAFE Circular 37 provides that, before making a contribution into a special purpose vehicle, PRC residents or entities are required to complete foreign exchange registration with SAFE or its local branch.

In 2015, SAFE Circular 13 amended SAFE Circular 37 by requiring PRC residents or entities to register with qualified banks rather than SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. PRC residents or entities who had contributed legitimate onshore or offshore interests or assets to special purpose vehicles but had not registered as required before the implementation of SAFE Circular 37 must register their ownership interests or control in the special purpose vehicles with qualified banks. An amendment to the registration is required if there is a material change with respect to the special purpose vehicle registered, such as any change of basic information (including change of the PRC residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, and mergers or divisions. Failure to comply with SAFE registration requirements described above, or making misrepresentations or failing to disclose the control of the foreign-invested enterprise that is established through round-trip investment, may result in restrictions being imposed on the foreign exchange activities of the relevant foreign-invested enterprise, including payment of dividends and other distributions, such as proceeds from any reduction in capital, share transfer or liquidation, to its offshore parent or affiliate, and the capital inflow from the offshore parent, and may also subject relevant PRC residents or entities to penalties under PRC foreign exchange administration regulations.

Regulations on Dividend Distribution

The principal laws, rules and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the Company Law of the PRC (《中華人民共和國公司法》), promulgated in 1993 and latest amended in 2023, and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

The Enterprise Income Tax Law provides that since January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise.

Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), or Circular 81, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Furthermore, the Administrative Measures for Non-Resident Taxpayer to Enjoy Treatments under Tax Treaties (《非居民納稅人享受稅收協定待遇管理辦法》), or SAT Circular 60, which became effective in November 2015 and was replaced in January 2020, requires that non-resident enterprises which satisfy the criteria for entitlement to tax treaty benefits may, at the time of tax declaration or withholding declaration through a withholding agent, enjoy the tax treaty benefits, and be subject to ongoing administration by the tax authorities. In the case where the non-resident enterprises do not apply to the withholding agent to claim the tax treaty benefits, or the materials and the information stated in the relevant reports and statements provided to the withholding agent do not satisfy the criteria for entitlement to tax treaty benefits, the withholding agent should withhold tax pursuant to the provisions of the PRC tax laws. The SAT issued the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (國家稅務總局關於發佈《非居民納稅人享受協定待遇管理辦法》的公告), or the SAT Circular 35, on October 14, 2019, which became effective on January 1, 2020. The SAT Circular 35 further simplified the procedures for enjoying treaty benefits and replaced the SAT Circular 60. According to the SAT Circular 35, no approvals from the tax authorities are required for a non-resident taxpayer to enjoy treaty benefits, where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, but it shall gather and retain the relevant materials as required for future inspection, and accept follow-up administration by the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. According to the Circular on Several Issues regarding the "Beneficial Owner" in Tax Treaties (《關於稅收協定中"受益所有人"有關問題的公告》), or Circular 9, which was issued on February 3, 2018 by the SAT, effective as of April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, the following factors will be taken into account, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents of a third country or region, whether the business operated by the applicant does not constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate. And the aforementioned factors will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the “beneficial owner” shall submit the relevant documents to the relevant tax bureau according to the Administrative Measures for Non-Resident Enterprises to Enjoy Treatments under Tax Treaties.

Regulations relating to Stock Incentive Plans

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), or the SAFE Circular 7, promulgated by SAFE in February 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. The income of foreign exchange PRC residents by selling out the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

OVERVIEW

Our history can be traced back to 2005 when our founder, Mr. Luo, established Shenzhen Ningyuan, one of our major subsidiaries and our onshore holding company prior to the Reorganization. Mr. Luo also registered the domain name of our Healthcare 160 website, www.91160.com, in the same year. For details of the background and experience of Mr. Luo, see "Directors and Senior Management" in this prospectus. We are now a sophisticated pharmaceutical and healthcare product wholesaler and a prominent digital healthcare and wellness service platform in China.

Our Company was incorporated in the Cayman Islands on January 31, 2022 as an exempted company with limited liability, following which we implemented a series of corporate restructurings and our Company became the holding company of our current business. For details of our corporate restructurings, see "— Corporate Reorganization" below.

BUSINESS MILESTONES

The following table sets forth the business milestones of our Group:

Year	Milestone
2005	We established Shenzhen Ningyuan, one of our major subsidiaries and our onshore holding company prior to the Reorganization. We registered the domain name of our Healthcare 160 website, www.91160.com.
2006	We launched our *Blue Dragonfly Hospital Infection Real-time Surveillance System* (藍蜻蜓醫院感染實時監控管理系統) (formerly known as *Hospital Infection Surveillance System* (醫院感染管理軟件)) and *Blue Dragonfly Infectious Disease Real-time Monitoring System* (藍蜻蜓醫院傳染病即時監控管理系統).
2009	We launched our *Jiuyitong* (就醫通) platform.
2010	We launched our online appointment business (掛號業務) and our *Healthcare 160 Platform*.
2015	We launched our *Hospital Full-Process System* (醫院全流程系統).
2016	We launched our pharmaceutical and healthcare products retail business.
2018	We launched our pharmaceutical and healthcare products wholesale business.
2020	We started to expand our initial success in Shenzhen to other major cities including Guangzhou, Shanghai and Beijing.
2021	We obtained the Internet hospital license for our *Healthcare 160 Platform*.
2022	We launched our *160 Cloud Hospital* (160雲醫院), an advanced online management platform.
2023	We entered into a collaboration agreement with a leading global provider of information and communications technology infrastructure and smart devices incorporated in China to officially list our Healthcare 160 app on the service grid of all smart devices developed by it.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities are our major subsidiaries which are of strategic importance to us or have made a material contribution to our results of operations during the Track Record Period:

Name of the major subsidiaries	Date of incorporation/acquisition and commencement of business	Principal business activities(1)
Shenzhen Ningyuan	February 22, 2005	Provision of digital healthcare and wellness solutions(2); provision of *Hospital Full-Process System* service(3)
Blue Dragonfly Internet	January 10, 2014	Development and sale of medical-related software
160 Medicine	November 23, 2016(4)	Pharmaceuticals retail and medical device wholesale business(2); investment holding(3)
Ruiwentai Medicine	October 18, 2018(5)	Pharmaceuticals and medical device wholesale business
Chengdu Renren Weikang	April 22, 2021	Provision of online medical services
Chongqing Pengyu	January 24, 2022	Provision of promotional services for digital healthcare and wellness solutions
Weikang Zhiyuan	June 30, 2022	Provision of digital healthcare and wellness solutions
Hailiantang Pharmacy	December 30, 2022(6)	Pharmaceutical retail business
Ningji Medicine	August 11, 2023	Provision of promotional service for digital healthcare and wellness solutions(7)

Notes:

(1) In preparation for the Global Offering, we underwent the Reorganization during which some of our major subsidiaries transferred all or part of their businesses to the other subsidiaries of our Group. For details, see "— Our Corporate Development" below.

(2) Refer to principal business activities during the Track Record Period and prior to the business transfer during the Reorganization.

(3) Refer to principal business activities after the business transfer during the Reorganization and as of the Latest Practicable Date.

(4) 160 Medicine was established on March 13, 2013 and was acquired by Shenzhen Ningyuan on November 23, 2016. For details, see "— Our Corporate Development — 2. Incorporation and acquisition of our major subsidiaries" below.

(5) Ruiwentai Medicine was established on June 9, 2004 and was acquired by 160 Medicine on October 18, 2018. For details, see "— Our Corporate Development — 2. Incorporation and acquisition of our major subsidiaries" below.

(6) Hailiantang Pharmacy was established on June 8, 2020 and was acquired by Zhejiang Renren'ai on December 30, 2022 and December 27, 2023 for 51% and 49% equity interest, respectively. For details, see "— Corporate Reorganization — Onshore Reorganization — 5. Acquisition of Hailiantang Pharmacy."

(7) As part of our strategic planning, Ningji Medicine will become one of the operating headquarters of our business operations in the PRC and is expected to further engage in pharmaceutical wholesale and retail business.

OUR CORPORATE DEVELOPMENT

1. Establishment of Shenzhen Ningyuan

On February 22, 2005, Shenzhen Ningyuan was established in the PRC as a company with limited liability with an initial registered capital of RMB500,000 and was held by Mr. Luo and his spouse as to 90% and 10%, respectively. Shenzhen Ningyuan is our first major subsidiary and our onshore holding company prior to the Reorganization. At the time of its establishment, Shenzhen Ningyuan was principally engaged in providing medical software development and information technology consultancy services. Shenzhen Ningyuan commenced to engage in the digital healthcare business since 2010 and upon completion of the Reorganization, Shenzhen Ningyuan is now primarily engaged in the provision of our *Hospital Full-Process System* service.

2. Incorporation and acquisition of our major subsidiaries

160 Medicine

On November 23, 2016, Shenzhen Ningyuan acquired 99% and 1% equity interest in 160 Medicine from Liang Yuguang (梁宇光) (then an Independent Third Party, who was a former director of 160 Medicine in the last 12 months and is currently serving as the deputy general manager of Hailiantang Pharmacy after 160 Medicine transferred its pharmaceutical retail business to Hailiantang Pharmacy during the Reorganization) and Guan Runping (關潤平) (an Independent Third Party) at a consideration of RMB2,898,720 and RMB29,280, respectively. The consideration was determined after arm's length negotiation with reference to the then fair value of the intangible assets of 160 Medicine. Upon completion of the acquisition, 160 Medicine became one of our subsidiaries.

During the Track Record Period, 160 Medicine was primarily engaged in the pharmaceutical retail and medical device wholesale business. In order to mitigate the adverse impact of a bank account restriction imposed on 160 Medicine since November 2022 in relation to a then ongoing litigation, and to maintain the continuous operation of our pharmaceutical retail business, 160 Medicine transferred its pharmaceutical retail business to Hailiantang Pharmacy during the Reorganization. See "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Revenue

— Sale of Pharmaceutical and Healthcare Products" for details. Meanwhile, 160 Medicine ceased its medical device wholesale business due to its nominal business size and revenue contribution as our medical device wholesale business has been principally carried out through Ruiwentai Medicine. As a result, upon completion of the Reorganization 160 Medicine became an investment holding company within our Group with no actual business operation.

Ruiwentai Medicine

On October 18, 2018, 160 Medicine acquired 75%, 10% and 5% equity interest in Ruiwentai Medicine from Qian Xiaowen (錢曉文), Jin Long (金龍) and Zhang Renyi (張仁儀) (all are Independent Third Parties) at a consideration of RMB1,575,000, RMB210,000 and RMB105,000, respectively. The consideration was determined after arm's length negotiation with reference to the then registered capital of Ruiwentai Medicine. Upon completion of such acquisition, Ruiwentai Medicine was held by 160 Medicine, Qian Xiaowen and Zhang Renyi as to 90%, 5% and 5%, respectively. Ruiwentai Medicine has been primarily engaged in the pharmaceutical and medical device wholesale business since the acquisition.

On October 9, 2021, 160 Medicine further acquired the remaining 10% equity interest in Ruiwentai Medicine from Qian Xiaowen and Zhang Renyi at a consideration of RMB108,548 and RMB108,548, respectively. The consideration was determined after arm's length negotiation with reference to the then registered capital of Ruiwentai Medicine. Upon completion of the acquisition, Ruiwentai Medicine became a directly wholly-owned subsidiary of 160 Medicine.

Hailiantang Pharmacy

Please refer to "— Corporate Reorganization — Onshore Reorganization — 5. Acquisition of Hailiantang Pharmacy" for details relating to the acquisition of Hailiantang Pharmacy.

Please refer to "— Our Major Subsidiaries" in this section for details relating to the incorporation of our other major subsidiaries.

3. Conversion into joint stock company and prior quotation on the NEEQ

In preparation for the quotation on the NEEQ, Shenzhen Ningyuan was converted from a company with limited liability to a joint stock company on August 12, 2015. Upon the conversion, Shenzhen Ningyuan had a registered capital of RMB51,600,000 comprising 51,600,000 shares with a nominal value of RMB1 each, which were subscribed by all the then shareholders in proportion to their respective equity interests in Shenzhen Ningyuan immediately prior to such conversion. Shenzhen Ningyuan became quoted on the NEEQ on December 15, 2015 (NEEQ: 834750).

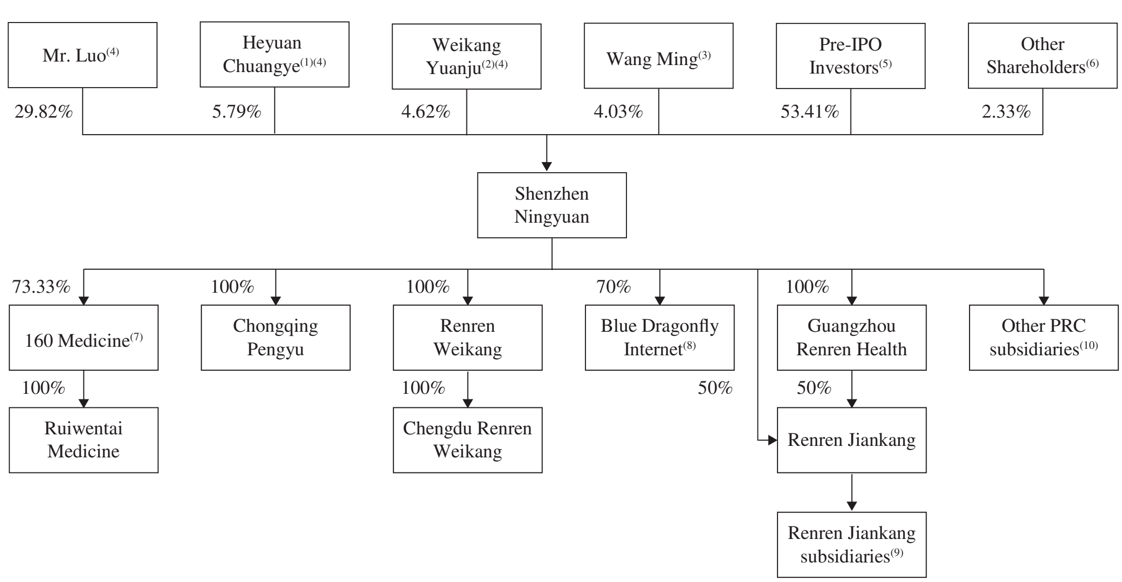
However, in consideration of future business strategy and the costs of maintaining the listing status on the NEEQ, Shenzhen Ningyuan voluntarily ceased to be quoted on the NEEQ on June 13, 2018.

Our Directors confirm, with the Joint Sponsors concurring, that during the period when Shenzhen Ningyuan was quoted on the NEEQ and up to the de-listing therefrom or in connection with the de-listing, (i) Shenzhen Ningyuan had been in compliance with all applicable laws and regulations as well as rules and regulations of the NEEQ in all material respects; (ii) Shenzhen Ningyuan had not been subject to any disciplinary action by the relevant regulators or any material litigation in this respect; (iii) the directors, supervisors and subsidiaries of Shenzhen Ningyuan had not been subject to any administrative penalty by the NEEQ or the CSRC; and (iv) there are no other issues that need to be brought to the attention of our Shareholders, potential investors or the Stock Exchange.

Our Company is seeking to list our Shares on the Stock Exchange in order to utilize the overseas financing platforms to enhance our competitive strengths, raise capital for our business development, and further optimize our capital structure. Our Directors are also of the view that the Listing will further enhance our business profile and thus our ability to attract new customers, business partners and strategic investors as well as to recruit, motivate and retain talents for our Group's business. For further details, see "Business — Our Business Strategies" and "Future Plans and Use of Proceeds" in this prospectus.

CORPORATE REORGANIZATION

In preparation for the Global Offering and in order to streamline our corporate structure, we underwent the Reorganization, pursuant to which our Company became the holding company of our current business. Set out below is the corporate structure of our Group immediately prior to the Reorganization:



Notes:

(1) Heyuan Chuangye is owned by Mr. Luo and Shenzhen Weikang Renren Investment Consultation Co., Ltd. (深圳市維康仁仁投資諮詢有限公司) ("**Weikang Renren**") as to 98.81% and 1.19%, respectively. Weikang Renren is owned by Mr. Luo and Luo Ningli (羅寧理) (the brother of Mr. Luo) as to 99% and 1%, respectively.

(2) Weikang Yuanju is owned by Mr. Luo, Luo Ningli and Weikang Renren as to 98%, 1% and 1%, respectively.

(3) Wang Ming (王明) is our employee and a director of Shenzhen Ningyuan.

(4) After Shenzhen Ningyuan ceased to be quoted on the NEEQ in June 2018 but before the Reorganization, Mr. Luo had conducted a series of share repurchases and share transfers in Shenzhen Ningyuan, which resulted in Mr. Luo's direct and indirect shareholding interests in Shenzhen Ningyuan to be 40.23% before the Reorganization.

(5) See "— Pre-IPO Investments — 4. Information on the Pre-IPO Investors" in this section for details of the Pre-IPO Investors (except for Shenzhen Chengyu, Zhonghui Management and LSJC Holdings which invested in our Group after the Reorganization).

(6) Wuhan Ruer Equity Investment Fund Management Center (Limited Partnership) (武漢如爾股權投資基金管理中心(有限合夥)) and Wuhan Guanggu Hospital Corporation Limited (武漢光谷醫院股份有限公司), holding 1.28% and 1.05% equity interest in Shenzhen Ningyuan before the Reorganization, respectively, are Independent Third Parties and did not flip up their shareholdings in Shenzhen Ningyuan to our Company during the Reorganization.

(7) Prior to the Reorganization, the remaining 26.67% equity interest in 160 Medicine was held by Qifu Hongtai (an Independent Third Party), Qifu Honglian (a then substantial shareholder of 160 Medicine), Guangdong Langge (an Independent Third Party) and Shenzhen Longjun (an Independent Third Party) as to 4.77%, 17.14%, 2.38% and 2.38%, respectively. 160 Medicine became our wholly-owned subsidiary after the Reorganization. See "— Onshore Reorganization — 4. Acquisition of minority interests in 160 Medicine" for details.

(8) The remaining 30% equity interest in Blue Dragonfly Internet was held by Hunan Blue Dragonfly Asset Management Partnership (Limited Partnership) (湖南省藍蜻蜓資產管理合夥企業(有限合夥)) (a substantial shareholder of Blue Dragonfly Internet) and Peng Fang (彭訪) (a director of Blue Dragonfly Internet) as to 25% and 5%, respectively.

(9) Renren Jiankang subsidiaries included:

(a) Shenzhen Yimengwang Information Technology Co., Ltd. (深圳醫盟網信息技術有限公司), which was owned by Renren Jiankang and Luo Yincan (羅銀燦) (an Independent Third Party) as to 60% and 40%, respectively;

(b) Shenzhen Anxin Technology Co., Ltd. (深圳市安欣科技有限公司), which was owned by Renren Jiankang, Shenzhen Qifu Zhonglian Investment Management Partnership (Limited Partnership) (深圳市啟賦眾聯投資管理合夥企業(有限合夥)) (an associate of Fu Zhekuan, a substantial Shareholder of our Company), Shenzhen Zhonganxin Limited Corporation (Limited Partnership) (深圳市眾安欣有限企業(有限合夥)) and Li Ting (李庭) (all are Independent Third Parties) as to 76.90%, 10.00%, 9.99% and 3.11%, respectively;

(c) Leting Medical Technology (Shenzhen) Co., Ltd. (樂庭醫學科技(深圳)有限公司), which was owned by Renren Jiankang and Shenzhen Yichelian Internet Technology Co., Ltd. (深圳市易車聯網絡科技有限公司), (an Independent Third Party) as to 60% and 40%, respectively;

(d) Shenzhen Wuchuang Health Consultation Management Co., Ltd. (深圳市五創健康諮詢管理有限公司) ("**Wuchuang Consultation**"), which was owned by Renren Jiankang, Li Dongping (李東平), Shenzhen Wuchuang Health Management Corporation (Limited Partnership) (深圳市五創健康管理企業(有限合夥)) and Li Kangwu (李康武) (all are Independent Third Parties) as to 55.80%, 24.10%, 15.83% and 4.27%, respectively; and

(e) Shenzhen Wuchuang Health Management Co., Ltd. (深圳市五創健康管理有限公司), which was wholly-owned by Wuchuang Consultation.

(10) Other PRC subsidiaries included the following wholly-owned subsidiaries ((a) to (h)) and a non-wholly owned subsidiary ((i)):

(a) 160 Internet;

(b) Qingdao Renren'ai Medicine Technology Co., Ltd. (青島人人愛醫藥科技有限公司) (formerly known as Qingdao Ningyuan Technology Co., Ltd. (青島寧遠科技有限公司));

(c) Shanghai Beiguang Internet Technology Co., Ltd. (上海貝廣網絡科技有限公司);

(d) Shenzhen Xiaoliu Catering Management Co., Ltd. (深圳市小六餐飲管理有限公司);

(e) Beijing Weikang Ningyuan Internet Technology Co., Ltd. (北京維康寧遠網絡科技有限公司);

(f) Shenzhen Yilu Health Technology Co., Ltd. (深圳市壹陸健康科技有限公司);

(g) Shenzhen 160 Online Hospital Co., Ltd. (深圳市一六零網上醫院有限公司);

(h) Shenzhen Renren Doctor Group Co., Ltd. (深圳人人醫生集團有限公司), which was held by Shenzhen Ningyuan and Renren Jiankang as to 90% and 10%, respectively; and

(i) Jiangsu Huiyi, which was owned by Shenzhen Ningyuan and Jiangsu Banma Life Information Technology Co., Ltd. (江蘇斑馬生活信息科技有限公司) (an Independent Third Party) as to 51% and 49%, respectively.

Offshore Reorganization

1. Incorporation of our Company

On January 31, 2022, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. The initial authorized share capital of our Company was US$50,000 divided into 5,000,000,000 Shares of US$0.00001 par value each.

Upon incorporation, one Share was allotted and issued at par value to our initial subscriber. On the even date, our initial subscriber transferred its one Share to Ming Holdings Limited and our Company further allotted and issued 32,047,692 Shares to the following Shareholders at nominal consideration to reflect their onshore shareholdings. The shareholding structure of our Company upon completion of such Share transfer and issuance was set forth below:

Name of the Shareholders[(1)]	**Number of Shares held**	**Percentage to the issued share capital of our Company**
Luo Holdings Limited	24,680,444	77.01%
Ming Holdings Limited	2,347,333	7.32%
Ineffable Dream Limited	1,256,047	3.92%
Gorgeous Ocean Holding Limited	1,022,815	3.19%
QF Morris Limited	627,898	1.96%
WL Management Limited	568,219	1.77%
YYN Holdings Limited	255,243	0.80%

Name of the Shareholders[1]	Number of Shares held	Percentage to the issued share capital of our Company
FJH Limited	155,955	0.49%
HXY Limited	100,000	0.31%
HFZ HOLDING LIMITED	51,049	0.16%
GC Management Limited	51,049	0.16%
LNL Limited	38,765	0.12%
XBK Limited	31,153	0.10%
CSH Management Limited	25,000	0.08%
Entities controlled by Fu Zhekuan		
QF FZK Limited	581,480	1.81%
LFL Limited	255,243	0.80%
Sub-total	*836,723*	*2.61%*
	32,047,693	**100%**

Note:

(1) For details of the Shareholders of our Company, please see "— Capitalization of our Company" below.

2. *Incorporation of offshore subsidiaries*

On February 8, 2022, 160 Health Management was incorporated in the BVI authorized to issue a maximum of 50,000 shares of US$1.00 par value each. On the same day, one share was allotted and issued to our Company for a consideration of US$1.00, and 160 Health Management became a directly wholly-owned subsidiary of our Company.

On February 22, 2022, 160 Health (HK) was incorporated in Hong Kong with a total issued share capital of HK$1.00. On the same day, one share was allotted and issued to 160 Health Management for a consideration of HK$1.00, and 160 Health (HK) became an indirectly wholly-owned subsidiary of our Company.

On June 21, 2022, Blue Dragonfly Management was incorporated in the BVI authorized to issue a maximum of 50,000 shares with a par value of US$1.00 each. On July 14, 2022, one share was allotted and issued to our Company for a consideration of US$1.00, and Blue Dragonfly Management became a directly wholly-owned subsidiary of our Company.

On July 14, 2022, Blue Dragonfly (HK) was incorporated in Hong Kong with a total issued share capital of HK$1.00. On the same day, one share was allotted and issued to Blue Dragonfly Management for a consideration of HK$1.00, and Blue Dragonfly (HK) became an indirectly wholly-owned subsidiary of our Company.

3. *Adoption of the Pre-IPO Share Option Scheme and related Share transfers*

Our Company adopted the Pre-IPO Share Option Scheme on August 31, 2023. Following the adoption of the Pre-IPO Share Option Scheme and as of the Latest Practicable Date, options to subscribe for 6,236,917 Shares (or 31,184,585 Shares as adjusted after the Share Subdivision), including options to subscribe for 2,897,598 new Shares and to acquire 3,339,319 existing Shares held by the trustee (or 14,487,990 new Shares and 16,696,595 existing Shares as adjusted after the Share Subdivision), representing 9.27% of the issued share capital of our Company immediately after the Share Subdivision and the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the Pre-IPO Share Option Scheme), had been conditionally granted to 105 grantees. Pursuant to the terms of the Pre-IPO Share Option Scheme, the grantees shall not exercise the pre-IPO share options prior to the Listing. No further options may be granted under the Pre-IPO Share Option Scheme after the Listing.

In respect of the existing Shares under the Pre-IPO Share Option Scheme, on October 20, 2023, (i) Luo Holdings Limited transferred 574,014 Shares and 2,763,305 Shares to 160 Health Future and 160 Future, respectively, and (ii) Ming Holdings Limited transferred 2,000 Shares to 160 Future. 160 Future and 160 Health Future are wholly-owned by Kastle Limited, which as the trustee, holds an aggregate of 3,339,319 existing Shares (or 16,696,595 existing Shares as adjusted after the Share Subdivision) on trust for the benefit of eligible participants under the Pre-IPO Share Option Scheme.

For details, see "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme."

4. *Further allotment and issuance of Shares*

On October 20 and November 21, 2023, our Company allotted and issued an aggregate of 29,279,498 Shares to the following institutional Shareholders at nominal consideration to reflect their onshore shareholdings (except for LSJC Holdings who made its Pre-IPO Investment directly in our Company).

Name of the Shareholders[(1)]	Number of Shares allotted and issued	Percentage to the issued share capital of our Company
CX 160	2,690,734	4.44%
Shenzhen Chengyu	1,039,069	1.72%
LSJC Holdings	1,039,069	1.72%
Huzhou Yashang	688,000	1.14%
Zhuhai Xuhua	533,189	0.88%
JYQ Holding	510,486	0.84%
Shenzhen Yuanzhi	412,796	0.68%
Yingxin Guofu	343,997	0.57%
HQYZ	255,243	0.42%
Zhonghui Management	207,814	0.34%
Lezhi Xiamen	204,194	0.34%
Shenzhen Longjun	124,613	0.21%

Name of the Shareholders[1]	Number of Shares allotted and issued	Percentage to the issued share capital of our Company
Entities ultimately controlled by Fu Zhekuan		
QF CY	3,579,802	5.91%
QF ZSCY	2,690,734	4.44%
QF CXHL	826,978	1.37%
QF JR	825,593	1.36%
YINKANG	765,728	1.26%
QF HL	510,486	0.84%
QF HT	304,169	0.50%
Sub-total	*9,503,490*	*15.69%*
CoStone Capital entities		
Wuhu Linghang	2,609,775	4.31%
Guangzhou Lingkang	1,322,553	2.18%
Sub-total	*3,932,328*	*6.49%*
Share Capital entities		
Fenxiang Zeshan	1,276,214	2.11%
Fenxiang Yidao	1,276,214	2.11%
Sub-total	*2,552,428*	*4.21%*
Shenzhen Toposcend entities		
Shenzhen Toposcend	1,148,593	1.90%
Chongqing Southern Fund	758,063	1.25%
Sub-total	*1,906,656*	*3.15%*
Yingchengxin entities		
Jiangsu Jiequan	740,558	1.22%
Nanjing Furui	555,391	0.92%
Sub-total	*1,295,949*	*2.14%*
Qingdao Litan entities		
Qingdao Litan Haipeng	681,282	1.12%
Qingdao Litan	592,432	0.98%
Sub-total	*1,273,714*	*2.10%*
Zero2IPO entities		
Zero2IPO Jiaqi	255,243	0.42%
Zero2IPO Yiju	255,243	0.42%
Zero2IPO Xiaochi	255,243	0.42%
Sub-total	*765,729*	*1.26%*
Total	**29,279,498**	**48.34%**

Note:

(1) For details of the Shareholders of our Company, please see "— Capitalization of our Company" below.

5. Share Subdivision

On September 3, 2025, the authorized share capital of our Company was resolved to be subdivided from US$50,000 divided into 5,000,000,000 Shares with a par value of US$0.00001 each to US$50,000 divided into 25,000,000,000 Shares with a par value of US$0.000002 each, effective immediately prior to the Listing.

For details of the shareholding structure of our Company as of the date of this prospectus, please see "— Capitalization of our Company" below.

Onshore Reorganization

1. Incorporation of Zhejiang Renren'ai, Weikang Zhiyuan and Weikang Lanyuan

On April 27, 2022, Zhejiang Renren'ai was incorporated as a wholly-foreign owned enterprise with a registered capital of US$30,000,000, which was wholly-owned by 160 Health (HK).

On June 30, 2022, Weikang Zhiyuan was incorporated with a registered capital of RMB20,000,000, which was owned by Zhejiang Renren'ai and Jianchen Technology as to 50% and 50%, respectively.

On April 18, 2023, Weikang Lanyuan was incorporated with registered capital of US$5,000,000, which was wholly-owned by Blue Dragonfly (HK).

2. Share transfer of our onshore subsidiaries

To address the PRC foreign ownership restrictions or prohibition under the Foreign Investment Catalog in the PRC and to comply with the requirements of the Stock Exchange for corporate structure, we underwent the following corporate restructurings.

(a) Transfer of non-prohibited or non-restricted business to 160 Internet

From May 9, 2023 to August 22, 2023, we went through a series of equity transfers, pursuant to which the following PRC subsidiaries, which are principally engaged in non-prohibited or non-restricted business, were transferred to 160 Internet. The details are listed below:

Name of the companies transferred	Date of the transfer	Principal business activities	Consideration[1]
Shenzhen Xiaoliu Catering Management Co., Ltd. (深圳市小六餐飲管理有限公司)	May 9, 2023	Catering services	RMB1 million
Renren Jiankang	May 16, 2023	Investment holding	RMB2.5 million
Beijing Weikang Ningyuan Internet Technology Co., Ltd. (北京維康寧遠網絡科技有限公司)	May 16, 2023	Investment holding	RMB0.5 million
Guangzhou Renren Health	May 25, 2023	Investment holding	RMB1 million

Name of the companies transferred	Date of the transfer	Principal business activities	Consideration[(1)]
Qingdao Renren'ai Medicine Technology Co., Ltd. (青島人人愛醫藥科技有限公司) (formerly known as Qingdao Ningyuan Technology Co., Ltd. (青島寧遠科技有限公司))	May 25, 2023	Provision of promotional services for digital healthcare and wellness solutions	RMB30 million
Chongqing Pengyu	May 25, 2023	Provision of promotional services for digital healthcare and wellness solutions	RMB50 million
Shanghai Beiguang Internet Technology Co., Ltd. (上海貝廣網絡科技有限公司)	June 1, 2023	Investment holding	RMB1 million
160 Medicine	August 22, 2023	Investment holding	RMB2.2 million

Note:

(1) The consideration was determined with reference to the registered capital of the companies transferred.

(b) Capital increase in 160 Internet

On August 29, 2023, a capital increase agreement was entered into between 160 Internet and CHUANYAN HOLDINGS LIMITED ("**CHUANYAN**"), an Independent Third Party, pursuant to which CHUANYAN agreed to invest RMB160,000 in 160 Internet. Upon completion of the aforementioned capital increase, the registered capital of 160 Internet was increased from RMB3,000,000 to RMB3,160,000 and 160 Internet became a foreign-invested entity, which was held by Shenzhen Ningyuan and CHUANYAN as to 94.94% and 5.06%, respectively.

(c) Acquisition of 160 Internet by Zhejiang Renren'ai

On November 22, 2023, Zhejiang Renren'ai acquired 100% equity interest in 160 Internet from Shenzhen Ningyuan and CHUANYAN at RMB1,000,000 and RMB160,000, respectively. Upon completion of such equity transfer, 160 Internet became a wholly-owned subsidiary of Zhejiang Renren'ai.

(d) Equity transfer in Renren Weikang

On May 30, 2023, 160 Internet and Jianchen Technology acquired 90% and 10% equity interest in Renren Weikang from Shenzhen Ningyuan at a consideration of RMB9 million and RMB1 million, respectively. The consideration was determined with reference to the registered share capital of Renren Weikang. Upon completion of such equity transfer, Renren Weikang is owned by 160 Internet and Jianchen Technology as to 90% and 10%, respectively.

3. Entering into of the Contractual Arrangements

Upon completion of the offshore Shares issuances, the Registered Shareholders entered into the Contractual Arrangements with the WFOE and the Consolidated Affiliated Entities to transfer substantially all of the economic benefits in the Consolidated Affiliated Entities to our Group.

On August 11, 2023, we entered into the Contractual Arrangements with Weikang Zhiyuan and its Registered Shareholder.

On August 11, 2023, we entered into the Contractual Arrangements with Renren Weikang and its Registered Shareholder.

On October 20, 2023, we entered into the Contractual Arrangements with Shenzhen Ningyuan and its Registered Shareholders.

For details, see "Contractual Arrangements" in this prospectus.

4. Acquisition of minority interests in 160 Medicine

On August 16, 2023, several equity transfer agreements were entered into by Renren Jiankang, Shenzhen Longjun, Qifu Honglian, Qifu Hongtai and Guangdong Langge, pursuant to which Renren Jiankang agreed to acquire 2.38%, 17.14%, 4.77% and 2.38% of the equity interest in 160 Medicine from Shenzhen Longjun, Qifu Honglian, Qifu Hongtai and Guangdong Langge at a nominal consideration, which was determined after arm's length negotiation among the parties with reference to the nominal consideration that the offshore affiliates of the transferors subscribed for our Shares at the offshore level. Upon completion of such equity transfer, 160 Medicine was held by 160 Internet and Renren Jiankang as to 73.33% and 26.67%, respectively and therefore became a wholly-owned subsidiary of our Company.

5. Acquisition of Hailiantang Pharmacy

On December 30, 2022, in order to maintain the continuous operation of our pharmaceutical retail business previously carried out by 160 Medicine as described above under "— Our Corporate Development — 2. Incorporation and acquisition of our major subsidiaries — 160 Medicine," Zhejiang Renren'ai entered into an equity acquisition agreement with Mao Wen (毛文) and Hailiantang Pharmacy, pursuant to which Renren'ai Health agreed to acquire 51% equity interest in Hailiantang Pharmacy at a consideration of RMB382,500, which was determined after arm's length negotiation among the parties with reference to a valuation report issued by an independent professional valuer. Upon the completion of such acquisition, Hailiantang Pharmacy became a non-wholly owned subsidiary of our Company.

On December 27, 2023, with a view to continuously carrying out our pharmaceutical retail business through Hailiantang Pharmacy going forward, Renren'ai Health entered into an equity transfer agreement with Mao Wen to further acquire the remaining 49% equity interest in Hailiantang Pharmacy at a consideration of RMB367,500, which was determined after arm's length negotiation between the parties with reference to a valuation report issued by an independent professional valuer. Upon the completion of such equity transfer, Hailiantang Pharmacy became a wholly-owned subsidiary of our Company.

Our acquisitions of Hailiantang Pharmacy during the Track Record Period do not constitute an acquisition of a material subsidiary under Rule 4.05A of the Listing Rules.

6. Disposal of Jiangsu Huiyi

On January 13, 2023, Shenzhen Ningyuan transferred its 51% equity interest in Jiangsu Huiyi to Shenzhen Zhongtai Information Technology Co., Ltd. (深圳市中泰信息技術有限公司) (an Independent Third Party) at a nominal consideration which was determined after arm's length negotiation with reference to the negative net asset of Jiangsu Huiyi. Jiangsu Huiyi was primarily engaged in the provision of health insurance management service prior to our disposal, and we disposed of it to focus our resources on our core business.

7. Deregistration of non-operating PRC subsidiaries

To optimize our management and other resources and to focus on our core business, we deregistered our PRC subsidiaries with no business operations. The details of the deregistration are set forth below:

Name of the deregistered companies	Date of deregistration
Shenzhen Yilu Health Technology Co., Ltd. (深圳市壹陸健康科技有限公司)	July 28, 2023
Shenzhen Renren Doctor Group Co., Ltd. (深圳人人醫生集團有限公司)	August 1, 2023
Shenzhen 160 Online Hospital Co., Ltd. (深圳市一六零網上醫院有限公司)	August 2, 2023
Zhuhai Hengqin Weikang Zhiyuan Technology Company (珠海橫琴維康致遠科技有限公司)	August 8, 2025

VOTING DEED

On August 7, 2024, Mr. Luo and Ming Holdings Limited entered into the Voting Deed, which became effective immediately until Ming Holdings Limited no longer holds any Shares of our Company. Pursuant to the Voting Deed, (i) Ming Holdings Limited has exclusively, irrevocably and unconditionally granted Mr. Luo, as its lawful attorney, a voting proxy over all the Shares held by it; and (ii) Mr. Luo shall have the right to vote the Shares under proxy, in his sole discretion, on all matters submitted to a meeting of Shareholders or on written resolutions to be voted on by Shareholders, subject to compliance with the Articles of Association, the Listing Rules and other applicable laws.

PRE-IPO INVESTMENTS

1. Overview

The principal terms of the Pre-IPO Investments are summarized below:

	Series Angel	Series A	Series B		Series C1	Series C2	Series C+		Series D1		Series D2		Series E
Name of the Pre-IPO Investors	(A) QF CY[11] & (B) Wang Senlin (王森林)[4][13]	(A) CX 160[11], QF ZSCY[11] & (B) Fu Zhekuan (傅哲寬)[3]	Wuhu Linghang & Guangzhou Lingkang	Zhou Wen (周文)[4]	QF JR[11] & Huzhou Yashang	Shenzhen Yuanzhi	Jiangsu Jiequan	Zhuhai Xuhua	Shenzhen Toposcend	(A) Qingdao Litan & (B) Chen Shaohuai (陳少懷)[4]	(A) Chongqing Southern Fund & (B) Weikang Kairui[12]	Other series D2 investors[5]	(A) Shenzhen Chengyu[11], (B) Zhonghui Management[11] & (C) LSJC Holdings
Date of the relevant agreement with the Pre-IPO Investors	March 22, 2012	(A) May 6, 2014 & (B) November 11, 2014	March 12, 2015	January 20, 2015	September 30, 2016	January 5, 2017	January 12, 2019	March 20, 2019	December 18, 2020	December 10 & 28, 2020	(A) December 12, 2021 & (B) May 25, 2021	From March 23, 2021 to December 28, 2021	(A) January 11, 2023, (B) May 12, 2023 & (C) November 16, 2023

	Series Angel	Series A	Series B		Series C1	Series C2	Series C+		Series D1		Series D2		Series E
Date on which the consideration was fully settled	(A) April 18, 2012 & (B) April 18, 2012	(A) May 13, 2014 & (B) November 11, 2014	March 19, 2015	January 20, 2015	October 19 & 20, 2016	March 30, 2017	November 20, 2019	March 27, 2019	December 30, 2020	(A) January 8, 2021 & (B) December 30, 2020	(A) January 13, 2022 & (B) May 10, 2021	December 28, 2021	(A) January 13, 2023, (B) May 16, 2023 & (C) November 28, 2023
Amount of the relevant Pre-IPO Investment (in RMB)	(A) 3.5 million & (B) 1 million	(A) 20 million & (B) 2.16 million	60 million	6 million	Approx. 44 million	Approx. 12 million	30 million	8 million	Approx. 50 million	(A) 20 million & (B) 1 million	Approx. (A) 33 million & (B) 7.18 million	Approx. 254.44 million	(A) 50 million, (B) 10 million & (C) 50 million
Approximate cost per share paid[(1)]	(A) RMB0.20 & (B) RMB0.20	RMB0.74	RMB3.05	RMB0.95[(7)]	RMB5.81	RMB5.81	RMB8.10	RMB3.00[(8)]	RMB8.71	(A) RMB6.75[(9)] & (B) RMB8.00[(10)]	(A) RMB8.71 & (B) RMB5.10[(12)]	RMB7.15[(5)]	(A) RMB9.62, (B) RMB9.62 & (C) RMB9.62
Discount to the Offer Price[(2)]	(A) 98.36% & (B) 98.36%	93.93%	74.98%	92.21%[(7)]	52.34%	52.34%	33.55%	75.39%[(8)]	28.54%	(A) 44.62%[(9)] & (B) 34.37%[(10)]	(A) 28.54% & (B) 58.16%[(12)]	41.34%[(5)]	(A) 21.08%, (B) 21.08% & (C) 21.08%
Lock-up	The Shares held by the Pre-IPO Investors are subject to a lock-up period of twelve months after the Listing.												

	Series Angel	Series A	Series B	Series C1	Series C2	Series C+	Series D1	Series D2	Series E
Basis of determining the consideration paid	The consideration for each of the Pre-IPO Investments was determined based on arm's length negotiations with the Pre-IPO Investors after taking into consideration the timing of the subscription (i.e., the market condition at the time the respective Pre-IPO Investors invested in our Company), the liquidity of the shares of our Company as a private company, the status of our business operation and growth (i.e., business scale of our Group), strategic value-add which the relevant Pre-IPO Investors might potentially bring to our Company and the reasonableness of the corresponding valuation of our Company when the Pre-IPO Investments were made.								
Use of proceeds from the Pre-IPO Investments	We utilized the proceeds from the Pre-IPO Investments for the development and operation of our Group as well as for general working capital purposes. As of the Latest Practicable Date, we had utilized 100% of the proceeds from the Pre-IPO Investments.								
Strategic benefits the Pre-IPO Investors brought to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that our Group would benefit from the additional capital provided by the Pre-IPO Investors and their industry knowledge and experience.								

Notes:

(1) The cost per Share paid by the Pre-IPO Investors was calculated based on the amount of investment made by the relevant Pre-IPO Investors and number of Shares allotted to them immediately upon completion of the Share Subdivision and the Global Offering.

(2) Assuming the Offer Price is fixed at HK$13.37, being the mid-point of the indicative Offer Price range.

(3) Fu Zhekuan acquired 1.49% equity interest in Shenzhen Ningyuan from Mao Jinggang (毛勁剛). Fu Zhekuan is the ultimate beneficial owner of QF CY, QF ZSCY, QF JR, QF HL and YINKANG.

(4) These individual Pre-IPO Investors are Independent Third Parties.

(5) From March 23, 2021 to December 28, 2021, 7,117,343 shares in Shenzhen Ningyuan held by (a) Weikang Yuanju and Heyuan Chuangye (owned by Mr. Luo as to 99% and 100%, respectively) (b) Shenzhen Yingxin Decheng No. 1 Investment Management Corporation (Limited Partnership) (深圳市盈信德誠一號投資管理企業(有限合夥)) ("**Yingxin Decheng**"), and (c) Shenzhen Weikang Ningyuan Entrepreneurship Investment Corporation (Limited Partnership) (深圳市維康寧遠創業投資企業(有限合夥)) ("**Weikang Ningyuan**") were transferred to certain individual and institutional Pre-IPO Investors pursuant to a series of share transfer agreements, at considerations determined after arm's length negotiation between the relevant parties on normal commercial terms, and where applicable, taking into account an agreed-upon discount to the subscription price for new shares in the same series of Pre-IPO Investment. Details of the share transfers are set forth below:

Pre-IPO Investors (transferees)	Transferors	Number of shares transferred	Total consideration paid by the Pre-IPO Investors (Approx.) (in RMB)
Qingdao Litan Haipeng	Heyuan Chuangye	681,282	23 million
YINKANG(11)	Heyuan Chuangye	382,864	15 million
HQYZ(11)	Heyuan Chuangye	255,243	10 million
Huang Xiyin (黃錫銀)(4)	Heyuan Chuangye	100,000	3.8 million
YINKANG(11)	Weikang Yuanju	382,864	15 million
Fenxiang Zeshan	Weikang Yuanju	1,276,214	50 million
Fenxiang Yidao	Weikang Yuanju	1,276,214	50 million
Lezhi Xiamen	Weikang Yuanju	204,194	8 million
Zero2IPO Yiju	Weikang Yuanju	255,243	10 million
Zero2IPO Xiaochi	Weikang Yuanju	255,243	10 million
Zero2IPO Jiaqi	Weikang Yuanju	255,243	10 million
JYQ Holding(11)	Weikang Yuanju	510,486	20 million
Yu Yanni (余燕妮)(4)	Weikang Yuanju	255,243	10 million
Huang Fanzhi (黃反之)(4)	Weikang Yuanju	51,049	2 million
Zhang Ruxie (張如協)(6)	Weikang Yuanju	76,573	3 million
Nanjing Furui	Weikang Ningyuan	555,391	4.65 million
Yingxin Guofu	Yingxin Decheng	343,997	10 million

(6) Zhang Ruxie is our non-executive Director.

(7) Zhou Wen acquired 3.23% equity interest in Shenzhen Ningyuan from Mr. Luo. The consideration was determined after arm's length negotiation between Zhou Wen and Mr. Luo on normal commercial terms and taking into account an agreed-upon discount to the subscription price for new shares in the same series of Pre-IPO Investment.

(8) Zhuhai Xuhua acquired 533,189 shares in Shenzhen Ningyuan from Wang Ming. The consideration was determined after arm's length negotiation between Zhuhai Xuhua and Wang Ming on normal commercial terms and taking into account an agreed-upon discount to the subscription price for new shares in the same series of Pre-IPO Investment.

(9) Qingdao Litan acquired 592,432 shares in Shenzhen Ningyuan from Mr. Luo. The consideration was determined after arm's length negotiation between Qingdao Litan and Mr. Luo on normal commercial terms and taking into account an agreed-upon discount to the subscription price for new shares in the same series of Pre-IPO Investment.

(10) Chen Shaohuai acquired 25,000 shares in Shenzhen Ningyuan from Wang Ming. The consideration was determined after arm's length negotiation between Chen Shaohuai and Wang Ming on normal commercial terms and taking into account an agreed-upon discount to the subscription price for new shares in the same series of Pre-IPO Investment.

(11) These Pre-IPO investors held equity interests in Shenzhen Ningyuan through their respective onshore affiliates prior to the Reorganization.

(12) Weikang Kairui acquired 1,913,301 shares in Shenzhen Ningyuan from a former investor, Zhonghang Trust Co., Ltd. (中航信託股份有限公司) ("**Zhonghang Trust**"). The consideration was determined after arm's length negotiation between Weikang Kairui and Zhonghang Trust on normal commercial terms and taking into account an agreed-upon discount to the subscription price for new shares in the same series of Pre-IPO Investment. Weikang Kairui is a limited partnership registered under the laws of the PRC with Weikang Renren Investment Consultation Co., Ltd. (深圳市維康仁仁投資諮詢有限公司) acting as the general partner and Mr. Luo, Luo Ningli, Zhang Ruxie, Lin Fangli, Gou Chao and Qifu Hulian as limited partners. During the Reorganization, Weikang Kairui flipped up its shareholding in Shenzhen Ningyuan to the respective offshore holding company of its general and limited partners, including Luo Holdings Limited, LNL Limited, QF Morris Limited, LFL Limited, GC Management Limited and QF HL.

(13) On March 22, 2012, Beijing Apurui Investment Consultation Co., Ltd. (北京阿普瑞投資諮詢有限公司) ("**Beijing Apurui**"), which is wholly-owned by Wang Senlin, subscribed for 3.60% equity interest in Shenzhen Ningyuan at a consideration of RMB1 million. Subsequently on June 20, 2022, Beijing Apurui transferred its shares in Shenzhen Ningyuan to Wang Senlin.

2. Rights of the Pre-IPO Investors

We grant customary special rights to the Pre-IPO Investors, including among other things, divestment rights, right of first refusal, anti-dilution rights and prior consent for certain corporate actions. All the special rights were terminated in December 2023 and will not be reinstated upon occurrence of events which are beyond the control of the Company. Further, all redemption rights under the Pre-IPO Investments were fully terminated prior to the filing of the application for the Listing to the Stock Exchange and therefore the Group has no further obligation to redeem or repurchase any Shares from the Pre-IPO Investors. Redemption liabilities were derecognized and the amount was credited into equity during the year ended December 31, 2023.

3. Public Float and Free Float

Public Float

Other than the Shares held by (a) QF Morris Limited (investment holding company held by Zhang Ruxie, our non-executive Director), (b) QF FZK Limited, QF CY, QF ZSCY, QF HL, QF JR, YINKANG (all ultimately controlled by Fu Zhekuan) and (c) LFL Limited (investment holding company held by Lin Fangli, the spouse of Fu Zhekuan), the Shares held by the other Pre-IPO Investors will all be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the Listing.

As a result, upon the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme), except for the Shares held by (a) Luo Holdings Limited (an investment holding company owned by Mr. Luo), (b) Ming Holdings Limited, which has entrusted its Shares to Mr. Luo under the Voting Deed, (c) QF HT and QF CXHL (both ultimately controlled by Fu Zhekuan), and (d) the above-mentioned Pre-IPO Investors, including QF Morris Limited, QF FZK Limited, QF CY, QF ZSCY, QF HL, QF JR, YINKANG and LFL Limited, an aggregate of 166,972,685 Shares held by all the other Shareholders, representing approximately 49.63% of the then total issued share capital of our Company, will be counted towards the public float for the purpose of Rule 8.08(1) of the Listing Rules. Hence, our Company will be able to comply with Rule 8.08(1) of the Listing Rules.

Free Float

Rule 8.08A of the Listing Rules provides that, there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (i) represent at least 10% of the total number of issued shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK$600,000,000.

The Company is expected to satisfy the free float requirement under Rule 8.08A(1) of the Listing Rules.

4. Information on the Pre-IPO Investors (*in alphabetical order*)

Set out below are descriptions of our Pre-IPO Investors, which our Company became acquainted with during the course from 2012 to 2023 primarily through (a) our business network and (b) introduction from other Pre-IPO Investors or external financial advisers.

CoStone Capital entities (including Guangzhou Lingkang and Wuhu Linghang)

Each of Guangzhou Lingkang and Wuhu Linghang is a limited partnership registered under the laws of the PRC as investment funds which principally focus on investments in the emerging industries, such as life science and healthcare sectors.

Guangzhou Lingkang is owned as to (i) 4.98% by Urumqi Phoenix Jishi Equity Investment Management Limited Partnership Corporation (烏魯木齊鳳凰基石股權投資管理有限合夥企業) as its general partner, which is in turn indirectly controlled by CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司) ("**CoStone Capital**") and CoStone Capital is ultimately controlled by Zhang Wei (張維), who is the founder of CoStone Capital with extensive investment experience, (ii) 50.25% by Beijing Xianfeng Jishi Equity Investment Management Partnership (Limited Partnership) (北京先鋒基石股權投資管理合夥企業(有限合夥)) ("**Beijing Xianfeng**") as one of its limited partners, which is also in turn indirectly controlled by CoStone Capital and (iii) 44.77% by the other four limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Wuhu Linghang is owned as to (i) 0.04% by Beijing Xianfeng as its general partner and (ii) 99.96% by the other 29 limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

We became acquainted with CoStone Capital in 2015 as it was optimistic about our business prospects and actively approached us for investment opportunity.

CoStone Capital is one of the leading investment firms in the PRC with assets under management of approximately RMB60 billion covering three main sectors: hard & core technology, health & medicine and emerging industries with excellent track records. CoStone Capital has invested in a number of healthcare and medicine related companies, including Mindray Bio-Medical Electronics Co., Ltd. (邁瑞生物醫療電子股份有限公司) (SZSE: 300760), BrightGene Bio-Medical Technology Co., Ltd (博瑞生物醫藥(蘇州)股份有限公司) (SSE: 688166) and Medprin Regenerative Medical Technologies Co., Ltd. (廣州邁普再生醫學科技股份有限公司) (SZSE: 301033).

CX 160

CX 160 is a BVI business company established under the laws of BVI as an investment holding platform principally focusing on investments in the Internet sector. It is wholly-owned by Sanya Caixi, which is a limited partnership registered under the laws of the PRC, with assets under management of approximately RMB88 million. Sanya Caixi is owned as to (i) 99% by Yu Jing (于晶) as its general partner and (ii) 1% by a limited partner. Each of them is an Independent Third Party. We became acquainted with Sanya Caixi through the introduction of Wang Ling, one of our Pre-IPO Investors.

Share Capital entities (including Fenxiang Yidao and Fenxiang Zeshan)

Each of Fenxiang Yidao and Fenxiang Zeshan is a limited partnership registered under the laws of the PRC as investment funds which principally focus on investments in the healthcare sector.

Fenxiang Yidao is owned as to (i) 1.89% by Shenzhen Share Growth Investment Management Co., Ltd. (深圳市分享成長投資管理有限公司) ("**Share Growth Investment**") as its general partner, which is in turn controlled by Bai Wentao (白文濤), (ii) 75.47% by Shenzhen Xutengchuang Enterprise Management Partnership (Limited Partnership) (深圳旭騰創企業管理合夥企業(有限合夥)) as one of its limited partners, which is in turn controlled by Xu Hang (徐航) and (iii) 22.64% by the other two limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Fenxiang Zeshan is owned as to (i) 1% by Share Growth Investment as its general partner, (ii) 45.67% by Ningbo Meishan Free Trade Port Area Fenxiang Zeshan Precision Medical Entrepreneurship Investment Partnership (Limited Partnership) (寧波梅山保稅港區分享擇善精準醫療投資合夥企業(有限合夥)) as one of its limited partners, which is in turn also controlled by Bai Wentao, (iii) 30% by Shenzhen Guidance Fund Investment Co., Ltd. (深圳市引導基金投資有限公司) as one of its limited partners, which is ultimately controlled by Shenzhen Finance Bureau (深圳財政局) of Guangdong Province and (iv) 23.33% by the other two limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Bai Wentao is the founding partner of Share Capital (分享投資). Founded in 2007, Share Capital is one of the longest-standing venture capitals in the PRC. Share Capital has its headquarter in Shenzhen and currently has a professional investment team of around 40 members. Its assets under management amount to approximately RMB10 billion. It specializes in financial investments in early-to-mid stage start-ups, and has an extensive investment portfolio in the healthcare and technology sectors. We became acquainted with Share Capital through the introduction of the external financial advisers.

HQYZ

HQYZ is a BVI business company incorporated under the laws of the BVI and wholly-owned by Zhuhai Hengqin as an investment holding platform which principally focuses on investments in the Internet sector. Zhuhai Hengqin is owned as to (i) 3.33% by Zhuhai Ruizhemiao Commercial Trading Co., Ltd. (珠海睿哲妙商貿有限責任公司) as its general partner, which is in turn owned by Lin Xiaojun (林曉君) and (ii) 96.67% by Lin Xiaojun as its limited partner. Each of them is an Independent Third Party. Zhuhai Hengqin specializes in equity investments in technology and medical industries. We became acquainted with Zhuhai Hengqin through the introduction of the external financial advisers.

Huzhou Yashang

Huzhou Yashang is a limited partnership registered under the laws of the PRC as an investment fund which principally focuses on investments in the technology and manufacturing sectors. Huzhou Yashang is owned as to 1% by Shanghai Yashang Wealth Management Co., Ltd. (上海亞商財富投資管理有限公司) as its general partner, which is a company with assets under management of approximately RMB240 million, and is in turn owned by Chen Qiwei (陳琦偉). Among the limited partners of Huzhou Yashang, Huzhou Yashang is owned as to (i) 48.8% by Shanghai Yashang Light Luxury Investment Center (Limited Partnership) (上海亞商輕奢品投資中心(有限合夥)), which is controlled by Chen Qiwei (陳琦偉), (ii) 30% by Huzhou Wuxing City Investment Development Group Co., Ltd. (湖州吳興城市投資發展集團有限公司), which is indirectly wholly-owned by Huzhou Wuxing District State-owned Capital Supervision and Management Service Center (湖州市吳興區國有資本監督管理服務中心) of Zhejiang Province and (iii) 20.2% by another limited partner. Each of them is an Independent Third Party. Huzhou Yashang is a Chinese venture capital investment fund mainly focusing on private investments in the healthcare and technology sectors in the PRC and Southeast Asia. We became acquainted with Huzhou Yashang through the introduction of Wang Ming.

Individual investors

The following Pre-IPO Investors are investment holding companies incorporated in the BVI and are wholly-owned by the respective individual investors, all of whom are Independent Third Parties (except for Fu Zhekuan (a substantial Shareholder of our Company), Zhang Ruxie (a non-executive Director), Luo Ningli (the brother of Mr. Luo) and Lin Fangli (the spouse of Fu Zhekuan)). We became acquainted with the following individual investors primarily through personal relationship and the introduction of other Pre-IPO Investors or external financial advisers.

Name of the investment holding companies	Shareholder
QF FZK Limited	Fu Zhekuan
Ineffable Dream Limited	Zhou Wen
CSH Management Limited	Chen Shaohuai
HXY Limited	Huang Xiyin
YYN Holdings Limited	Yu Yanni
HFZ HOLDING LIMITED	Huang Fanzhi
QF Morris Limited	Zhang Ruxie
WL Management Limited	Wang Ling
Gorgeous Ocean Holding Limited	Wang Senlin
LFL Limited	Lin Fangli
GC Management Limited	Gou Chao
LNL Limited	Luo Ningli

JYQ Holding

JYQ Holding is a BVI business company established under the laws of BVI as an investment holding platform which principally focuses on investments in the software and artificial intelligence sectors and wholly-owned by Tianxin Jiuyue. Tianxin Jiuyue is a limited partnership registered under the laws of the PRC and is owned as to (i) 1% by Hunan Jiuyuequan Private Equity Fund Management Co., Ltd. (湖南玖玥泉私募股權基金管理有限公司) ("**Jiuyuequan Fund**") as its general partner, which is an investment fund with assets under management of approximately RMB2.2 billion, and is in turn owned as to 45.4% by Peng Lizhong (彭立中), an Independent Third Party, (ii) 68% by Changsha Huangyue Enterprise Management Partnership (Limited Partnership) (長沙凰玥企業管理合夥企業 (有限合夥)) as one of its limited partners, which is in turn controlled by Peng Lizhong (彭立中), (iii) 30% by Changsha Industrial Investment Fund Partnership (Limited Partnership) (長沙市產業投資基金合夥企業(有限合夥)) as one of its limited partners, which is in turn controlled by The People's Government of Changsha City (長沙市人民政府) of Hunan Province and (iv) 1% by a limited partner. Each of them is an Independent Third Party. Founded in 2017, Jiuyuequan Fund focuses on private equity investments in new generation information technology, biomedicine, advanced manufacturing and new energy industries. We became acquainted with Jiuyuequan Fund through the introduction of the external financial advisers.

Lezhi Xiamen

Lezhi Xiamen is a limited partnership registered under the laws of the PRC as an investment fund which principally focuses on investments in the TMT and medical sectors. Lezhi Xiamen is owned as to (i) 0.99% by Lin Xiuhua (林秀華) as its general partner and (ii) 99.01% by Xiamen Weiziran Industrial & Trading Co., Ltd. (廈門唯自然工貿有限公司) as its limited partner, which is in turn controlled by Liu Jianwei (劉建偉). Each of them is an Independent Third Party. We became acquainted with Lezhi Xiamen through the introduction of Qifu Fund, one of our Pre-IPO Investors.

LSJC Holdings

LSJC Holdings is a BVI business company established under the laws of the BVI as an investment holding platform which principally focuses on investments in the new energy, metaverse and bio-medical sectors. It is wholly-owned by Shenzhen Liangshan Jichuang Enterprise Management Consultation Partnership (Limited Partnership) (深圳市兩山吉創企業管理諮詢合夥企業(有限合夥)) ("**Liangshan Jichuang**"), which is a limited partnership registered under the laws of the PRC. Liangshan Jichuang is owned as to (i) 0.01% by Zhejiang Anji Liangshan Private Equity Fund Management Co., Ltd. (浙江安吉兩山私募基金管理有限公司) as its general partner and (ii) 99.99% by Anji Liangshan Guochuang Equity Investment Partnership (Limited Partnership) (安吉兩山國創股權投資合夥企業(有限合夥)) as its limited partner, both of which are ultimately controlled by the Anji County Financial Bureau (安吉縣財政局) of Zhejiang Province. We became acquainted with Liangshan Jichuang through the introduction of the external financial advisers.

Qifu entities (including QF CY, QF ZSCY, QF HL, QF JR and YINKANG)

Each of QF ZSCY, QF HL and QF JR is a BVI business company established under the laws of BVI as investment holding platforms which principally focus on investments in the Internet sector. They are wholly-owned by Qifu Zhongsheng, Qifu Hulian and Qifu Jiarong, respectively.

Qifu Zhongsheng is owned as to (i) 1.02% by Shenzhen Qifu Zhongxin Venture Capital Partnership (Limited Partnership) (深圳市啟賦眾信創業投資合夥企業(有限合夥)) ("**Qifu Zhongxin**") as its general partner, which in turn owned by Qifu Private Equity Fund Management Co., Ltd. (啟賦私募基金管理有限公司) ("**Qifu Fund**") and is ultimately controlled by Fu Zhekuan, (ii) 35.09% by Zhuhai Hechuang Huihuang Investment Management Partnership (Limited Partnership) (珠海合創輝煌投資管理合夥企業(有限合夥)) as one of its limited partners, which is in turn controlled by Mo Fan (莫凡) and (iii) 63.89% by other nine limited partners, none of which held over 30% partnership interest. Save and except for Qifu Zhongxin, each of them is an Independent Third Party.

Qifu Hulian is wholly-owned by Qifu Fund.

Qifu Jiarong is owned as to (i) 0.76% by Qifu Fund as its general partner, (ii) 37.88% by Guangdong Shuimu Hualun Investment Management Partnership (Limited Partnership) (廣東水木華侖投資管理合夥企業(有限合夥)) as one of its limited partners, which is in turn ultimately controlled by Sun Xiaochun (孫曉純), (iii) 30.30% by Guangdong Tiandi Gongying Equity Investment Co., Ltd. (廣東天地共贏股權投資有限公司), which is ultimately controlled by Chen Sheng (陳生) and (iv) 31.06% by other 14 limited partners, none of which held over 30% partnership interest. Save and except for Qifu Fund, each of them is an Independent Third Party.

Fu Zhekuan is an experienced investor and the founder of Qifu Fund. He has more than 20 years of experience in private equity investment with his investment portfolio spanning across sectors including TMT, consumer retail and modern agricultural industries. We became acquainted with Qifu Fund through the introduction of Wang Ling, one of our Pre-IPO Investors.

QF CY is a BVI business company established under the laws of BVI as an investment holding platform which principally focuses on investments in the Internet sector. It is wholly-owned by Shenzhen Fuling Corporate Management Consultation Partnership (Limited Partnership) (深圳市賦淩企業管理諮詢合夥企業(有限合夥)) ("**Shenzhen Fuling**"). Shenzhen Fuling is owned as to (i) 0.01% by Qifu Fund as its general partner and (ii) 99.99% by Sanya Qifu Venture Investment Fund Partnership Corporation (Limited Partnership) (三亞市啟賦創業投資基金合夥企業(有限合夥)) as its limited partner, both of which are ultimately controlled by Fu Zhekuan.

YINKANG is a BVI business company established under the laws of BVI as an investment holding platform which principally focuses on investments in the Internet sector. It is wholly-owned by Zhongshan Fuying. Zhongshan Fuying is owned as to (i) 1.05% by Shenzhen Qianhai Dongfang Yinshi Assets Management Co., Ltd. (深圳市前海東方銀石資產管理有限公司) ("**Qianhai Dongfang**") as its general partner, which is in turn owned by Fu Zhekuan, (ii) 34.88% by Xinyu Yinshi No. 14 Investment Management Partnership (Limited Partnership) (新余銀石十四號投資管理合夥企業(有限合夥)) ("**Xinyu Yinshi 14**") and 29.03% by Xinyu Yinshi No. 16 Investment Management Partnership (Limited Partnership) (新余銀石十六號投資管理合夥企業(有限合夥)) ("**Xinyu Yinshi 16**") as its limited partners, which are both ultimately controlled by Fu Zhekuan, (iii) 2.55% by Qifu Hulian as a limited partner and (iv) 32.49% by other four limited partners, none of which held over 30% partnership interest. Save and except for Qianhai Dongfang, Xinyu Yinshi 14, Xinyu Yinshi 16 and Qifu Hulian, each of them is an Independent Third Party.

The Qifu entities are affiliates of QF Capital, which is a specialist venture capital focusing on early stage and industrial investment, with assets under management of over RMB7 billion. Qifu Capital has invested in a number of listed companies, including Lvji Technology Holdings Inc. (驢跡科技控股有限公司) (HKSE: 1745) and POP MART INTERNATIONAL GROUP LIMITED (HKSE: 9992).

Qingdao Litan entities (including Qingdao Litan Haipeng and Qingdao Litan)

Each of Qingdao Litan Haipeng and Qingdao Litan is a limited partnership registered under the laws of the PRC as investment funds which principally focus on investments in the medical and industrial Internet sectors.

Qingdao Litan Haipeng is owned as to (i) 0.43% by Xiamen Litong Investment Management Co., Ltd. (廈門立桐投資管理有限公司) ("**Xiamen Litong**") as its general partner, which is in turn owned as to 75% by Wang Ling (王玲), (ii) 77.92% by Luo Jinlong (羅金龍) as one of its limited partners and (iii) 21.65% by other three limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Qingdao Litan is owned as to (i) 0.46% by Xiamen Litong as general partner, (ii) 49.77% by Gu Wei (顧微) as a limited partner and (iii) 49.77% by Sun Li (孫力) as a limited partner. Each of them is an Independent Third Party.

Wang Ling, being a founding partner of Fortune Capital (an investment fund with assets under management of approximately RMB50 billion), is an Independent Third Party. Based in Shenzhen and established in 2016, Xiamen Litong specializes in building strategic investments for early to mid-stage startups, and mainly focuses on the healthcare consumption, and internet industries, with assets under management of approximately RMB50 million. We became acquainted with Xiamen Litong and Wang Ling through the introduction of Mr. Luo.

Shenzhen Chengyu

Shenzhen Chengyu is a limited partnership registered under the laws of the PRC as an investment fund which principally focuses on investments in the new energy, metaverse and bio-medical industries sectors. Shenzhen Chengyu is owned as to (i) 1% by Qingdao Haichen Investment Co., Ltd. (青島海晨投資有限公司) as its general partner, which is owned by Li Shulin (李書林), (ii) 59% by Qingdao Chengyu as its limited partner, which is indirectly owned by Qingdao Shinan District Finance Bureau (青島市市南區財政局) of Shandong Province, and (iii) 40% by Aier Eye Hospital Group Company Limited (愛爾眼科醫院集團股份有限公司) as its limited partner, a company listed on the Shenzhen Stock Exchange (300015.SZSE) with Chen Bang (陳邦) as its ultimate beneficial owner. Each of them is an Independent Third Party. We became acquainted with Qingdao Chengyu through the introduction of the external financial advisers.

Shenzhen Toposcend entities (including Shenzhen Toposcend and Chongqing Southern Fund)

Each of Shenzhen Toposcend and Chongqing Southern Fund is a limited partnership registered under the laws of the PRC as investment funds which principally focus on investments in the healthcare, industrial technology and digital intelligence sectors.

Shezhen Toposcend is a company with assets under management of approximately RMB14 billion and owned as to (i) 0.81% by Shenzhen Toposcend Capital Co., Ltd. (深圳市投控東海投資有限公司) ("**Toposcend Capital**") as its general partner, which is ultimately controlled by the Shenzhen Municipal SASAC of Guangdong Province, (ii) 51.02% by Shenzhen Investment Holdings Bay Area Equity Investment Fund Partnership (Limited Partnership) (深圳投控灣區股權投資基金合夥企業(有限合夥)) as one of its limited partners and is also ultimately controlled by the Shenzhen Municipal SASAC of Guangdong Province and (iii) 48.17% by other three limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Chongqing Southern Fund is owned as to (i) 1% by Toposcend Capital as its general partner and (ii) 99% by Chongqing Southern New City Industrial Investment Group Co., Ltd. (重慶市南部新城產業投資集團有限公司) as its limited partner, which is in turn controlled by the Banan District State-owned Assets Management Center of Chongqing city (重慶市巴南區國有資產管理中心). Each of them is an Independent Third Party.

We became acquainted with Toposcend Capital through the introduction of the external financial advisers.

Shenzhen Yuanzhi

Shenzhen Yuanzhi is a limited company established under the laws of the PRC as an investment holding platform which principally focuses on investments in the emerging industries. It was a wholly-owned subsidiary of Shenzhen Capital Operation Group Co., Ltd. (深圳市資本運營集團有限公司), a limited liability company established in the PRC and ultimately wholly-owned by the Shenzhen Municipal SASAC of Guangdong Province. We become acquainted with Shenzhen Yuanzhi through the small-to-medium enterprise support project.

Yingchengxin entities (including Nanjing Furui and Jiangsu Jiequan)

Nanjing Furui is a limited partnership registered under the laws of the PRC as an investment fund which principally focuses on investments in the e-commerce, consumption, education and logistics sectors. Nanjing Furui is owned as to (i) 53.33% by Wu Junle (吳俊樂) as its general partner and (ii) 46.67% by three limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party. Nanjing Furui is the controlling shareholder of Jiangsu Yingchengxin Assets Management Co., Ltd. (江蘇盈誠信資產管理有限公司) ("**Jiangsu Yingchengxin**").

Jiangsu Jiequan is a limited partnership registered under the laws of the PRC as an investment fund with assets under management of approximately RMB500 million to RMB1 billion and principally focuses on investments in the e-commerce, consumption, education and logistic sectors. Jiangsu Jiequan is owned as to (i) 1% by Jiangsu Yingchengxin as its general partner, (ii) 39% by Jiangyin Lingang Venture Capital Co., Ltd. (江陰臨港創業投資有限公司) as one of its limited partners, which is in turn controlled by Jiangyin Lingang Economic Development Zone State-owned Assets Supervision and Administration Office (江陰臨港經濟開發區國有資產監督管理辦公室) of Jiangsu Province, (iii) 30% by Jiangsu Provincial Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)), as one of its limited partner and is in turn controlled by the Department of Finance of Jiangsu Province (江蘇省財政廳), (iv) 30% by other two limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Jiangsu Yingchengxin is a private equity fund management company with assets under management of approximately RMB600 million, based in Jiangsu Province, focusing on investments in early startups. We became acquainted with Jiangsu Yingchengxin through the introduction of Wang Ming.

Yingxin Guofu

Yingxin Guofu is a limited liability company established under the laws of the PRC as an investment holding platform which principally focuses on investments in the e-commerce, consumption, education and logistics sectors. It is owned as to (i) 99% by Shenzhen Huaxin Hongye Trading Co., Ltd. (深圳市華信宏業貿易有限公司), which is ultimately controlled by Sun Zaihua (孫再花), and (ii) 1% by Shenzhen Delyton Supply Chain Management Co., Ltd. (深圳市德萊頓供應鏈管理有限公司). Each of them is an Independent Third Party. We became acquainted with Yingxin Investment Group Co., Ltd. through the introduction of Wang Ming.

Zero2IPO entities (including Zero2IPO Jiaqi, Zero2IPO Yiju and Zero2IPO Xiaochi)

Each of Zero2IPO Jiaqi, Zero2IPO Yiju and Zero2IPO Xiaochi is limited partnership registered under the laws of the PRC as investment funds which principally focus on investments in the TMT and medical sectors.

Zero2IPO Jiaqi is owned as to (i) 0.99% by Beijing Zero2IPO Chuangying Entrepreneurship Investment Management Co., Ltd. (北京清科創盈創業投資管理有限公司) ("**Zero2IPO Chuangying**") as its general partner, which is in turn controlled by Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) ("**Zero2IPO Group**"), (ii) 34.65% by Fan Huanchi (范煥持) as one of its limited partners and (iii) 64.36% by other three limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Zero2IPO Yiju is owned as to (i) 4.76% by Zero2IPO Chuangying as its general partner and (ii) 95.24% by Xizang Aiwei Entrepreneur Investment Co., Ltd. (西藏埃維創業投資有限公司) as its limited partner and is ultimately ownered by Yu Fanyi (于范易). Each of them is an Independent Third Party.

Zero2IPO Xiaochi is owned as to (i) 1.00% by Zero2IPO Chuangying as its general partner, (ii) 84.15% by Feng Xuagao (馮學高) as one of its limited partners and (iii) 14.85% by other three limited partners, none of which held over 30% partnership interest. Each of them is an Independent Third Party.

Zero2IPO Group is a leading venture capital and private equity service provider and a well-known investment firm in China with assets under management exceeding RMB30 billion and investment portfolio across more than 200 companies. We became acquainted with Zero2IPO Group through the introduction of Wang Ming.

Zhonghui Management

Zhonghui Management is a BVI business company incorporated under the laws of the BVI as an investment holding platform and principally focuses on investments in the telecommunication and digital healthcare sectors. It is wholly-owned by Zhejiang Zhonghui. Zhejiang Zhonghui is owned as to (i) 60% by Zhejiang Jingxie Group Co., Ltd. (浙江省經協集團有限公司) and (ii) 40% by Zhejiang Jingxie Materials Leasing Co., Ltd. (浙江經協物資租

賃有限公司), both of which are ultimately controlled by Liu Zhenhui (劉振輝). Zhejiang Zhonghui specializes in commercial trading and equity investment. We became acquainted with Zhejiang Zhonghui through the introduction of Fu Zhekuan.

Zhuhai Xuhua

Zhuhai Xuhua is a limited partnership registered under the laws of the PRC as an investment fund which principally focuses on investments in the healthcare and bio-medical sectors. Zhuhai Xuhua is owned as to (i) 99% by Linping (李林平) as its general partner and (ii) 1% by a limited partner. Each of them is an Independent Third Party. Founded in 2019, Zhuhai Xuhua focuses on private investments in the medical health sector. We became acquainted with Zhuhai Xuhua through the introduction of Wang Ming.

5. Compliance with the Pre-IPO Investment Guidance

The Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange effective from January 1, 2024.

CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure as of the date of this prospectus and immediately upon completion of the Share Subdivision and the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme:

	As of the date of this prospectus		Upon completion of the Share Subdivision and the Global Offering(1)	
Name of the Shareholders	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Luo Holdings Limited(2)	20,582,581	33.99%	102,912,905	30.59%
160 Future(8)	2,765,305	4.57%	13,826,525	4.11%
CX 160(4)	2,690,734	4.44%	13,453,670	4.00%
Ming Holdings Limited(3)	2,345,333	3.87%	11,726,665	3.49%
Ineffable Dream Limited(4)	1,256,047	2.07%	6,280,235	1.87%
Shenzhen Chengyu(4)	1,039,069	1.72%	5,195,345	1.54%
LSJC Holdings(4)	1,039,069	1.72%	5,195,345	1.54%
Gorgeous Ocean Holding Limited(4)	1,022,815	1.69%	5,114,075	1.52%
Huzhou Yashang(4)	688,000	1.14%	3,440,000	1.02%
QF Morris Limited(4)	627,898	1.04%	3,139,490	0.93%
160 Health Future(8)	574,014	0.95%	2,870,070	0.85%
WL Management Limited(4)	568,219	0.94%	2,841,095	0.84%
Zhuhai Xuhua(4)	533,189	0.88%	2,665,945	0.79%
JYQ Holding(4)	510,486	0.84%	2,552,430	0.76%
Shenzhen Yuanzhi(4)	412,796	0.68%	2,063,980	0.61%

	As of the date of this prospectus		Upon completion of the Share Subdivision and the Global Offering[(1)]	
Name of the Shareholders	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Yingxin Guofu[(4)]	343,997	0.57%	1,719,985	0.51%
YYN Holdings Limited[(4)]	255,243	0.42%	1,276,215	0.38%
HQYZ[(4)]	255,243	0.42%	1,276,215	0.38%
Zhonghui Management[(4)]	207,814	0.34%	1,039,070	0.31%
Lezhi Xiamen[(4)]	204,194	0.34%	1,020,970	0.30%
FJH Limited[(5)]	155,955	0.26%	779,775	0.23%
Shenzhen Longjun[(7)]	124,613	0.21%	623,065	0.19%
HXY Limited[(4)]	100,000	0.17%	500,000	0.15%
HFZ HOLDING LIMITED[(4)]	51,049	0.08%	255,245	0.08%
GC Management Limited[(4)]	51,049	0.08%	255,245	0.08%
LNL Limited[(4)]	33,580	0.06%	167,900	0.05%
XBK Limited[(5)]	31,153	0.05%	155,765	0.05%
CSH Management Limited[(4)]	25,000	0.04%	125,000	0.04%
Other public Shareholders	–	–	33,645,500	10.00%
Entities ultimately controlled by Fu Zhekuan				
QF CY[(4)]	3,579,802	5.91%	17,899,010	5.32%
QF ZSCY[(4)]	2,690,734	4.44%	13,453,670	4.00%
QF CXHL[(6)]	826,978	1.37%	4,134,890	1.23%
QF JR[(4)]	825,593	1.36%	4,127,965	1.23%
YINKANG[(4)]	765,728	1.26%	3,828,640	1.14%
QF FZK Limited[(4)]	581,480	0.96%	2,907,400	0.86%
QF HL[(4)]	510,486	0.84%	2,552,430	0.76%
QF HT[(7)]	304,169	0.50%	1,520,845	0.45%
LFL Limited[(4)]	255,243	0.42%	1,276,215	0.36%
Sub-total	*10,340,213*	*17.07%*	*51,701,065*	*15.35%*
CoStone Capital entities				
Wuhu Linghang[(4)]	2,609,775	4.31%	13,048,875	3.88%
Guangzhou Lingkang[(4)]	1,322,553	2.18%	6,612,765	1.97%
Sub-total	*3,932,328*	*6.49%*	*19,661,640*	*5.85%*
Share Capital entities				
Fenxiang Zeshan[(4)]	1,276,214	2.11%	6,381,070	1.90%
Fenxiang Yidao[(4)]	1,276,214	2.11%	6,381,070	1.90%
Sub-total	*2,552,428*	*4.21%*	*12,762,140*	*3.80%*
Shenzhen Toposcend entities				
Shenzhen Toposcend[(4)]	1,148,593	1.90%	5,742,965	1.71%
Chongqing Southern Fund[(4)]	758,063	1.25%	3,790,315	1.13%
Sub-total	*1,906,656*	*3.15%*	*9,533,280*	*2.84%*

Name of the Shareholders	As of the date of this prospectus		Upon completion of the Share Subdivision and the Global Offering[(1)]	
	Number of Shares	Shareholding percentage	Number of Shares	Shareholding percentage
Yingchengxin entities				
Jiangsu Jiequan[(4)]	740,558	1.22%	3,702,790	1.10%
Nanjing Furui[(4)]	555,391	0.92%	2,776,955	0.83%
Sub-total	*1,295,949*	*2.14%*	*6,479,745*	*1.93%*
Qingdao Litan entities				
Qingdao Litan Haipeng[(4)]	681,282	1.12%	3,406,410	1.01%
Qingdao Litan[(4)]	592,432	0.98%	2,962,160	0.88%
Sub-total	*1,273,714*	*2.10%*	*6,368,570*	*1.89%*
Zero2IPO entities				
Zero2IPO Jiaqi[(4)]	255,243	0.42%	1,276,215	0.38%
Zero2IPO Yiju[(4)]	255,243	0.42%	1,276,215	0.38%
Zero2IPO Xiaochi[(4)]	255,243	0.42%	1,276,215	0.38%
Sub-total	*765,729*	*1.26%*	*3,828,645*	*1.14%*
Total	**60,561,462**	**100%**	**336,452,810**	**100%**

Notes:

(1) Assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme.

(2) Luo Holdings Limited is wholly-owned by LNZ Management Limited, which is in turn wholly-owned by Mr. Luo.

(3) Ming Holdings Limited is wholly-owned by Wang Management Limited, which is in turn wholly-owned by Wang Ming.

(4) These are our Pre-IPO Investors. For details, please see "— Pre-IPO Investments — 4. Information on the Pre-IPO Investors."

(5) FJH Limited and XBK Limited are wholly-owned by Fang Jianhua (房劍花) and Xie Bangkun (謝幫坤), respectively. Fang Jianhua and Xie Bangkun were minority shareholders of 160 Medicine through their shareholdings in Guangdong Langge and Shenzhen Longjun prior to the Reorganization and they exited 160 Medicine during the Reorganization. For details, see "— Corporate Reorganization — Onshore Reorganization — 4. Acquisition of minority interests in 160 Medicine."

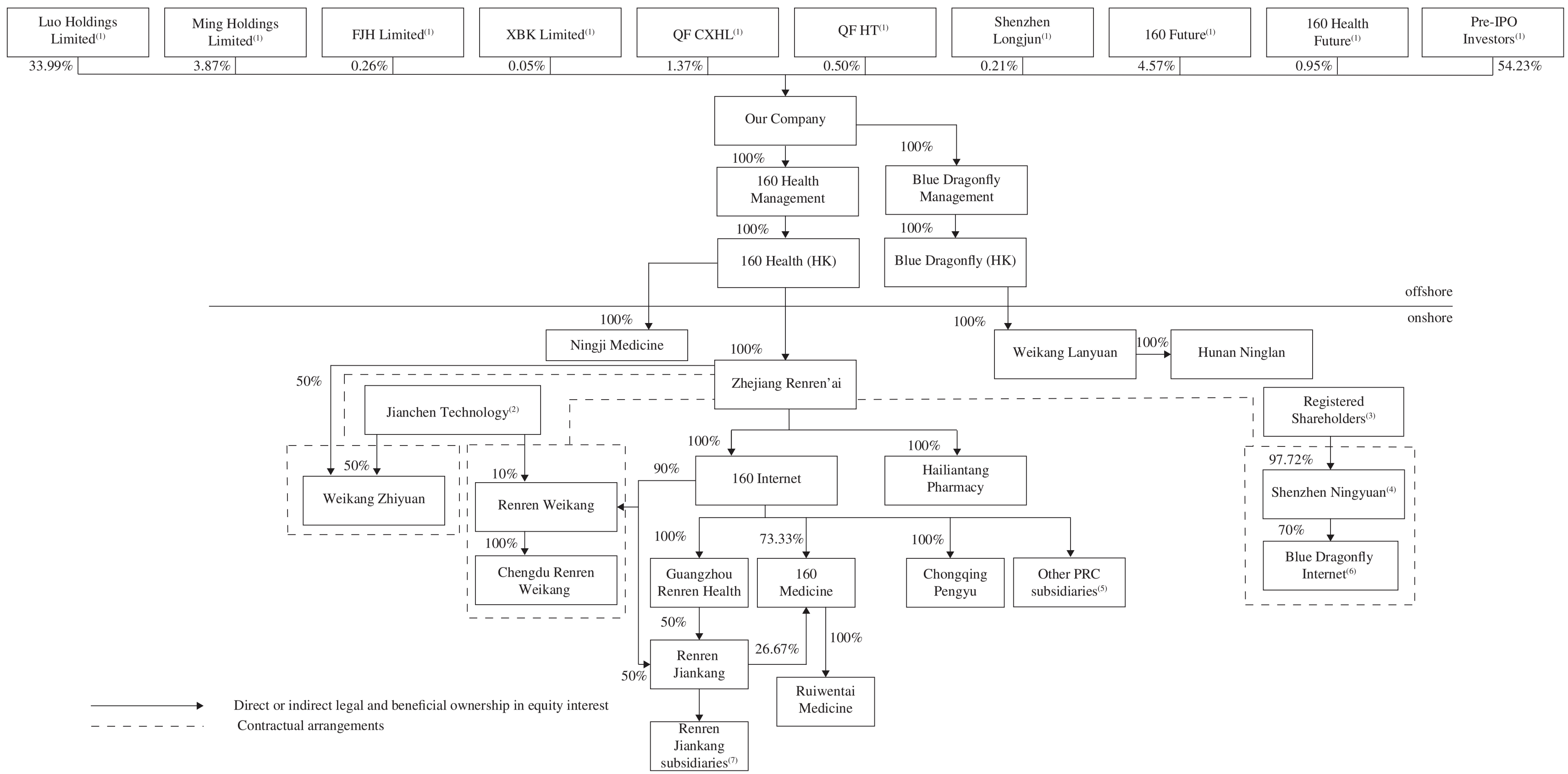
(6) QF CXHL was wholly-owned by Qifu Honglian, which was a minority shareholder of 160 Medicine and it exited 160 Medicine during the Reorganization. For details, see "— Corporate Reorganization — Onshore Reorganization — 4. Acquisition of minority interests in 160 Medicine."

(7) QF HT is wholly-owned by Qifu Hongtai. Qifu Hongtai and Shenzhen Longjun were minority shareholders of 160 Medicine and they exited 160 Medicine during the Reorganization. For details, see "— Corporate Reorganization — Onshore Reorganization — 4. Acquisition of minority interests in 160 Medicine."

(8) 160 Future and 160 Health Future are wholly-owned by Kastle Limited as the trustee, which holds an aggregate of 3,339,319 existing Shares on trust for the benefit of eligible participants under the Pre-IPO Share Option Scheme. For details, see "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme."

OUR STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the Share Subdivision and the Global Offering.



Notes:

(1) For details of the background of our Shareholders, please refer to notes (2) to (8) under the capitalization table in "— Capitalization of our Company" in this section.

(2) Jianchen Technology is wholly-owned by Mr. Luo.

(3) For details of the Registered Shareholders of Shenzhen Ningyuan, see "Contractual Arrangements" in this prospectus.

(4) The remaining 2.28% equity interest in Shenzhen Ningyuan was held by Wuhan Ruer Equity Investment Fund Management Center (Limited Partnership) (武漢如爾股權投資基金管理中心(有限合夥)) and Wuhan Guanggu Hospital Corporation Limited (武漢光谷醫院股份有限公司) as to 1.25% and 1.03%, respectively, which are Independent Third Parties and did not flip up their shareholdings in Shenzhen Ningyuan to our Company during the Reorganization. As advised by our PRC Legal Advisors, given that (i) no statutory and/or contractual rights of first refusal have been granted to Wuhan Ruer and Wuhan Guanggu, and (ii) Shenzhen Ningyuan will not be converted into a limited liability company in the future, the legality and enforceability of the Contractual Arrangements with Shenzhen Ningyuan would not be affected by virtue of Wuhan Ruer's and Wuhan Guanggu's shareholders' rights in Shenzhen Ningyuan.

(5) Other PRC subsidiaries under 160 Internet include the following wholly-owned subsidiaries:

(a) Qingdao Renren'ai Medicine Technology Co., Ltd. (青島人人愛醫藥科技有限公司) (formerly known as Qingdao Ningyuan Technology Co., Ltd. (青島寧遠科技有限公司));

(b) Shanghai Beiguang Internet Technology Co., Ltd. (上海貝廣網絡科技有限公司);

(c) Shenzhen Xiaoliu Catering Management Co., Ltd. (深圳市小六餐飲管理有限公司); and

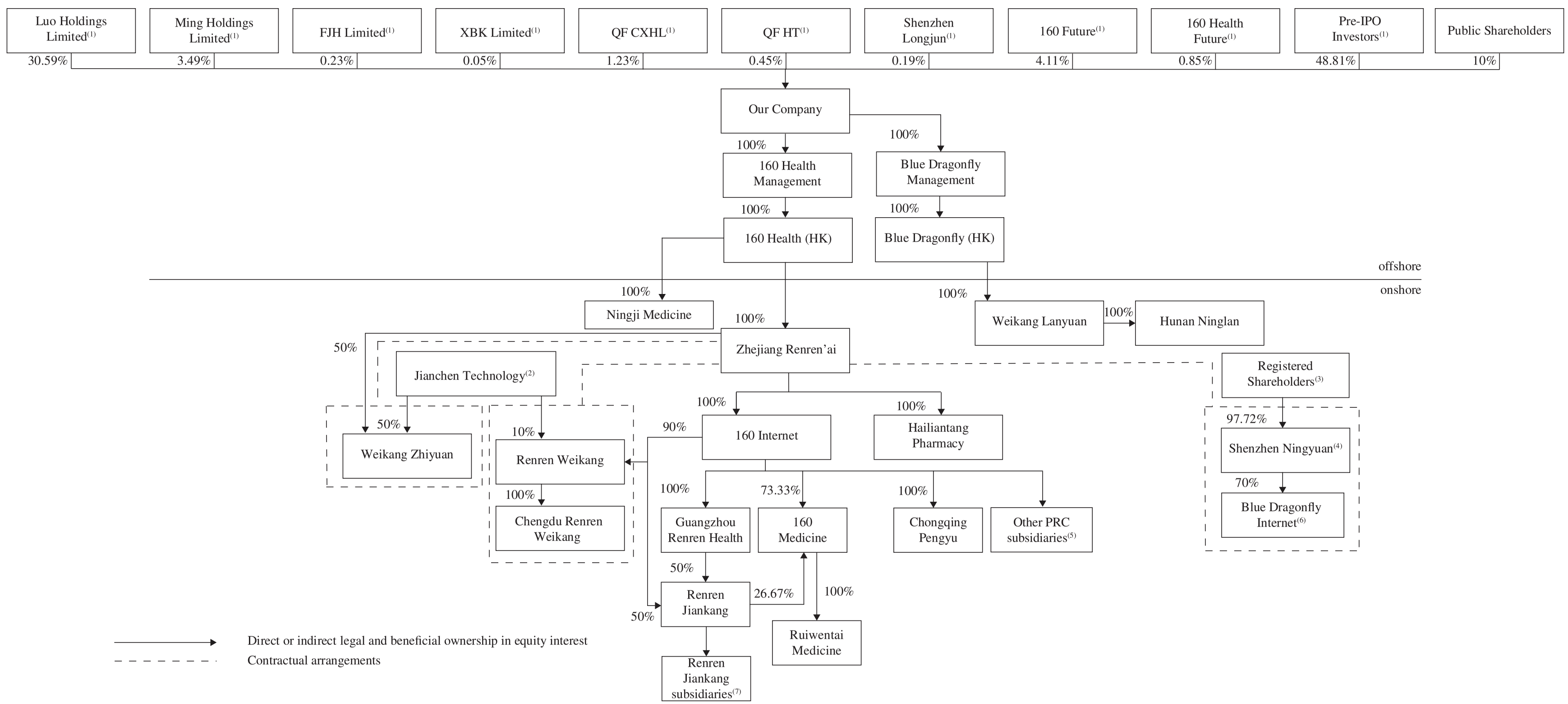
(d) Beijing Weikang Ningyuan Internet Technology Co., Ltd. (北京維康寧遠網絡科技有限公司).

(6) The remaining 30% equity interest in Blue Dragonfly Internet is held by Hunan Blue Dragonfly Asset Management LP (湖南省藍蜻蜓資產管理合夥企業(有限合夥)) (a substantial shareholder of Blue Dragonfly Internet) and Peng Fang (彭訪) (a director of Blue Dragonfly Internet) as to 25% and 5%, respectively.

(7) For Renren Jiankang subsidiaries, see Note (8) under the corporate chart in "— Corporate Reorganization" in this section.

OUR STRUCTURE IMMEDIATELY AFTER THE GLOBAL OFFERING

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme).



Notes:

(1) – (7) Please refer to the corresponding notes to the chart in "— Our Structure Immediately Prior to the Global Offering."

PRC REGULATORY REQUIREMENTS

As advised by our PRC Legal Advisors, all required governmental approvals in relation to the change in share capital and equity transfers in the PRC and the Reorganization as described above have been obtained and the procedures involved have been carried out in accordance with the PRC laws and regulations. Our PRC Legal Advisors further confirmed that the equity transfers, disposals and capital contributions in the PRC as described above have been properly and legally completed in compliance with the applicable PRC laws and regulations in all material aspects.

M&A Rules

According to the M&A Rules jointly issued by the MOFCOM, the SASAC, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective from September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies. According to the Notice on Issuing the Guidebook for the Administration of Foreign Investment Admission Management (2008) (關於下發《外商投資准入管理指引手冊》(2008年版)的通知), the M&A Rules are not applicable to the situation where PRC companies or individuals transfer their equity interests in an established foreign-invested enterprise to foreign companies or individuals, regardless of whether there is any related party relationship between the PRC companies or individuals and the foreign companies or individuals, and whether the foreign companies or individuals are existing shareholders or new investors of the established foreign-invested enterprise.

Our PRC Legal Advisors are of the opinion that the prior CSRC and MOFCOM approvals under the M&A Rules for the Global Offering are not required because 160 Internet was a foreign-invested entity when its 100% equity interest was acquired by Zhejiang Renren'ai. However, our PRC Legal Advisors have further advised us that there is uncertainty regarding the interpretation and application of current and future PRC laws and regulations in the context of an overseas offering. Accordingly, there can be no assurance that the relevant PRC regulatory authorities would reach the same conclusion.

SAFE Registration in the PRC

Pursuant to the SAFE Circular 37 promulgated by SAFE and which became effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Failure to comply with the registration procedures of SAFE Circular 37 may result in penalties and sanctions, including the imposition of restrictions on the ability of the Overseas SPV's PRC subsidiary to distribute dividends to its overseas parent.

Pursuant to the SAFE Circular 13, promulgated by SAFE on February 13, 2015 and which became effective on June 1, 2015, banks are required to review and carry out foreign exchange registration under offshore direct investment directly. The SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

As advised by our PRC Legal Advisors, Mr. Luo, who is required to complete the registration under SAFE Circular 37 and SAFE Circular 13, has duly completed the foreign exchange registrations in April 2022 in relation to his offshore investments as a PRC resident.

PRC REGULATORY BACKGROUND

Overview

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (the "**Negative List**") and the Foreign Investment Catalog, which was promulgated and is amended from time to time jointly by the MOFCOM and the NDRC. The Negative List and the Foreign Investment Catalog divide industries into four categories in terms of foreign investment, namely, "encouraged," "restricted," "prohibited" and "permitted" (the last category of which includes all industries not listed under the "encouraged," "restricted" and "prohibited" categories). As advised by our PRC Legal Advisors, a summary of our business/operations that are subject to foreign investment restrictions in accordance with the Negative List, the Foreign Investment Catalog and other applicable PRC laws are set out below (the "**Relevant Businesses**"):

Categories	Relevant Businesses
"Restricted"	
Medical institution.	Renren Weikang's subsidiary, Chengdu Renren Weikang, is principally engaged in the provision of online medical services (provision of online prescription renewal services under the retail model for sale of pharmaceutical and healthcare products) and holds a valid Practicing License for Medical Institutions (醫療機構執業許可證) (including qualifications for Internet hospital). Pursuant to the Interim Administrative Measures on Sino-foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (《中外合資、合作醫療機構管理暫行辦法》), foreign investors are allowed to partner with Chinese medical entities to establish a medical institution in China by means of equity joint venture or cooperative joint venture, in which the equity percentage or interest of the Chinese partner shall not be less than 30%. Furthermore, medical institutions established in Sichuan Province are subject to less stringent foreign investment restrictions pursuant to the Regulations for Sino-foreign Joint Venture and Cooperative Medical Institutions of Sichuan Province (《四川省中外合資合作醫療機構管理辦法》), where the equity percentage or interest of the Chinese partner in a Sino-foreign medical institution established in Sichuan Province shall not be less than 10%.

Categories	Relevant Businesses
	In September, October 2023 and April 2025, the respective PRC Legal Advisors of our Company and the Joint Sponsors conducted consultations with an officer of the Regulatory Division of the Health Commission of Chengdu and the deputy director of the Foreign Outbound Investment Promotion and Management Division of the Economic Cooperation Bureau of Sichuan Province who confirmed that foreign investors are not allowed to hold, either directly or indirectly, more than 90% equity interest in a medical institution in Sichuan Province. The consultations were conducted through the consultation hotlines posted on the official websites of the Health Commission of Chengdu and the Economic Cooperation Bureau of Sichuan Province. Our PRC Legal Advisors are of the view that the Health Commission of Chengdu and the Economic Cooperation Bureau of Sichuan Province are the competent authorities and the officers consulted are competent to represent the Health Commission of Chengdu and the Economic Cooperation Bureau of Sichuan Province to give such confirmations in respect of foreign investments, respectively.

Categories	Relevant Businesses
"Restricted" Value-added telecommunication service business	Weikang Zhiyuan is principally engaged in the management and operation of our online platforms (including the Healthcare 160 app, Healthcare 160 official website, WeChat Official Accounts, and WeChat Mini Program), which (a) involve online healthcare services, (b) will later involve the pharmacy marketplace services and (c) online advertising solutions. The provisions of (a) online healthcare service, (b) pharmacy marketplace services under online marketing solutions and (c) online advertising solutions under online marketing solutions fall within the scope of "value-added telecommunication services" under the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), specifically the Internet information services (互聯網信息服務) and online data processing and transaction processing (在線數據處理與交易處理), respectively. Therefore, Weikang Zhiyuan, being a foreign invested enterprise where we, as the foreign investor, hold 50% equity interest, is required to hold, and (a) has obtained a value-added telecommunication business operating license (《增值電信業務經營許可證》) specifically for the provision of Internet information services (the "**ICP License**"), and (b) is currently in the process of preparing to apply for a value-added telecommunication business operating license specifically for the online data processing and transaction processing (the "**EDI License**"). According to the applicable PRC laws, foreign investors are not allowed to hold more than 50% equity interest in an enterprise holding an ICP License. However, there is no foreign investment restriction on an enterprise holding an EDI License.

Categories	Relevant Businesses
	We believe that our online medical and healthcare consultation services and pharmacy marketplace services are fundamental components of our online platforms, and as advised by our PRC Legal Advisors, the requisite ICP License and EDI License have to be obtained by Weikang Zhiyuan, being the operator of the online platforms. In addition, pursuant to applicable PRC laws and regulations, telecommunication enterprises are prohibited from leasing, transferring or selling their licenses to others entities in any form. Therefore, in order for Weikang Zhiyuan to operate our online platforms in compliance with applicable PRC laws and regulations, it must hold both the ICP License and EDI License instead of separating the two businesses under a separate entity from Weikang Zhiyuan. The respective PRC Legal Advisors of our Company and the Joint Sponsors conducted consultation with the MIIT in July 2023. During the consultation, the officer of MIIT confirmed that (i) foreign investors are prohibited from holding more than 50% of the equity interest in an enterprise holding an ICP License, but there is no foreign investment restriction on an enterprise holding an EDI License; and (ii) in case of any enterprise holding both ICP License and EDI License, such enterprise shall comply with the strictest foreign investment restriction requirement and will not be granted a value-added telecommunication business operating license through any wholly-foreign owned enterprise. The consultation was conducted through the consultation hotline posted on the official website of MIIT. Our PRC Legal Advisors are of the view that the MIIT is the competent authority to review the application for the value-added telecommunication business operating license of foreign invested enterprises and the officer is authorized to provide such consulting responses.

The restricted business (including online healthcare services, pharmacy marketplace services and online advertising services) directly contributed approximately 6.96%, 6.26%, 6.66% and 7.80% of our revenue for the years ended December 31, 2022, 2023, 2024 and the three months ended March 31, 2025, respectively. In addition, another restricted business, the provision of online prescription renewal services under the retail model for the sale of pharmaceutical and healthcare products, did not directly contribute revenue to us during the Track Record Period.

For further details of the limitations on foreign ownership in PRC companies conducting the aforementioned businesses under PRC laws and regulations, see "Regulatory Overview — Regulations on Foreign Investment."

In addition, our Company operated certain businesses through the Contractual Arrangements which are not subject to foreign investment restriction under the applicable PRC laws and regulations through Shenzhen Ningyuan and its subsidiary. Notwithstanding the above, we are of the view that the Contractual Arrangements in respect of the Unrestricted Business (as defined below) are narrowly tailored. A summary of the Unrestricted Business and the reasons for adoption of Contractual Arrangements for the Unrestricted Business are set out below.

Name of Entities	Business/operation
Shenzhen Ningyuan and its subsidiary	Shenzhen Ningyuan and its subsidiary (the "**Project Entities**") have been currently engaged by 204 public sector customers, who are public hospitals or state-owned enterprises (the "**Public Project Customers**"), for the sales and maintenance of the *Blue Dragonfly Infectious Disease Real-time Monitoring System* and the *Blue Dragonfly Hospital Infection Real-time Surveillance System*, and the provision of our *Hospital Full-Process System* service (the "**Unrestricted Business**"). As advised by our PRC Legal Advisors, the Unrestricted Businesses are not subject to any foreign investment restriction or prohibition under the applicable PRC laws and regulations. However, the Unrestricted Business is included in the Contractual Arrangements because, as requested and confirmed by the Public Project Customers, according to their internal procedures, (i) the Unrestricted Business must be provided to them by PRC domestic companies without foreign investment and Shenzhen Ningyuan is considered as a PRC domestic company based on the shareholding structure publicly available for inspection; and (ii) no changes can be made to the Unrestricted Business service providers before the expiration of the agreed terms of service and engagement conditions, which will all expire by December 31, 2026.

Name of Entities	Business/operation
	To the best of knowledge of our Directors, (i) the aforementioned engagement condition is widely common across public sector engagements; and (ii) due to the aforementioned internal requirements of the Public Project Customers, it is impractical for Shenzhen Ningyuan and its subsidiary to transfer the Unrestricted Business service contracts currently in effect with the Public Project Customers to other entities out of the Contractual Arrangements. We believe the costs of removing the Unrestricted Business from the Contractual Arrangements outweigh the benefits thereof. The transfer of the Unrestricted Business service contracts might lead to (i) the early termination of all the Unrestricted Business service contracts, resulting in the loss of all revenue generated from the Public Project Customers and potential costs on claims for breach of service contracts, and (ii) the loss of all the Public Project Customers, together with the established strategic partnership, which may negatively affect the Company's business reputation and public image. As such, the transfer of Unrestricted Business service contracts will interrupt, and be detrimental to, our business operations. In addition, retaining such Unrestricted Business in our Group would continuously bring value to our Group by maintaining our strategic partnership with and bringing us more opportunities from the Public Project Customers. Our collaboration with the Public Project Customers is part of our efforts in expanding our medical resource coverage and user base. By partnering with them, we can tap into their broad patient base, therefore generating significant user traffic and attracting a diverse range of individual users to our platform. Leveraging on the large user base, we can attract more medical and healthcare institutions and professionals to collaborate with us. For details, see "Business — Our Collaboration with Medical and Healthcare Institutions."

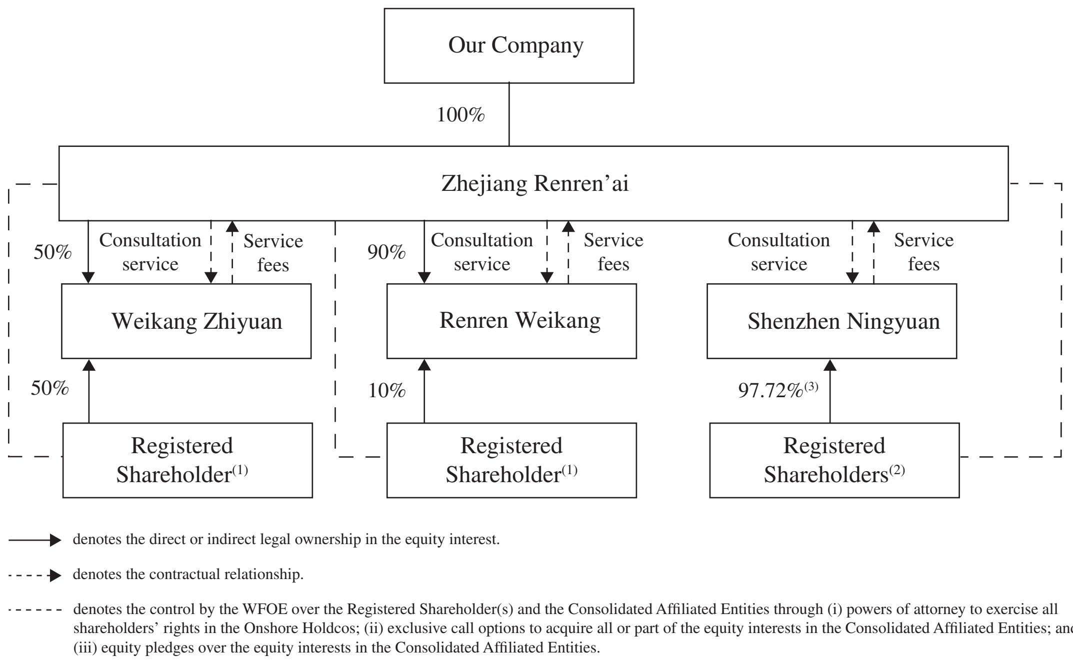
Name of Entities	Business/operation
	Nevertheless, the untransferred service contracts on the provision of the sales and maintenance of the *Blue Dragonfly Infectious Disease Real-time Monitoring System* and the *Blue Dragonfly Hospital Infection Real-time Surveillance System*, and the provision of our *Hospital Full-Process System* service to Public Project Customers had a limited contribution to our Group's financial performance during the Track Record Period, where the revenue contribution of the untransferred service contracts on the provision of the sales and maintenance of the *Blue Dragonfly Infectious Disease Real-time Monitoring System* and the *Blue Dragonfly Hospital Infection Real-time Surveillance System*, and the provision of our *Hospital Full-Process System* service to Public Project Customers for the years ended December 31, 2022, 2023, 2024 and three months ended March 31, 2025 accounted for approximately 1.07%, 1.71%, 1.98% and 1.92% of the total revenue of our Group, respectively. Further, the assets of Shenzhen Ningyuan accounted for approximately 100%, 22.12%, 3.3% and 3.27% of the total assets of our Group as of December 31, 2022, 2023, 2024 and three months ended March 31, 2025, respectively. During the Track Record Period but before the Reorganization, Shenzhen Ningyuan was the onshore holding company of our Group and until November 2023, all the previous subsidiaries of Shenzhen Ningyuan other than Blue Dragonfly Internet were either transferred outside Shenzhen Ningyuan or deregistered. For details, see "History, Reorganization and Corporate Structure — Corporate Reorganization." Therefore, as of December 31, 2021 and 2022, the assets of Shenzhen Ningyuan are equal to the total assets of our Group. Further, as of December 31, 2023, 2024 and three months ended March 31, 2025, the 22.12%, 3.3% and 3.27% assets contribution of Shenzhen Ningyuan primarily comprised of cash because Shenzhen Ningyuan, being the onshore holding company of our Group before the Reorganization, had been serving as the borrower for a majority of the Group's bank borrowings and thus the bank facilities drawn had been deposited in the bank account of Shenzhen Ningyuan. Our Company will stop using Shenzhen Ningyuan but other onshore subsidiaries to serve as the borrower(s) for future bank borrowings.

Name of Entities	Business/operation
	In order to adhere to the "narrowly tailored" principle under Chapter 4.1 of the Guide for New Listing Applicants issued by the Stock Exchange to the extent practicable, our Company will implement adequate safeguards and internal review procedures to (i) undertake new projects with new or existing Public Project Customers on terms that will enable our Group to provide the Unrestricted Business through the WFOE and/or its subsidiaries unless there are engagement condition(s) imposed by the Public Project Customers; (ii) ensure that the Unrestricted Business that may be provided to new or existing Public Project Customers by entities within the Contractual Arrangements will remain immaterial to our Group in terms of revenue contribution after the Listing, which in any event will not exceed 5% of the annual revenue of our Group on an ongoing basis after the Listing; and (iii) ensure that the assets contribution of Shenzhen Ningyuan will not exceed 5% of the total assets of our Group on an ongoing basis after the Listing.

OUR CONTRACTUAL ARRANGEMENTS

As foreign investment in certain areas of the industries in which we currently operate is subject to restrictions under PRC laws and regulations and practical difficulties as outlined above, we do not directly own or wholly own equity interests in our Consolidated Affiliated Entities, as the case may be. In line with common practice and in order to conduct the Relevant Businesses in the PRC, our Company, through Zhejiang Renren'ai, entered into the Contractual Arrangements with Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan and their respective Registered Shareholders, pursuant to which our Company has acquired effective control over the Relevant Businesses through the Consolidated Affiliated Entities, and become entitled to substantially all the economic benefits derived from the Consolidated Affiliated Entities.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements.



Notes:

(1) The Registered Shareholder of Weikang Zhiyuan and Renren Weikang is Jianchen Technology, which is in turn wholly-owned by Mr. Luo.

(2) Shenzhen Ningyuan is owned by the following Registered Shareholders:

Name of the shareholders	**Percentage of shareholdings (%)**
Mr. Luo	29.20
Qifu Chuangye	6.02
Heyuan Chuangye	5.66
Weikang Yuanju	4.52
Qifu Zhongsheng	4.53
Sanya Caixi	4.53
Wuhu Linghang	4.39
Wang Ming (王明)	3.95
Weikang Kairui	3.22
Guangzhou Lingkang	2.23
Fenxiang Zeshan	2.15
Fenxiang Yidao	2.15
Zhou Wen (周文)	2.11
Shenzhen Toposcend	1.93
Wang Senlin (王森林)	1.72
Qifu Jiarong	1.39
Zhongshan Fuying	1.29
Chongqing Southern Fund	1.28
Jiangsu Jiequan	1.25
Huzhou Yashang	1.16
Qingdao Litan Haipeng	1.15

Name of the shareholders	Percentage of shareholdings (%)
Qingdao Litan	1.00
Fu Zhekuan (傅哲寬)	0.98
Wang Ling (王玲)	0.96
Nanjing Furui	0.93
Zhuhai Xuhua	0.90
Tianxin Jiuyue	0.86
Shenzhen Yuanzhi	0.69
Yingxin Guofu	0.58
Yu Yanni (余燕妮)	0.43
Zhuhai Hengqin	0.43
Zero2IPO Jiaqi	0.43
Zero2IPO Yiju	0.43
Zero2IPO Xiaochi	0.43
Lezhi Xiamen	0.34
Huang Xiyin (黃錫銀)	0.17
Zhang Ruxie (張如協)	0.13
Huang Fanzhi (黃反之)	0.09
Chen Shaohuai (陳少懷)	0.04
Qingdao Chengyu	1.75
Zhejiang Zhonghui	0.35
	97.72

All the Registered Shareholders of Shenzhen Ningyuan and their respective shareholders are PRC companies or residents without foreign investment.

(3) As of the Latest Practicable Date, Wuhan Ruer and Wuhan Guanggu were holding 1.25% and 1.03% equity interest of Shenzhen Ningyuan, respectively. Each of Wuhan Ruer and Wuhan Guanggu did not reflect their shareholding in Shenzhen Ningyuan to our Company during the Reorganization and will not enter into the Contractual Arrangements. As advised by our PRC Legal Advisors, given that (i) no statutory and/or contractual rights of first refusal have been granted to Wuhan Ruer and Wuhan Guanggu, and (ii) Shenzhen Ningyuan will not be converted into a limited liability company in the future, the legality and enforceability of the Contractual Arrangements with Shenzhen Ningyuan would not be affected by virtue of Wuhan Ruer's and Wuhan Guanggu's shareholders' rights in Shenzhen Ningyuan.

In light of the foregoing reasons and taking into account the non-transferability nature of the Unrestricted Business, the material adverse impact on our business operations from transferring the Unrestricted Business out of the Contractual Arrangements and the immateriality (in terms of revenue and assets contribution) of the Unrestricted Business conducted by the Project Entities, as well as the undertaking mentioned above, the Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, have been narrowly tailored to achieve our business purpose and minimize the potential for conflict with relevant PRC laws and regulations.

Further, our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between Zhejiang Renren'ai, our Consolidated Affiliated Entities and the Registered Shareholders; (ii) by entering into the Exclusive Business Cooperation Agreements (as defined below) with the WFOE, which is our subsidiary incorporated in the PRC, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after the Listing; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

SUMMARY OF THE MATERIAL TERMS OF THE CONTRACTUAL ARRANGEMENTS

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

(1) Exclusive Business Cooperation Agreements

Pursuant to the exclusive business cooperation agreements dated August 11, 2023 and October 20, 2023 between each of the Onshore Holdcos and the WFOE (collectively, the "**Exclusive Business Cooperation Agreements**"), our Onshore Holdcos agreed to engage the WFOE as the exclusive provider to the Consolidated Affiliated Entities of the following consultancy and relevant services in exchange for an annual or quarterly service fee:

- technical support and professional training services;
- assistance in consultancy, collection and research of relevant technology and market information (excluding market research business that foreign-invested enterprises are prohibited from conducting under PRC laws and regulations);
- business and management consultation services;
- marketing and promotional services;
- customer order management and customer services;
- the use of any relevant intellectual properties legally owned by the WFOE; and
- other services as negotiated and specified between the Onshore Holdcos and the WFOE from time to time, based on the actual business requirements of the Consolidated Affiliated Entities and the service capacity of the WFOE, to the extent permitted by PRC laws and regulations.

In consideration of the services provided by the WFOE, the Onshore Holdcos shall pay the service fees to the WFOE annually or quarterly (as requested by the WFOE), which shall be equivalent to the annually or quarterly consolidated distributable profit after taxation to which the Onshore Holdcos are entitled, consisting of approximately 50%, 10% and 97.72% of the total consolidated profit of Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan, respectively, after deducting any accumulated losses from the preceding fiscal year(s), and any costs, expenses, tax and other statutory contributions in relation to the respective fiscal year(s).

During the respective term of the Exclusive Business Cooperation Agreements, without the WFOE's prior written consent, with respect to the services provided under the Exclusive Business Cooperation Agreements, the Consolidated Affiliated Entities shall not directly or indirectly accept the same or any similar services to be provided by any third party and shall not establish cooperation relationship similar to that formed by the Exclusive Business Cooperation Agreements with any third party.

The Exclusive Business Cooperation Agreements also provide that the WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the Consolidated Affiliated Entities during the performance of the Exclusive Business Cooperation Agreements.

Under the Exclusive Business Cooperation Agreements, (i) director or senior management of the Onshore Holdcos shall not be changed, dismissed or replaced without the prior written consent of the WFOE; and (ii) our Consolidated Affiliated Entities shall allow the WFOE to inspect their accounts and provide other information including relevant records and data.

The Exclusive Business Cooperation Agreements shall remain effective unless terminated by the WFOE with a 30-day prior written notice.

(2) Exclusive Option Agreements

Pursuant to (i) the exclusive option agreements dated August 11, 2023 and October 20, 2023 among the WFOE, each of the Onshore Holdcos and their respective Registered Shareholders, and (ii) the exclusive option agreements dated May 20, 2024 among the WFOE, Chengdu Renren Weikang, Blue Dragonfly Internet (the "**Operating Subsidiaries**") and their respective shareholders (the "**Operating Subsidiaries Shareholders**") (collectively, the "**Exclusive Option Agreements**"), the Registered Shareholders and the Operating Subsidiaries Shareholders irrevocably granted the WFOE an exclusive right to acquire or designate one or more persons to acquire, to the extent permitted under any applicable PRC laws, from the Registered Shareholders and the Operating Subsidiaries Shareholders any or all of their equity interests then held in the Onshore Holdcos and the Operating Subsidiaries, in whole or in part at any time, for the minimum amount of consideration permitted by applicable PRC laws.

The WFOE has the sole discretion to decide when to exercise the option, and whether to exercise the option in part or in full. The key factor for us to decide whether to exercise the option is whether the applicable foreign investment restrictions in relation to the Relevant Businesses will be removed in the future, the likelihood of which we were not in a position to know or comment on as of the Latest Practicable Date. Where such foreign investment restrictions have been relaxed and there exist clear procedures and guidance for our Group to directly hold the maximum permitted interests in the Consolidated Affiliated Entities, our Group shall have the right to unwind or modify (as the case may be) the Contractual Arrangements such that our Company (or our subsidiary(ies) of which we hold equity interests) will directly hold the maximum percentage of ownership interests permissible in the Consolidated Affiliated Entities, under relevant PRC laws and regulations, through foreign investment entities.

To prevent the flow of the assets and value of the Consolidated Affiliated Entities to their respective shareholders, pursuant to the Exclusive Option Agreements, without the prior written consent of the WFOE, the Registered Shareholders and the Operating Subsidiaries Shareholders shall not sell, transfer, pledge or dispose of in other manner the legal and beneficial interests in the Onshore Holdcos and the Operating Subsidiaries, or allow the encumbrance thereon of any security interest. Further, the Registered Shareholders and the Operating Subsidiaries Shareholders may not receive any profit distribution or dividend from the Onshore Holdcos and the Operating Subsidiaries without prior written consent from the WFOE.

If the WFOE exercises the option under the Exclusive Option Agreements to acquire the equity interests in the Onshore Holdcos and the Operating Subsidiaries, all or any part of the equity interests in the Onshore Holdcos and the Operating Subsidiaries acquired would be transferred to the WFOE and the benefits of equity ownership would flow to the WFOE and its shareholders. The Registered Shareholders and the Operating Subsidiaries Shareholders have also undertaken that, subject to the relevant laws and regulations, they will return to the WFOE any consideration they receive in the event that the WFOE exercises such option to acquire the equity interests in the Onshore Holdcos and the Operating Subsidiaries.

(3) Equity Pledge Agreements

Pursuant to (i) the equity pledge agreements dated August 11, 2023 and October 20, 2023 entered into among the WFOE, each of the Onshore Holdcos and each of their respective Registered Shareholders, and (ii) the equity pledge agreements dated May 20, 2024 among the WFOE, the Operating Subsidiaries and the Operating Subsidiaries Shareholders (collectively, the "**Equity Pledge Agreements**"), the Registered Shareholders and the Operating Subsidiaries Shareholders agreed to pledge all of their respective equity interests in the Onshore Holdcos and the Operating Subsidiaries that they legally own to the WFOE as security interest to guarantee the performance of their contractual obligations under the relevant Contractual Arrangements.

Under the Equity Pledge Agreements, among other things, the Registered Shareholders and the Operating Subsidiaries Shareholders have agreed that, without prior written consent of the WFOE, they will not transfer or dispose of the pledged equity interests or create or allow any third party to create any encumbrance on the pledged equity interests that would prejudice the WFOE's interest. The pledge in respect of Onshore Holdcos and the Operating Subsidiaries took effect upon the completion of the change of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholders, Onshore Holdcos, Operating Subsidiaries and Operating Subsidiaries Shareholders under the relevant Contractual Arrangements have been fully performed and all the losses to be paid by the Registered Shareholders, Onshore Holdcos, Operating Subsidiaries and Operating Subsidiaries Shareholders arising from their defaults under the relevant Contractual Arrangements have been fully paid.

The equity pledges under the Equity Pledge Agreements have been duly registered with the relevant PRC authority pursuant to the relevant PRC laws.

(4) Entrustment Agreements

Pursuant to the shareholders' rights entrustment agreements dated August 11, 2023 and October 20, 2023 among the WFOE, each of the Onshore Holdcos and their respective Registered Shareholders (collectively, the "**Entrustment Agreements**"), the Registered Shareholders have irrevocably appointed the WFOE or the person designated by the WFOE (including but not limited to the Directors, their successors and liquidators but excluding those who are non-independent or who may give rise to conflicts of interest) as their agent and attorney to act on their behalf on all matters concerning the Onshore Holdcos and to exercise all of their rights as Registered Shareholders of the Onshore Holdcos, including but not limited to:

- the right to propose to convene and attend shareholders' meetings;
- the right to exercise voting rights on all matters that require discussion and resolution at shareholders' meeting, approve and sign resolutions on behalf of the relevant Registered Shareholders;
- the right to submit any required documents to the relevant authorities; and
- the right to exercise all shareholders' rights under applicable PRC laws and the articles of association of the Onshore Holdcos.

(5) Spouse Undertakings

The spouse of each of the individual Registered Shareholders has signed a spousal undertaking letter (collectively, the "**Spouse Undertakings**"), pursuant to which the signed spouses unconditionally and irrevocably undertake their respective spouses' performance under the Contractual Arrangements.

The signed spouses further undertake, among other things, that (i) any equity interests held by their respective spouse as a Registered Shareholder in the Onshore Holdcos do not fall within the scope of their communal properties; (ii) any necessary measures taken or obligations performed by his/her spouse to procure the execution of the Contractual Arrangements do not require his/her authorization or consent; and (iii) each of them will take any necessary measures to procure the execution of the Contractual Arrangements.

(6) Confirmation from the individual Registered Shareholders

Each of the individual Registered Shareholders has confirmed to the effect that (i) his/her interests do not fall within the scope of communal properties, and his/her spouse does not have the right to claim any interests in the Onshore Holdcos (together with any other interests therein) or exert influence on the day-to-day management and voting matters of the Onshore Holdcos; and (ii) in the event of his/her death, disappearance, incapacity, divorce, marriage or any other event which causes his/her inability to exercise his/her rights as a shareholder of the Onshore Holdcos, his/her successors (including his/her spouse) will not take any actions that would affect his/her obligations under the Contractual Arrangements.

(7) Confirmation from the institutional Registered Shareholders

Each of the institutional Registered Shareholders has confirmed to the effect that in the event of bankruptcy, liquidation or any other circumstances that may prevent institutional Registered Shareholders from exercising their rights as shareholders of the relevant Onshore Holdcos, they will procure their successors not to take any action that would affect the institutional Registered Shareholders' obligations under the Contractual Arrangements, nor will they take any actions that would conflict with the arrangements under the Contractual Arrangements.

Further, save and except for (i) Shenzhen Toposcend, Chongqing Southern Fund and Shenzhen Yuanzhi, which are ultimately controlled by Shenzhen Municipal SASAC, and (ii) Qingdao Chengyu, which is ultimately owned by Qingdao Shinan District Finance Bureau (青島市市南區財政局), each of the ultimate beneficial owners of the institutional Registered Shareholders and their spouses has signed an undertaking pursuant to which each of the ultimate beneficial owners of the institutional Registered Shareholders and their spouses has undertaken that he or she will ensure his or her performance under the Contractual Arrangements. As advised by our PRC Legal Advisors, the fact that the ultimate beneficial owners of Shenzhen Toposcend, Chongqing Southern Fund, Shenzhen Yuanzhi and Qingdao Chengyu do not execute such undertaking will not affect the legality, enforceability and performance of the Contractual Arrangements given that (i) Shenzhen Toposcend, Chongqing Southern Fund, Shenzhen Yuanzhi and Qingdao Chengyu have confirmed that each of them has obtained necessary internal authorizations to enter into the Contractual Arrangement, and (ii) each of the institutional Registered Shareholders, instead of their respective ultimate beneficial owner, is the signatory to the Contractual Arrangements and therefore, the institutional Registered Shareholders are contractually obliged to perform their duties and obligations under the Contractual Arrangements.

Other aspects of the Contractual Arrangements

Dispute resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution clause, pursuant to which, (i) in the event of any dispute arising under or in connection with the Contractual Arrangements, the parties thereto shall negotiate to settle the dispute; and (ii) in the event of the parties failing to reach an agreement within 30 days after the relevant dispute arises, the relevant dispute shall be submitted to the Shenzhen Court of International Arbitration in accordance with the then effective arbitration rules. The arbitration award shall be final and binding on all parties. Any party shall have the right to apply to courts with competent jurisdiction for the enforcement of arbitration awards after the relevant arbitration award comes into effect.

The dispute resolution clause also provides that (i) the tribunal may award remedies over the shares or assets of the Consolidated Affiliated Entities or injunctive relief (e.g., for the conduct of business or to restrict the transfer of assets), or order the winding-up of the Consolidated Affiliated Entities; and (ii) the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company) and other courts with jurisdiction shall also have the right to grant interim remedies or enforce an arbitral award or interim remedies against the shares or properties of the Consolidated Affiliated Entities.

However, our PRC Legal Advisors have advised that the tribunal normally would not grant such injunctive relief or order the winding up of the Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement orders granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable under the current PRC laws.

As a result of the above, if the Consolidated Affiliated Entities or their Registered Shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over the Consolidated Affiliated Entities and conduct our business could be materially and adversely affected.

Succession

The Contractual Arrangements are binding on the successors of the Registered Shareholders. Under the succession laws of the PRC, the statutory successors include one's spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents and any breach by such successors would be a breach of the Contractual Arrangements. In case of a breach, WFOE can enforce its rights against the successors. Pursuant to the Exclusive Business Cooperation Agreements, the Exclusive Option Agreements, the Equity Pledge Agreements and the Entrustment Agreements, in the event of death, loss of capacity, marriage or divorce or other circumstances which would affect the exercise of equity interests in the Consolidated Affiliated Entities, the successors (including the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents of the Registered Shareholders), assignees or other persons or entities who obtain the equity interests in the Consolidated Affiliated Entities as a result of any of the above events shall inherit or assume the rights and obligations under the relevant contracts, as if the inheritor was a signing party to such Contractual Arrangements.

Arrangements to address potential conflicts of interest

To ensure our effective control over the Consolidated Affiliated Entities, we have implemented measures to protect against the potential conflicts of interest between our Company and the Registered Shareholders. Pursuant to the Exclusive Option Agreements, the WFOE has the right to require the Registered Shareholders and the Operating Subsidiaries Shareholders to transfer any or all of their equity interests in the Onshore Holdcos and the Operating Subsidiaries to the WFOE or their designated third party. Under the Entrustment

Agreements, each of the Registered Shareholders has appointed the persons designated by the WFOE (excluding non-independent persons or persons who may give rise to conflicts of interests) as their attorney-in-fact to exercise its rights in respect of its equity interests in the Onshore Holdcos. Furthermore, under the Spouse Undertakings, spouses of the individual Registered Shareholders undertook that (i) any equity interests of their spouses in the Onshore Holdcos do not fall within the scope of their community properties and he or she will not claim any individual Registered Shareholders' equity interests and corresponding assets in the Onshore Holdcos; (ii) he or she will sign all necessary documents and take all necessary acts to ensure the proper performance of the Contractual Arrangements; (iii) any rights attached to the shares of the Onshore Holdcos (including but not limited to inheritance rights, income rights, disposal rights, voting rights, share transfer rights, share pledge rights, etc.) is not inheritable property of the individual Registered Shareholders and their spouses; and (iv) in the event that he or she obtains any equity interests in the Onshore Holdcos from his or her spouse, he or she shall comply with the obligations of his or her spouse as a shareholder of the Onshore Holdcos under the Contractual Arrangements.

Based on the foregoing, our Directors are of the view that the measures we have adopted are sufficient to mitigate the risks associated with potential conflicts of interest between our Group and the Registered Shareholders and that these measures are sufficient to protect our Group's interest in the Consolidated Affiliated Entities.

Loss sharing

Under the relevant PRC laws and regulations, none of our Company nor the WFOE is legally required to share the losses of, or provide financial support to, the Consolidated Affiliated Entities. Further, the Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. The WFOE intends to continuously provide to or assist the Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group conducts its business operations in the PRC through the Consolidated Affiliated Entities, which hold the requisite PRC operational licenses and approvals, and that their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Group's business, financial position and results of operations would be adversely affected if the Consolidated Affiliated Entities suffer losses.

However, as provided in the Exclusive Option Agreements, without the prior written consent of the WFOE, the Consolidated Affiliated Entities shall not, among others things, (i) sell, transfer, pledge or dispose of in any manner any of its assets; (ii) create, succeed to, guarantee or permit any liability except (a) liabilities arising from the normal course of business, but not arising from loans; and (b) liabilities disclosed to the WFOE and approved by the WFOE in writing; (iii) provide loans or credit to any person; (iv) enter into any consolidation or merger with any third party, or invest in any third party; and (v) increase or reduce its registered capital, or alter the structure of the registered capital in any other way.

Therefore, due to the relevant restrictive provisions in the agreements under the Contractual Arrangements, the potential adverse effect on the WFOE and our Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

Liquidation

Pursuant to the Entrustment Agreements, upon the liquidation or winding up of the Consolidated Affiliated Entities, the WFOE is entitled to recommend, and the Onshore Holdcos shall appoint such recommended persons, to become members of the liquidation committee of the Consolidated Affiliated Entities. In addition, pursuant to the Exclusive Option Agreements, in the event of a liquidation or winding up, all of the remaining assets of the Consolidated Affiliated Entities shall be transferred to the WFOE or its designated person after such liquidation or winding up pursuant to PRC laws.

Insurance

There are certain risks involved in our operations, in particular, those relating to our corporate structure and the Contractual Arrangements. A detailed discussion of material risks relating to our Contractual Arrangements is set forth in "Risk Factors — Risks Relating to Our Contractual Arrangements." We have determined that the costs of insurance for the risks associated with business liability or disruption and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Accordingly, as of the Latest Practicable Date, our Company did not purchase any insurance to cover the risks relating to the Contractual Arrangements.

Company's confirmation

Our Directors confirm that, as of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

Circumstances under which we will adjust or unwind the Contractual Arrangements

We will adjust or unwind (as the case maybe) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Businesses to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible in our Consolidated Affiliated Entities where the foreign investment restrictions have been relaxed and there exist clear procedures and guidance under relevant PRC laws and regulations.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

The Contractual Arrangements are limited to the Relevant Businesses, including the medical institution and value-added telecommunication service businesses, which are foreign investment restricted business/operations under the Negative List. During the consultations with the MIIT and the Health Commission of Chengdu (collectively, the "**Relevant Authorities**") conducted by the respective PRC Legal Advisors of our Company and the Joint Sponsors in July and September 2023, respectively, the officers of the Relevant Authorities confirmed that the adoption of the Contractual Arrangements is not subject to their approvals or confirmation. Our PRC Legal Advisors are of the view that, (i) the Relevant Authorities are competent government authorities for our Company's Relevant Businesses; and (ii) the relevant officers who gave the aforementioned confirmations during the consultations have the authority to give such confirmations on behalf of the Relevant Authorities. Based on the above, our PRC Legal Advisors, following completion of reasonable due diligence steps, are of the opinion that the Contractual Arrangements are designed to minimize the potential conflict with relevant PRC laws and regulations and that:

(i) each of the WFOE, the Onshore Holdcos and the Operating Subsidiaries has authority and authorizations to execute and perform the Contractual Arrangements;

(ii) each of the agreements under the Contractual Arrangements is legal, valid and binding on the parties thereto and none of them would be deemed void under Articles 144, 146, 153 and 154 of the Civil Code of the PRC;

(iii) none of the agreements under the Contractual Arrangements violates any provisions of respective articles of association of the WFOE and the Consolidated Affiliated Entities;

(iv) the execution, delivery, effect and implementation of each of the Contractual Arrangements have obtained all required approvals, authorisations or consents from the PRC governmental authorities and such approvals, authorisations or consents continue to be in effect, except that: (a) any share pledge contemplated under the Equity Pledge Agreements is subject to the registration with local administration for market regulation; (b) the disposal of any share pledged under the Equity Pledge Agreements is subject to the approvals and/or registration with the PRC regulatory authority; (c) the exercise of the options to acquire the equity interests or assets under the Exclusive Option Agreements in the future are subject to the relevant approvals, registration or filings with the PRC regulatory authorities as applicable; and (d) the arbitration awards/injunctive remedies provided under the dispute resolution provisions of the Contractual Arrangements shall be recognized by PRC courts before these awards or remedies can be proceeded; and

(v) the Contractual Arrangements are not in violation of applicable PRC laws and regulations, except that the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets of the Consolidated Affiliated Entities injunctive relief and/or winding up of the Consolidated Affiliated Entities, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in the Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China.

However, we have been advised by our PRC Legal Advisors that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to or otherwise different from the above opinion of our PRC Legal Advisors.

Given that the Contractual Arrangements will constitute non-exempt continuing connected transactions of our Company, a waiver has been sought from and has been granted by the Stock Exchange, details of which are disclosed in "Connected Transactions" of this prospectus.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the Foreign Investment Law

On December 23, 2018, the 7th meeting of the 13th Standing Committee of the National People's Congress reviewed the Draft Foreign Investment Law, which was promulgated by the National People's Congress on its official website on December 26, 2018 for public consultation until February 24, 2019, and further submitted the second draft of the 2018 draft foreign investment law to the National People's Congress (the "**NPC**") for deliberation on January 29, 2019. On March 15, 2019, the NPC adopted the FIL at the closing meeting of the second session of the 13th NPC. The FIL took effect on January 1, 2020, replaced the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-Owned Enterprise Law, and became the legal foundation for foreign investment in the PRC. On December 26, 2019, the State Council promulgated Regulation on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020.

Impact and consequences of the Foreign Investment Law

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including our Group. We use the Contractual Arrangements to establish control over our Consolidated Affiliated Entities, by the WFOE through which we operate our business in the PRC. As advised by our PRC Legal Advisors, since contractual arrangements are not specified as foreign investment under the FIL and if future laws, regulations and provisions prescribed by the State Council do not incorporate contractual arrangements as a form of foreign investment, our Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements will not be affected and will continue to be legal, valid and binding on the parties with an exception, for which, see "— Legality of the Contractual Arrangements."

Notwithstanding the above, the FIL stipulates that foreign investment includes "foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council" without elaboration on the meaning of "other methods." There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of our Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See "Risk Factors — Risks Relating to Our Contractual Arrangements."

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

(a) major issues arising from the implementation of and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion as and when they arise;

(b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and

(d) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and the legal compliance of the WFOE and the Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Under the Exclusive Business Cooperation Agreements, it was agreed that, in consideration of the services provided by the WFOE, the Onshore Holdcos will pay service fees to the WFOE. Accordingly, through the Exclusive Business Cooperation Agreements, the WFOE has the ability, at its sole discretion, to extract the annual distributable profits of Onshore Holdcos, consisting of approximately 50%, 10% and 97.72% of the distributable net profit of Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan, respectively, after deducting the losses from the previous financial year(s) and the statutory contributions (if applicable) subject to applicable PRC laws and regulations.

In addition, under the Exclusive Option Agreements, the WFOE has absolute contractual control over the distribution of dividends or any other amounts to the equity holders of the Onshore Holdcos and the Operating Subsidiaries as the WFOE's prior written consent is required before making any distribution. If the Registered Shareholders and the Operating Subsidiaries Shareholders receive any profit distribution or dividend from the Onshore Holdcos and the Operating Subsidiaries, the Registered Shareholders and the Operating Subsidiaries Shareholders must immediately pay or transfer all such amount (subject to the relevant tax payment being made under the relevant laws and regulations) to the WFOE.

Upon the Listing, we own 50% and 90% equity interests in Weikang Zhiyuan and Renren Weikang, and as a result of the aforementioned Contractual Arrangements, our Company has obtained control of the remaining equity interests in Weikang Zhiyuan and Renren Weikang, and 97.72% equity interests in Shenzhen Ningyuan through the WFOE. As such, our Company can receive substantially all of the economic interest returns generated by Weikang Zhiyuan, Renren Weikang and Shenzhen Ningyuan.

OUR VISION

Our vision is to safeguard everyone's health with heartfelt care by building a leading integrated online and offline healthcare and wellness service portal in China.

OVERVIEW

Who We Are

We are an experienced pharmaceutical and healthcare product wholesaler and a leading digital healthcare integrated service provider in China. We provide customers with a wide selection of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions. We offer a wide assortment of high-quality pharmaceutical and healthcare products under both wholesale and retail models, to address a spectrum of customer needs. In addition, through our online healthcare and wellness service platform, *Healthcare 160 Platform*, we also provide digital healthcare and wellness solutions, empowering each Platform Participants, primarily including business customers, medical and healthcare institutions, medical professionals, individual users, and third-party merchants, throughout the healthcare value chain and driving the digital transformation of China's healthcare and wellness industry.

We provide pharmaceutical and healthcare products to business customers, including regional pharmaceutical trading companies, medical and healthcare institutions, and other pharmaceutical sales platforms, under wholesale model and individual users under retail model. Leveraging our robust supply chain resources and strong order fulfillment capabilities, we identify stable and high-quality suppliers to meet our customers' specific needs and offer guaranteed and efficient product delivery, generating substantial revenue from product sales. During the Track Record Period, our pharmaceutical and healthcare product sales, particularly through our wholesale model, made a substantial contribution to our revenue, consistently positioning it as the primary revenue stream for us. Revenue generated from sale of pharmaceutical and healthcare products constituted 73.2%, 71.7%, 68.7%, 66.6% and 66.9% of our total revenue in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, among which, revenue generated from wholesale of pharmaceutical and healthcare products contributed 57.8%, 66.1%, 64.9%, 59.8% and 64.3% of our total revenue during the same periods.

In providing digital healthcare and wellness solutions, we have developed *Healthcare 160 Platform*, a service platform that integrates healthcare and wellness services through online and offline channels, effectively connecting medical and healthcare institutions, medical professionals, and individual users. Our platform provides a diverse array of healthcare and wellness services, encompassing both essential medical care and consumer healthcare services. We employ an effective monetization strategy for our digital healthcare and wellness solutions to generate revenue from various Platform Participants, thereby constituting an important revenue stream for us. Revenue generated from our digital healthcare and wellness solutions constituted 26.8%, 28.3%, 31.3%, 33.4% and 33.1% of our total revenue in 2022, 2023 and

2024 and for the three months ended March 31, 2024 and 2025, respectively. According to Frost & Sullivan, we were the largest digital healthcare and wellness service platform in the digital healthcare integrated service industry in China in 2024, in terms of (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024.

Our technology-driven healthcare and wellness service platform provides integrated support to Platform Participants and creates benefits across different areas of our operations. Business customers procure pharmaceutical and healthcare products from us, assured by our commitment to timely delivery, complemented by responsive after-sales support. For medical and healthcare institutions, we provide tailored solutions to digitize their operations, improve their operating efficiency and enhance their brand visibility. Medical professionals benefit from our established online practice platform, supporting online healthcare services, patient management, and personal brand promotion. Individual users have easy access to online healthcare services as well as pharmaceutical and healthcare products through our online healthcare and wellness service portal. Our wide-ranging product and service offerings span the full spectrum of consultation services, providing both essential medical care and consumer healthcare services to meet diverse needs of individual users. In addition to our products and services for key Platform Participants, we also operate an online marketplace for third-party merchants.

Each business line contributes to the overall development of our platform and supports our growth in its respective area. In the realm of our digital healthcare and wellness solutions, online marketing solutions, together with digital hospital solutions, play a pivotal role in augmenting the platform's medical resources, which in turn bolster the medical resources for online healthcare services. The growth of our online healthcare services also broadens user engagement on our platform and enhances overall service utilization, supporting the development of our retail of pharmaceutical and healthcare products. Meanwhile, our wholesale model expands and fortifies our supply chain, which enhances our bargaining power with upstream suppliers and contributes to the diversification of our revenue streams.

Our origins in Shenzhen have laid a solid foundation for our success in this region and its surrounding areas. We have firmly established a notable leadership position within Shenzhen's digital healthcare integrated service industry, as demonstrated by our robust relationships with local medical and healthcare institutions and professionals. Building upon such success, we have created a digital healthcare and wellness service platform that provides individual users with a wide range of reliable online healthcare services at any time and from anywhere, surpassing the limitations of time and location commonly associated with offline healthcare services. Through our platform, we had extended our service outreach to over 260 cities across China as of March 31, 2025.

We consider the medical resources available on our platform to be the cornerstone of our business. To diversify these resources, we collaborate with well-regarded general and specialty medical and healthcare institutions, as well as highly skilled medical professionals. Additionally, we strive to expand our coverage of local medical resources to enhance our localized services. To reinforce our medical resources, we have established 11 regional operation centers in key regions such as Shenzhen, Beijing, Shanghai, and Guangzhou. Our geographical footprints in these regions afford customers seamless access to our broad array of product and service offerings and contribute to a thorough healthcare experience for them. The enhanced user recognition in turn attracts new local medical resources to our platform.

Our Business Highlights

As of March 31, 2025, our platform had connected with over 44,600 medical and healthcare institutions cumulatively since our inception, which comprised over 14,400 hospitals (including 3,430 Class III hospitals) and over 30,200 primary healthcare institutions. As of the same date, among our collaborating medical and healthcare institutions, there were over 6,800 private institutions primarily providing consumer healthcare services on our platform, such as dental, ophthalmology, and physical examination services.

As of the same date, we had established cooperative relationships with over 902,300 medical professionals cumulatively since our inception, which included approximately 46,200 registered physicians. Concurrently, our platform boasts an substantial user base, with 55.2 million registered individual users as of March 31, 2025. In addition, our platform recorded average MAUs of 3.3 million for the three months ended March 31, 2025.

Furthermore, the accumulation of over 5.6 million user reviews underscores the thriving user engagement and dynamic interaction observed on our platform. Such multifaceted spectrum of connections and interactions reflects the robustness of our platform's healthcare service network.

The following chart illustrates the scale of our business for the period/as of the date indicated:

Notes:

(1) cumulatively since inception up to March 31, 2025

(2) for the three months ended March 31, 2025

(3) as of March 31, 2025

(4) cumulatively during the Track Record Period

(5) cumulatively since the launch of *160 Cloud Hospital* up to March 31, 2025

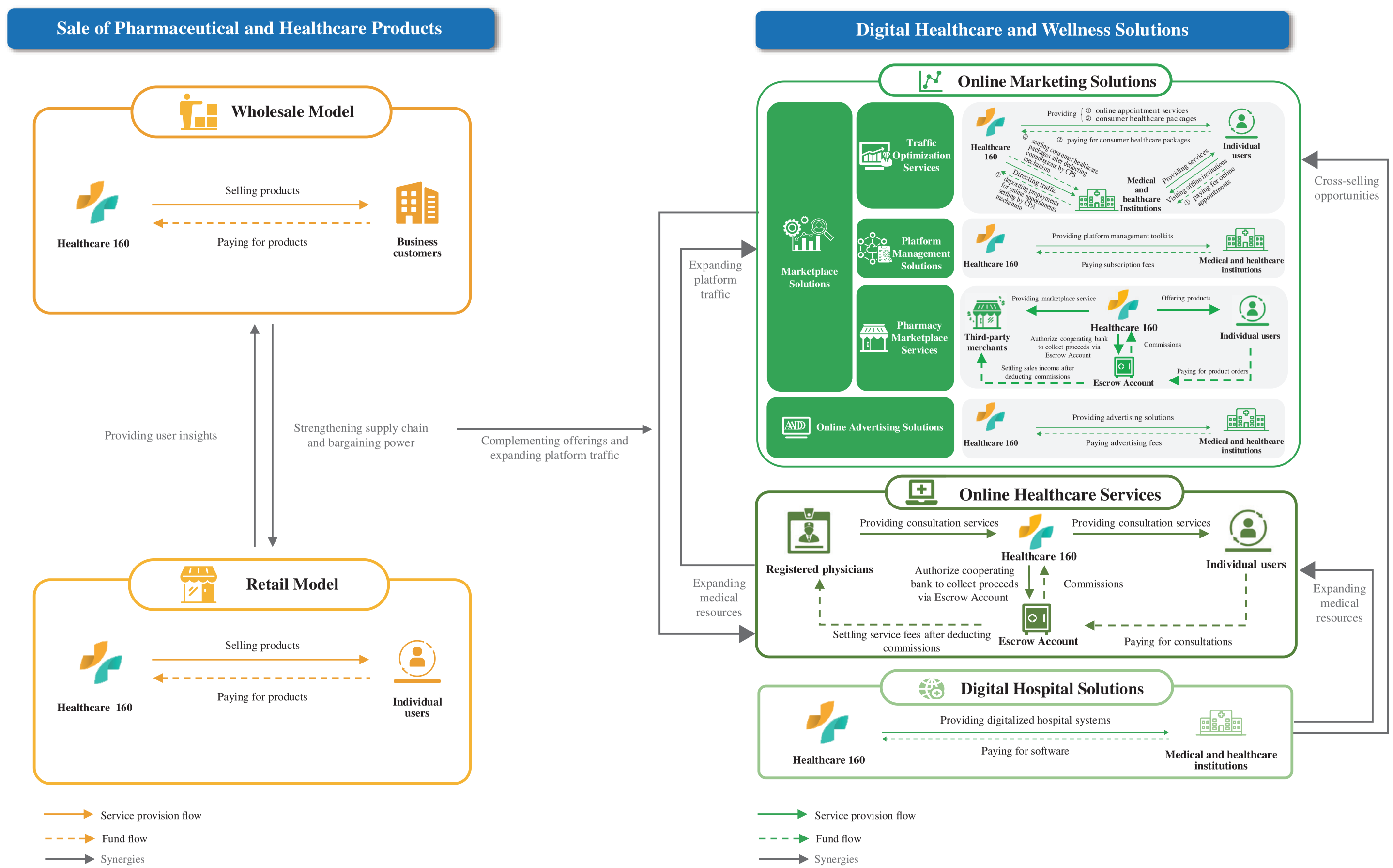
We have experienced considerable growth through our business expansion and monetization mechanisms. During the Track Record Period, we generated revenue from sale of pharmaceutical and healthcare products, as well as the provision of digital healthcare and wellness solutions. Our revenue increased by 19.6% from RMB525.6 million in 2022 to RMB628.6 million in 2023. Our revenue remained relatively stable at RMB628.6 million and RMB620.7 million in 2023 and 2024, respectively. Our revenue increased by 6.7% from RMB94.2 million for the three months ended March 31, 2024 to RMB100.5 million for the same period in 2025. As we were in the stage of developing our product and service offerings, expanding our medical resources, and enhancing our platform traffic, we incurred a significant amount of costs and expenses during the Track Record Period. However, due to our ongoing efforts to boost revenue and reduce costs, our adjusted net loss (non-IFRS measure) had been successfully narrowed from RMB81.9 million in 2022 to RMB35.7 million in 2023, and further to RMB31.5 million in 2024. For the three months ended March 31, 2025, our adjusted net loss (non-IFRS measure) continued to decline significantly to RMB7.2 million, compared to RMB18.8 million for the same period in 2024.

Our Awards and Recognitions

Through persistent development and enhancement of our products and services, we have achieved widespread recognition across the industry. Our commitment to quality has been acknowledged through several prestigious awards and accolades, which include: (i) the "Annual Best Partner" (年度最佳合作夥伴) award at the Huawei Developer Conference 2023, (ii) inclusion in the "Shenzhen Industry Leader Corporate 2022 Top 100" (2022深圳行業領袖企業100強) by the Shenzhen Industry Leader Corporate Development Promotion Association, and (iii) the "China's Medical Industry Unicorn" (中國醫療產業獨角獸) title at the China International Digital Economy Expo 2021. These honors underscore our standing as a leader in the field. See "— Award and Recognition."

Our Distinctive Business Model

Our online healthcare and wellness service platform integrates and connects Platform Participants along the healthcare value chain. The following chart illustrates our distinctive business model and social value:



Services for Business Customers

Capitalizing on our well-established relationships with upstream suppliers, we furnish business customers with a wide array of pharmaceutical and healthcare products under wholesale model, underscored by competitive pricing, assured quantities, and punctual delivery cycles. In tandem with the products and services we crafted for our key Platform Participants, the incorporation of the wholesale model diversifies our revenue streams, thereby enhancing our resilience and stability in the face of market fluctuations.

Solutions for Medical and Healthcare Institutions

Our partnerships with medical and healthcare institutions form the core of our business. We facilitate the digital transformation of these institutions with solutions designed to forge an open system that smoothly integrates the Internet with healthcare, thereby boosting efficiency, accuracy, and intelligence in patient experiences. Moreover, our solutions promote the advancement and sustainability of medical and healthcare institutions, underpinning their digitalization in the following aspects:

- *Operational efficiency*. To facilitate day-to-day online operations, we provide medical and healthcare institutions with platform management solutions through proprietary online management platforms, *Jiuyitong (就醫通)* and *160 Cloud Hospital (160雲醫院)*. Through our solutions, institutions can efficiently oversee their operations on our platform and improve their online visibility, while achieving greater efficiency at their fingertips. Furthermore, we equip medical and healthcare institutions with digital hospital solutions that encompass intelligent in-hospital disease prevention and management, alongside the construction and upgrading of in-hospital information systems. These initiatives optimize the allocation of medical resources, enable rapid response to patient needs, and elevate service quality. Concurrently, they drive increased efficiency and cost-effectiveness across the healthcare delivery spectrum.

- *Brand promotion*. We provide medical and healthcare institutions with effective online marketing solutions to facilitate their brand promotion. Through our platform, these institutions can harness the power of multi-channel and highly-targeted marketing initiatives to drive patient growth and engagement. This includes placing advertisements, publishing medical popular science article release, and implementing marketing campaigns. Moreover, our platform offers an avenue through which medical and healthcare institutions, particularly private ones, can reach potential patients with heightened efficiency and without the constraints of physical space.

Solutions for Medical Professionals

Medical professionals are essential to our online healthcare services. To better serve and connect with them, we offer the following solutions:

- *Online healthcare service platform*. Supported by the multi-function features of our proprietary mobile app, medical professionals can provide healthcare services beyond the hospital setting. This enables them to engage more effectively with their patients, improve service efficiency, and expand their overall service capacities.

- *Patient management*. Drawing upon our industry knowledge and technological advantages, we present medical professionals with a range of self-developed platform-based toolkits, such as patient community construction and management toolkits. These toolkits empower them to elevate their intelligent patient management by enhancing patient-physician interactions on our platform. By embracing our toolkits, medical professionals can efficiently manage patient resources and improve patient engagement, which we believe can help them fortify patient loyalty.

- *Personal branding*. Through offering diversified marketing toolkits, such as content management toolkit designed to manage their contents posted on our platform, we assist medical professionals in managing word-of-mouth and patient communities and enhancing online exposure, which facilitates effective promotion of their personal brands.

Solutions for Individual Users

We are dedicated to offering individual users reliable, affordable, specialized, and accessible online healthcare services through our alliance of collaborating medical and healthcare institutions and professionals. Our offerings include online medical appointments, consultations and consumer healthcare packages, as well as pharmaceutical and healthcare products through our one-stop platform.

We carefully select and integrate reputable medical and healthcare institutions of various tiers and specializations into our platform. This enables easy access for individual users to well-regarded medical and healthcare institutions and professionals, allowing them to make appointments and seek online consultations. We continuously expand our online healthcare services and explore new service scenarios to meet the evolving needs of individual users. Our platform now provides a wide range of essential medical care and consumer healthcare services.

Furthermore, we offer a diverse selection of pharmaceutical and healthcare products at competitive prices primarily through our online retail pharmacies. This not only caters to individual users' medication needs but also complements the post-treatment services provided by our online healthcare services. Our online pharmacies, combined with our other online offerings, create an integrated online healthcare and wellness service platform for individual users, leading to enhanced user engagement.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths can empower us to achieve sustainable growth.

An industry front-runner in China's digital healthcare integrated service industry

With over 18 years of successful experience and a proven track record, we have established robust brand recognition and secured a prominent position in China's digital healthcare integrated service industry. Our *Healthcare 160 Platform* emerged as the largest digital healthcare and wellness service platform in the digital healthcare integrated service industry in China in 2024 in terms of (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024, according to Frost & Sullivan. As of March 31, 2025, our platform had connected with over 14,400 hospitals and over 902,300 medical professionals cumulatively since our inception, among which approximately 46,200 were registered physicians, forming a robust foundation for our online healthcare and wellness service platform. In parallel, our platform had cumulatively accommodated a thriving community of 55.2 million registered individual users since our inception up to March 31, 2025, reflecting our wide-reaching impact on healthcare access and engagement. This resonance was evident in the consistent and notable average MAUs of 3.3 million for the three months ended March 31, 2025.

Our roots are deeply planted in Shenzhen, where we have steadfastly established an unequivocal leadership position within the local digital healthcare integrated service industry. This prominence is unmistakably validated through our engagement with numerous local medical and healthcare institutions, as well as the collaborative network we have nurtured with esteemed medical professionals in the region. As of December 31, 2024, we had connected substantially all the hospitals in Shenzhen. Furthermore, we had cultivated affiliations with around 60% of the esteemed medical professionals practicing within the city as of the same date. Building on our initial success in Shenzhen and its surrounding areas, we strategically established a well-rounded online healthcare and wellness service platform, extending our products and services to a nationwide scale. This platform is designed to serve key Platform Participants along the healthcare value chain, including medical and healthcare institutions, medical professionals, and individual users. Leveraging our technology-driven digital healthcare and wellness service platform, we integrate and empower these key Platform Participants through a distinctive business model.

On the medical resource side, our online marketing solutions enable them to increase brand awareness and build their reputation through platform management solutions and traffic optimization services, as well as various advertising and marketing methods. In March 2022, we officially launched our *160 Cloud Hospital*, extending cloud-based hospital services to medical and healthcare institutions. This platform has allowed us to effectively expand our collaborations with medical and healthcare institutions and professionals. As of March 31, 2025, cumulatively since the launch of our *160 Cloud Hospital*, we had reached over 3,400 medical and healthcare institutions nationwide, achieving broad service coverage. In addition, by providing proprietary hospital management systems, our digital hospital solutions support the digital transformation of in-hospital disease prevention and management, as well as the construction or enhancement of inclusive in-hospital information system for medical and healthcare institutions.

For individual users, our platform serves as a well-rounded healthcare service portal, affording easy access to a wide spectrum of reliable online healthcare services and pharmaceutical and healthcare products. Our product and service offerings span the full spectrum of consultation services, catering to the healthcare needs from essential medical care to consumer healthcare services, thereby addressing the diverse needs of individual users. Moreover, our well-established customer support and review mechanism serve to further heighten user engagement and fortify user loyalty.

Driven by the broad healthcare and wellness service offering and coverage, our business has experienced rapid growth. Our distinctive and sustainable business model has been proven both operationally and financially, which led to approximately 141.3 million accumulated orders on our platform during the Track Record Period, originating from customers in over 260 cities across China. Furthermore, our revenue also experienced considerable growth from 2022 to 2023, rising from RMB525.6 million in 2022 to RMB628.6 million in 2023. Our revenue remained stable at RMB628.6 million and RMB620.7 million in 2023 and 2024, respectively. Our revenue increased by 6.7% from RMB94.2 million for the three months ended March 31, 2024 to RMB100.5 million for the same period in 2025.

Given our proven track record and the front-runner advantage in China's digital healthcare integrated service industry, we believe we are well-positioned to capture the growing demand for healthcare and wellness services in China.

A wide range of services for Platform Participants that reduce customer acquisition cost and enhance customer stickiness through notable synergistic effects

Our *Healthcare 160 Platform* serves as a bridge, connecting and integrating Platform Participants within the network. We provide tailored services and a diverse range of products to foster synergies, stickiness, and loyalty among Platform Participants.

- ***Our substantial medical resources attract a large user base***. To differentiate ourselves in the highly competitive industry, we value the importance of forging partnerships with reputable medical and healthcare institutions, as well as medical professionals, to establish long-term trust with our users. With this objective in mind, we strategically collaborate with well-regarded public medical and healthcare institutions that house highly skilled medical professionals, possess advanced expertise, and have rich experience in delivering medical services. Cumulatively since our inception, we had collaborated with 14,432 hospitals, among which 3,430 were Class III hospitals, and established cooperative relationships with over 902,300 medical professionals, among which approximately 46,200 were registered physicians, as of March 31, 2025.

Our substantial medical resources empower us to proficiently engage individual users through offline channels within these institutions and effectively transition them from offline to online platforms at a relatively low cost. Cumulatively since our inception, our registered individual users stood at 43.3 million, 46.6 million, 54.1 million and 55.2 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. This showcases the broad embracement and endorsement our platform has garnered. Furthermore, for the years ended December 31, 2022 and 2023, our average individual user acquisition cost was significantly lower than that of our industry peers in China in terms of selling and marketing expenses per newly-acquired registered individual user, according to Frost & Sullivan.

In turn, the large user base on our platform attracts more medical and healthcare institutions to collaborate with us, creating a virtuous cycle. The wide array of reliable medical resources offered on our platform facilitates long-term trust relationships with individual users by providing a diverse array of professional and reliable online healthcare services. Moreover, the nature of medical services, with their continuous personalized requirements, fosters a high level of user engagement and a willingness to pay on our platform.

- ***Our expansive user base fosters active interactions between medical professionals and patients on our platform, providing us with valuable insights into user demands***. Cumulatively since our inception up to March 31, 2025, our registered individual users reached 55.2 million, while our average MAUs were 3.3 million for the three months ended March 31, 2025. The substantial user base stimulates high demand for online healthcare services provided by medical professionals, resulting in dynamic interactions between them and patients. Throughout the Track Record Period, our platform facilitated over 5.4 million online healthcare service orders, accumulating a wealth of underlying data across diverse medical scenarios. Leveraging our considerable experience in digital healthcare services and robust data analysis capabilities, we harness this data to construct detailed user profiles tailored to each unique medical scenario. Medical professionals can utilize our solid data analysis capabilities to improve their service quality and efficiency on our platform, ensuring a consistent supply of medical resources on our platform. For the three months ended March 31, 2025, the retention rate of medical professionals reached 61.5%. In addition, our user review mechanism had garnered a total of over 5.6 million user reviews cumulatively since our inception up to March 31, 2025.

- ***In-depth user insights facilitate accurate patient management, empowering medical and healthcare institutions and professionals.*** We gain profound insights into user needs by actively engaging in the interactions among Platform Participants. With a deep understanding of individual users' demands, we provide medical and healthcare institutions and professionals with a broad range of digital healthcare and wellness solutions, facilitating accurate patient management. For example, we assist them in building patient communities based on patient profiles, thereby facilitating better interaction and targeted marketing. We believe that patient management capabilities are crucial in elevating operating efficiency, bolstering service capabilities, and curbing online practicing costs for medical and healthcare institutions and professionals. Consequently, we are poised to cultivate loyalty among current medical and healthcare institutions and professionals on our platform while attracting esteemed new additions, solidifying our platform's standing as their preferred avenue for online practice.

- ***Our esteemed brand reputation and industry knowledge empower us to attract a wider business customer base***. Through our successful provision of digital healthcare and wellness solutions, we have garnered considerable recognition in the PRC healthcare and wellness industry, acquiring profound insights into the industry. Leveraging our renowned brand image and industry expertise, we are adept at exploring vertical business opportunities across the industry value chain with efficiency and effectiveness. This is evidenced by the significant increase in revenue generated from the wholesale of pharmaceutical and healthcare products, rising from RMB304.0 million in 2022 to RMB402.9 million in 2024, and further from RMB56.3 million for the three months ended March 31, 2024 to RMB64.6 million for the same period in 2025, despite the launch of our wholesale business as recently as 2018. During the Track Record Period, we had served 679 business customers in total, with repurchase rate of 63.2%.

A popular digital healthcare and wellness service platform providing reliable products and services

We are a trusted digital healthcare and wellness service platform committed to building long-term relationships of trust with our users. Our primary focus is on providing reliable, affordable, specialized and accessible healthcare products and services. We nurture users' trust by offering specialized healthcare services backed by our broad collection of reliable medical resources. As of March 31, 2025, our platform had connected 3,430 Class III hospitals and approximately 448,896 medical professionals from Class III Level A hospitals cumulatively since our inception. We had approximately 179,940 chief physicians and approximately 245,457 associate chief physicians connected to our platform as of the same date cumulatively since our inception. In addition to institutions providing essential medical care, we have also expanded our medical resources to include reputable institutions providing consumer healthcare services on our platform, such as dental, ophthalmology, and physical examination services. Our rigorous selection criteria and effective evaluation mechanisms ensure the highest service quality. As of March 31, 2025, our platform had connected with over 6,800 private medical and healthcare institutions primarily providing consumer healthcare services cumulatively since our inception.

Empowered by our advanced technologies and platform service capabilities, we enable medical and healthcare institutions and professionals to establish active interactions with patients and deliver better healthcare services. We help medical professionals enhance physician-patient communication by building patient communities and providing post-treatment follow-up consultations. Through our review system, medical professionals receive timely patient feedback for service improvement. These high-frequency and effective interactions between medical professionals and individual users on our platform lead to better user engagement. In addition, we offer individual users a curated selection of pharmaceutical and healthcare products on our platform. This enhances our service offerings and fosters an integrated online healthcare and wellness service platform, catering to the diverse needs of our users.

As such, we have become the preferred digital healthcare and wellness service platform among individual users, a fact substantiated by our solid user engagement. According to Frost & Sullivan, we ranked first in the digital healthcare integrated service industry in China in 2024, in terms of the number of appointments made through the platform in 2024. During the Track Record Period, our platform had facilitated over 5.4 million online healthcare service orders. Up to March 31, 2025, our platform had garnered more than 5.6 million user reviews. In addition, our Healthcare 160 app has garnered a substantial number of downloads and attained a high user rating of 4.6 and 4.8 out of 5 on the Apple Store and Huawei AppGallery, respectively. This accomplishment outperforms the industry average of the digital healthcare integrated service industry in China, according to Frost & Sullivan. For the three months ended March 31, 2025, our user repurchase rate reached 84.6%, while the conversion rate from registered individual users to ordering customers stood at 55.7%.

Well-rounded and accessible healthcare service portfolio covering a wide range of healthcare scenarios and catering to diverse needs throughout the entire patient journey

We have dedicated ourselves to developing a well-rounded and accessible digital healthcare and wellness service platform that covers a wide range of healthcare scenarios, catering to diverse needs throughout the entire patient journey through multiple channels. Our platform offers one-stop online healthcare services, encompassing the entire spectrum of consultation services to address the diverse needs of patients. Within our platform, we offer online appointment services for pre-consultation, online healthcare services for in-consultation, and online retail pharmacies for post-consultation. These services complement each other, creating cross-selling opportunities. For example, our online healthcare services generate organic demand for pharmaceutical and healthcare products, as well as medical appointments. Similarly, our online retail pharmacies guide patients from the user base, which is established through the provision of pharmaceutical and healthcare products, to our online healthcare services.

To meet the evolving healthcare demands of our users, we continuously diversify and expand our service portfolio to cover a wide range of healthcare scenarios, including essential medical care and consumer healthcare services. Drawing upon our success in providing essential medical care, which has helped us establish trust with our individual users, we have strategically expanded our service portfolio to include emerging consumer healthcare services. As a highly regarded digital healthcare and wellness service platform, we now offer mainstream consumer healthcare services, including dental care, ophthalmology specialty, and physical examination. Leveraging our well-rounded healthcare services, we are able to further reduce user acquisition costs and enhance user stickiness, which we believe will also increase the value we can reasonably expect from our customer throughout his or her entire relationship with us.

To reach a larger user base, we integrate and bridge the gap between offline and online channels on our platform and collaborate with major third-party traffic platforms. By leveraging the offline medical service scenarios provided by our collaborating medical and healthcare institutions, particularly through brand promotion during face-to-face medical diagnoses and consultations when providing medical services at our collaborating medical and healthcare institutions offline, we can effectively reach individual users and smoothly direct them to our platform. In addition, we cooperate with renowned third-party traffic platforms, such as WeChat and Alipay, to leverage their abundant user traffic and expand our user access points. In particular, we entered into a collaborative agreement with a leading global provider of information and communications technology infrastructure and smart devices incorporated in China in August 2023 to officially list our Healthcare 160 app on the service grid of all cellphones developed by them, which enables us to tap into the expansive user base of smart device users across China. For details, see "— Collaboration with a Leading Global Provider of Information and Communications Technology Infrastructure and Smart Devices." Furthermore, our platform supports efficient physician-patient communication, further enhancing the convenience of online healthcare services.

Solid research and development capabilities contributing to higher conversion rates of paying customers and creating more cross-selling opportunities

We acknowledge the critical importance of solid research and development (R&D) capabilities in our success and as the foundation of our prominent market position. Meeting the growing and evolving demands of users on our platform heavily relies on advanced technology infrastructure and robust data processing and analysis capabilities.

We utilize advanced algorithms to enhance our service capabilities. These algorithms, such as accurate patient-physician matching and physician recommendations based on our established professional expertise, enable us to enhance service quality to our users. This enhancement has led to satisfactory user experiences, thereby increasing the likelihood of individual users purchasing products and services on our platform. The conversion rate from registered individual users to ordering customers stood at 55.7% for the three months ended March 31, 2025.

In addition to our current product and service portfolios, we continuously develop and upgrade our offerings to address the evolving needs of our users. With short update cycles, our products promptly provide users with the latest features and employ cutting-edged technologies. This proactive approach not only creates more cross-selling opportunities but also drives the growth of our business. For example, by introducing the more advanced *160 Cloud Hospital* with integrated marketing modules, we have unlocked new cross-selling potentials for our wide-ranging online marketing solutions. Benefiting from this advanced system, our online marketing solutions attracted a growing number of paying institutions, rising from 3,061 in 2022 to 3,462 in 2023, and further to 3,520 in 2024. It further increased from 1,193 for the three months ended March 31, 2024 to 1,735 for the same period in 2025. Furthermore, during the Track Record Period, every hospital that adopted our *Hospital Full-Process System* has also connected with our platform. This integration has been instrumental in expanding cross-selling opportunities and enhancing hospitals' retention rates and engagements on our platform, as these hospitals has become familiar with the breadth of services offered on our platform.

We are also committed to enhancing the adaptability of our products. For example, our proprietary hospital management systems, the *Blue Dragonfly Infectious Disease Real-time Monitoring System*, and the *Blue Dragonfly Hospital Infection Real-time Surveillance System* integrate API interfaces that connect with all domestic hospital information systems ("**HIS**"), facilitating smooth integration.

Throughout the Track Record Period, our focus has been on the development and optimization of our products and services through internal R&D efforts. Since our establishment, we have consistently expanded our dedicated R&D department, which was comprised of 122 R&D professionals as of March 31, 2025, accounting for 22.6% of our total workforce as of the same date. Many of our R&D staff have years of experience in research and development from renowned enterprises.

To further enhance our R&D capabilities, we have continuously invested in research and development. We incurred research and development expenses of RMB54.1 million, RMB41.7 million, RMB50.5 million, RMB11.9 million and RMB9.0 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

Our R&D capabilities have been well recognized. As of the Latest Practicable Date, we held 204 registered copyrights and seven patents in the PRC in relation to our technologies and services. In addition, we have received accolades such as China's Medical Industry Unicorn in 2021 (2021中國醫療產業獨角獸), China Internet Medical Service Enterprise Top 20 (中國互聯網醫療企業TOP 20), and China's Big Health Industry Innovation Award — the Best Medical Big Data Innovation Enterprise (中國大健康產業創新獎-最佳醫療大數據創新企業).

Insightful and experienced management team with cross-industry experiences and business insights

We are led by an experienced management team with significant industry expertise and insightful leadership. Our team comprises experienced information technology engineers and medical service experts. Mr. Luo, our founder and the chairman of the Board, possesses more than 18 years of cross-industry experience in the Internet and medical fields. Prior to establishing our Company, he served in information department of well-regarded Class III hospitals for over 13 years. With a solid entrepreneurial background in the Internet + medical industry, Mr. Luo brings valuable insights to our organization. Mr. Luo's remarkable contributions to China's healthcare and wellness service industry have earned him prestigious accolades, such as being awarded the title of "High-level Talent in Nanshan District, Shenzhen" in 2016 and "High-level Professional in Shenzhen" in 2019.

Our management team is stable and well-coordinated, with an average tenure of more than seven years within our company. Many of our Directors and senior managers boast over 15 years of cross-industry experience in the healthcare service and Internet sectors. Their profound industry knowledge spans various domains, including product and solution design, supply chain management, finance, sales and marketing, and human resources management. Under Mr. Luo's capable leadership, our management team effectively executes our corporate strategies, positioning us to seize market opportunities, adapt to industry trends, enhance brand awareness, and foster business growth.

OUR BUSINESS STRATEGIES

We aim to deliver healthcare services with care and lead through innovation, promoting wellness for all. To this end, we intend to leverage our existing strengths and carry out the following strategies to capture growing market opportunities, further solidify our market position and achieve our mission:

Strengthen our research and development capabilities

We have devised a comprehensive plan to continuously enhance the technology infrastructure of our platforms and leverage cutting-edge capabilities in AI, data processing, and analysis. Our commitment to research and development aims to improve the security, reliability, and flexibility of our platform and software products. As the volume of data generated from patient visits to our platform increases, investing in highly efficient, scalable, and utilized technology infrastructure becomes crucial to support our business expansion.

With the rapid advancements in AI, we anticipate its widespread adoption in the healthcare and wellness service industry. Therefore, we are allocating more resources to research and development in AI, big data, and advanced algorithms for data processing and analysis. Specifically, we plan to integrate advanced AI technologies, including newly developed AI chatbots, to optimize our search engine and recommendation algorithm, thus enhancing our customer service efficiency and user experience. Our goal is to enhance keyword research in the healthcare service field, thereby strengthening our accurate matching capabilities. Simultaneously, we aim to improve human-computer interaction in medical scenarios, helping individual users cultivate healthy habits. We anticipate that these efforts will ultimately elevate the overall quality of our online healthcare services.

Furthermore, we will upgrade our medical knowledge base, expanding it to create a complete set of systematic and structured patient profiles, thus optimizing our recommendation algorithms. This upgrade will enhance our physician-patient matching and recommendation capabilities, leading to a better user experience. Additionally, we aim to strengthen our data processing and analysis capabilities, leveraging the unique characteristics of medical scenarios. This will enable us to generate detailed user profiles that can assist medical and healthcare institutions and professionals in patient service and management. Investing in these technological advancements is key to our strategy, as it allows us to stay at the forefront of the industry, deliver exceptional user experiences, and provide valuable support to medical and healthcare institutions and professionals. Moreover, we plan to continue expanding our talent pool by attracting more experienced engineers and R&D professionals, particularly those specialized in data processing and model building.

Further broaden medical resource coverage and increase traffic to our platform

We are dedicated to continuously expanding the coverage of medical resources by connecting more well-regarded medical and healthcare institutions and highly skilled medical professionals to our platform, while efficiently expanding user base and fortifying user loyalty.

- ***Medical resource coverage***. Our goal is to attract more high-quality medical and healthcare institutions, along with top-notch professionals, to our platform through targeted marketing campaigns. These campaigns will include free activation of our *160 Cloud Hospital* and on-the-ground promotion efforts. To better serve these institutions and professionals, we intend to set up local business development teams in key regions with a concentration of high-quality medical resources. In addition, we have received support from local governmental authorities in integrating these institutions and professionals into our platform and promoting digital healthcare and wellness solutions. Furthermore, we plan to enhance and optimize our service portals while expanding our range of offerings.

- ***User acquisition***. Our primary focus is on expanding our user base and increasing user loyalty. To achieve this, we are dedicated to enhancing our online and offline marketing efforts, delivering high-quality healthcare content to targeted users more efficiently. By doing so, we aim to drive more traffic to our platform and increase user activation. In addition, we will persist in forging partnerships with nationally acclaimed traffic platforms and carefully selected local traffic platforms to enhance user traffic, venture into new regions, and solidify our market presence. For example, we aim to intensify our collaboration with the leading global provider of information and communications technology infrastructure and smart devices with which we had established cooperative relationships in August 2023, leveraging our mutual strengths to provide multifaceted medical and healthcare services across various medical scenarios and devices. Building on our strategic cooperation with the "*Our Changsha*" platform for business promotions in Changsha, we will maintain our engagements with local traffic platforms to stimulate regional traffic, broaden our regional footprint, and reinforce our local presence.

In addition to the aforementioned efforts, we are also striving to deepen our existing collaborations with medical and healthcare institutions and professionals. With the valuable insights derived from these ongoing collaborations, we are committed to obtaining deep understanding of their specific and evolving demands through active engagement and communication with them, enriched by our expanding knowledge of the industry. By persistently developing and refining our suite of products and services, we aim to introduce a broader selection to our collaborating medical and healthcare institutions and professionals, beyond what they presently procure.

Continue to diversify product and service offerings and explore value-added services

Our goal is to expand our product and service offerings while exploring additional value-added services. We firmly believe that this strategic approach will not only increase and diversify our revenue sources but also enhance our overall profitability.

- ***160 Cloud Hospital***: In 2022, we officially launched our *160 Cloud Hospital*, offering free activation to selected medical and healthcare institutions to promote our services. Moving forward, our focus is on developing new features and enhancing existing functions to further improve our *160 Cloud Hospital*. As our platform's effectiveness becomes more apparent and we consistently upgrade it, we expect to attract even more medical and healthcare institutions to embrace our platform. Additionally, we will continue implementing our pay-for-performance pricing scheme for *160 Cloud Hospital*, which will help reinforce customer loyalty.

- ***Health management services***: Our goal is to develop a comprehensive health management service system, complemented by our membership program, to cater to the growing healthcare awareness and significantly improve the user experience on our platform.

- ***Value-added services***: To meet the evolving demands in medical and healthcare services, we plan to introduce a range of value-added services alongside our existing offerings. As part of this initiative, we aim to bring customized commercial insurance packages to our platform, collaborating with commercial insurance companies. This strategic move will expand our base of ordering customers and encourage increased spending.

Selectively pursue strategic cooperation and acquisitions

We believe that strategic cooperation and acquisitions are effective methods to diversify our service offerings and enhance our competitiveness. Therefore, we plan to actively pursue strategic collaborations with service providers along the healthcare service value chain, including commercial insurers.

Moreover, we will closely monitor market trends and proactively seek suitable acquisition targets that can provide strategic benefits or synergies. Our preferred target company should meet the following criteria: (i) it operates in regions that complement our current operational areas, (ii) its business is complementary or synergistic to ours, (iii) it holds important software copyrights, especially in areas related to digital operations, (iv) it has established local online healthcare service portals with substantial individual user base, and (v) it specializes in providing healthcare services with high user retention rate and repeat purchase rate, such as chronic disease management. Based on the market research conducted by Frost & Sullivan, there were sufficient companies that meet our selection criteria for strategic cooperation and acquisition as of the Latest Practicable Date. For details, See "Future Plans and Use of Proceeds — Use of Proceeds."

While as of the Latest Practicable Date we had not engaged in any negotiations, entered into any letters of intent or agreements for potential acquisitions, or identified any definite acquisition targets, we believe that our industry experience and insights will enable us to identify suitable targets and effectively evaluate and execute potential opportunities in the future.

OUR BUSINESS MODEL

We operate the *Healthcare 160 platform*, an integrated online healthcare and wellness service platform. Under this platform, our business model is structured around two major business lines, each serving distinct customer groups:

- **Sale of Pharmaceutical and Healthcare Products**

  - ➢ Wholesale model: Supplying a broad range of pharmaceutical and healthcare products to business customers, primarily pharmaceutical trading companies.

  - ➢ Retail model: Providing pharmaceutical and healthcare products directly to individual users, meeting their daily and urgent healthcare needs.

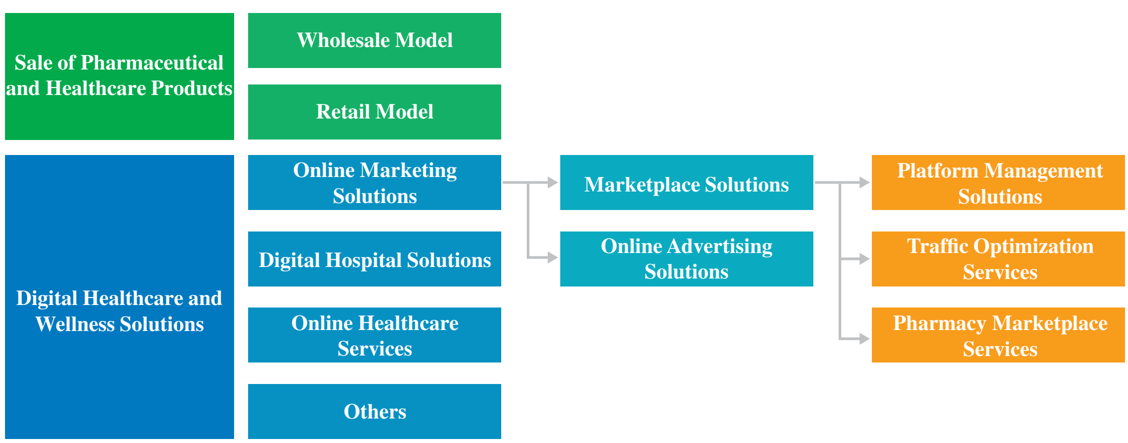
- **Digital Healthcare and Wellness Solutions**

  ➢ *Online marketing solutions*: Assisting medical and healthcare institutions in marketing and patient outreach. Under online marketing solutions, we provide (i) marketplace solutions, which include platform management solutions, traffic optimization services and pharmacy marketplace services, and (ii) online advertising solutions.

  ➢ *Digital hospital solutions*: Supporting medical and healthcare institutions in in-hospital digitalizing operations, including infectious disease surveillance and full-process patient management.

  ➢ *Online healthcare services*: Enabling registered physicians to deliver online consultations services directly to individual users.

The following diagram illustrates the business lines under our distinctive business model:



During the Track Record Period, we generated revenue from (i) sale of pharmaceutical and healthcare products, and (ii) the provision of digital healthcare and wellness solutions. In 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, we generated revenue of RMB384.7 million, RMB451.0 million, RMB426.5 million, RMB62.7 million and RMB67.2 million from sale of pharmaceutical and healthcare products, respectively, and RMB140.9 million, RMB177.6 million, RMB194.2 million, RMB31.5 million and RMB33.3 million from the provision of digital healthcare and wellness solutions, respectively.

Our digital healthcare and wellness solutions achieved a much higher gross profit margin compared to that of sale of pharmaceutical and healthcare products, contributing a significant proportion of our total gross profit during the Track Record Period. The gross profit of our digital healthcare and wellness solutions amounted to RMB102.6 million, RMB128.6 million, RMB154.0 million, RMB23.1 million and RMB26.9 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, with gross profit margins of 72.8%, 72.4%, 79.3%, 73.5% and 80.9%, respectively. In contrast, the gross profit of our sale of pharmaceutical and healthcare products was RMB15.7 million, RMB8.8 million, RMB6.2 million, RMB1.4 million and RMB0.9 million for the same periods, respectively, with gross profit margins of 4.1%, 1.9%, 1.4%, 2.2% and 1.4%, respectively.

Our Monetization Model

Our online healthcare and wellness service platform connects and serves Platform Participants throughout the entire healthcare value chain. During the Track Record Period, we primarily derived revenue from (i) business customers, who procured pharmaceutical and healthcare products under our wholesale model, (ii) medical and healthcare institutions, which utilized our online marketing and digital hospital solutions, (iii) medical professionals, who harnessed our platform to provide online healthcare services, and (iv) individual users, who purchased pharmaceutical and healthcare products under our retail model. This strategic integration of services not only maximizes our revenue potential but also creates a smooth and coherent experience for all Platform Participants within our platform. See "— Synergies among Our Platform Participants and Our Operations."

Sale of Pharmaceutical and Healthcare Products

Supported by robust relationships with pharmaceutical distributors, companies, and upstream suppliers, we source pharmaceutical and healthcare products from third-party suppliers and subsequently sell those products, employing both wholesale and retail models. The following table sets forth the details of our monetization strategies for the sale of pharmaceutical and healthcare products:

Sales model	Monetization method	Sales channel	Paying customers	Nature of payment
Wholesale of pharmaceutical and healthcare products . .	Product sales	Mainly through offline channels	Business customers	One-off payment for each order
Retail of pharmaceutical and healthcare products	Product sales	Online through *Health 160 Platform* and third-party sales platforms	Individual users	One-off payment for each order

The performance of our sale of pharmaceutical and healthcare products can be evaluated using key operating metrics. The key operating metrics for this business line by sales models are as follows:

Sales model	Key operating metrics				
	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
Wholesale model:					
Number of purchase orders received	1,730	4,001	1,949	553	571
Number of SKUs sold	1,546	1,789	893	379	366
Retail model:					
Number of purchase orders received (in thousand)	307.3	170.1	123.6	47.7	18.0
Number of SKUs sold	3,913	2,671	1,618	1,080	439

Digital Healthcare and Wellness Solutions

Our digital healthcare and wellness solutions encompass various components, primarily including (i) online marketing solutions for medical and healthcare institutions and third-party merchants, with the aim of enhancing their brand awareness and attracting more patients and individual users, (ii) digital hospital solutions for medical and healthcare institutions, empowering institutions to embark on their digital transformation journey, and (iii) online healthcare services for individual users, catering to their healthcare needs.

The following table sets forth the details of our monetization strategies for the digital healthcare and wellness solutions:

Product/service provided		Monetization method	Paying customers	Nature of payment	Price range
Online marketing solutions					
Marketplace solutions	Platform management solutions	Charging annual subscription fees or commissions for the provision of online management platforms, *Jiuyitong* and *160 Cloud Hospital*	Private medical and healthcare institutions, as well as some particular departments of public medical and healthcare institutions	(i) Subscription-based payment, which is expected to be recurred annually; and (ii) pay-for-performance mechanism, paying one-off commissions based on the volume of orders or transaction amounts under traffic optimization services	(i) For private medical and healthcare institutions, the annual subscription fee falls within the range of RMB10,000 to RMB120,000; and (ii) For particular departments of sizable public medical and healthcare institutions, the annual subscription fee ranges from RMB150,000 to RMB200,000

Product/service provided	Monetization method	Paying customers	Nature of payment	Price range
Traffic optimization services	Charging commissions for the provision of traffic optimization services, which facilitate sales promotion of medical and healthcare institutions	Medical and healthcare institutions[1]	One-off payment by charging pre-agreed fixed commissions for each order	(i) Using cost-per-action mechanism for online appointments, charging a pre-agreed fixed amount ranged between RMB100 to RMB1,000 per appointment; and (ii) Using cost-per-sale mechanism for consumer healthcare packages, charging a pre-agreed percentage ranged between 8.0% to 10.0% of the transaction amount of the packages purchased on our platform and completed offline
Pharmacy marketplace services	Charging commissions for the provision of marketplace operation	Third-party merchants	One-off payment by charging commissions based on the sales amount generated through our platform	Commission fees differ among various product types, determined on a case-by-case basis. For instance, commissions for prescriptions are generally 3.0% and 15.0% of the total sales amount.
Online advertising solutions	Charging advertising fees for the provision of advertising services	Medical and healthcare institutions, mainly private hospitals and primary healthcare institutions	One-off payment for fixed advertising fees	The fixed advertising fee ranges from RMB500 to RMB5,000 per advertising space per week, varying across different advertising spaces.

Product/service provided	Monetization method	Paying customers	Nature of payment	Price range
Digital hospital solutions	Charging software licensing fees for the provision of software	Medical and healthcare institutions	One-off payment for software licensing and recurring payment for software maintenance (if applicable)	The sales price for the *Blue Dragonfly Infectious Disease Real-time Monitoring System* varies between RMB100,000 and RMB300,000. Similarly, the sales price for the *Blue Dragonfly Hospital Infection Real-time Surveillance System* ranges from RMB130,000 to RMB300,000. For the *Hospital Full-Process System*, prices range from RMB0.3 million to RMB1.5 million.
Online healthcare services	Charging commissions for facilitating online healthcare services provided by registered physicians	Registered physicians	One-off payment by charging pre-agreed commissions for each service order received from our platform	The commissions are calculated as a pre-agreed percentage of 20.0% of the service fees paid by individual users for availing online healthcare services.
Others	To a lesser extent, we also generated a small amount of revenue from certain value-added ad hoc services during the Track Record Period, such as technical services for system development and individual membership services. In this context, the monetization methods, paying customers, nature of payments, and price ranges vary across different services.			

Note:

(1) The paying customers of our traffic optimization services are medical and healthcare institutions. Although individual users make payments for consumer healthcare packages through our platform, we subsequently remit these payments to the medical and healthcare institutions after deducting the agreed commission. As we act as an agent in these transactions, we recognize revenue from the medical and healthcare institutions on a net basis.

Leveraging our diverse monetization strategies within our digital healthcare and wellness solutions, we have significantly enhanced the promotion of our solutions and increased active platform engagement. These improvements can be assessed using key operating metrics. The key operating metrics for our digital healthcare and wellness solutions, categorized by business lines, are as follows:

Business line	Key operating metrics				
	Year ended/As of December 31,			Three months ended/As of March 31,	
	2022	2023	2024	2024	2025
Online marketing solutions					
Marketplace solutions					
Platform management solutions					
Number of paying medical and healthcare institutions for *160 Cloud Hospital*	798	1,294	1,330	232	294
Traffic optimization services					
Number of paying medical and healthcare institutions	2,257	2,449	2,231	1,336	1,383
Number of orders received (*in million*)	43.3	44.0	45.2	9.3	9.7
Pharmacy marketplace services					
GMV (*RMB in million*)	30.1	31.2	24.5	6.7	4.3
Online advertising solutions					
Number of paying medical and healthcare institutions	183	178	145	56	83
Digital hospital solutions					
Number of paying medical and healthcare institutions	678	1,005	1,290	619	693
Online healthcare services					
Number of online healthcare service orders (*in million*)	1.4	1.9	1.7	0.3	0.3

OUR PRODUCT AND SERVICE OFFERINGS

Sale of Pharmaceutical and Healthcare Products

Our sale of pharmaceutical and healthcare products is an integral part of our digital healthcare and wellness services. We sell pharmaceutical and healthcare products under a combination of wholesale and retail models. Our wholesale model broadens and strengthens our supply chain, thereby amplifying our bargaining leverage with upstream suppliers. This strategy contributes to the diversification of our revenue sources, underpinning our competitive market position. Complementing our online healthcare services, sale of pharmaceutical and healthcare products on our platform under retail model provides a better service experience for individual users. This integration generates effective synergy, solidifying the robustness of our online healthcare and wellness service platform.

The table below sets forth a breakdown of our revenue from sale of pharmaceutical and healthcare products by sales model for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Wholesale model	303,951	79.0%	415,589	92.1%	402,920	94.5%	56,299	89.8%	64,552	96.1%
Retail model	80,767	21.0%	35,455	7.9%	23,605	5.5%	6,399	10.2%	2,649	3.9%
Total	**384,718**	**100.0%**	**451,044**	**100.0%**	**426,525**	**100.0%**	**62,698**	**100.0%**	**67,201**	**100.0%**

Wholesale Model

Since 2018, we have been providing wholesale of pharmaceutical and healthcare products to business customers, leveraging our sourcing capabilities to obtain these products from pharmaceutical companies and healthcare suppliers in a timely manner and with commercially reasonable terms. Our wholesale of pharmaceutical and healthcare products primarily serves business customers, including regional pharmaceutical trading companies, medical and healthcare institutions, and other pharmaceutical sales platforms.

Our wholesale model does not involve any back-to-back purchase and sales arrangements with business customers or suppliers. Instead, we operate as a principal, making independent decisions on procurement and distribution based on market trends, supplier terms, and our sales strategy. We purchase and hold inventory at our own discretion and fulfill customer orders accordingly. We bear the key commercial risks, including inventory, credit, and logistics. As such, revenue from our wholesale operations is recognized on a gross basis. Revenue generated from our wholesale of pharmaceutical and healthcare products constitutes a significant portion of our total revenue. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we generated revenue of RMB304.0 million, RMB415.6 million, RMB402.9 million, RMB56.3 million and RMB64.6 million, respectively, from wholesale model, accounting for 57.8%, 66.1%, 64.9%, 59.8% and 64.3% of our total revenue during the corresponding periods, respectively.

We received 1,730, 4,001, 1,949, 553 and 571 purchase orders under our wholesale model in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. The decrease of purchase orders under our wholesale model from 2023 to 2024 was primarily resulted from intentionally prioritizing higher-value orders to maximizing value over volume. We acquire business customers through a combination of data-driven targeting, industry event participation, proactive business development, customer referrals, and supplier introductions. See "— Sales and Marketing — Business Customer-end Sales and Marketing." Our dedicated services are highly regarded by business customers, as evidenced by our large business customer base. During the Track Record Period, we served a total of 679 business customers under our wholesale model. During the Track Record Period and up to the Latest Practicable Date, except for customer B as disclosed in "— Customers and Customer Support," all of our business customers were Independent Third Parties.

We manage various stages of the supply chain, including procurement, order processing, and delivery to business customers. One of our key advantages is our ability to make procurement decisions based on downstream demand while maintaining stringent quality control. We procured and sold approximately 1,546 SKUs, 1,789 SKUs, 893 SKUs, 379 SKUs and 366 SKUs in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. The number of product SKUs sold under wholesale model fluctuated during the Track Record Period, primarily due to strategic adjustments in our product selection, aiming to concentrate on offering products characterized by their broad usage, popularity, and outstanding historical sales performance. Timely and strategic adjustments to our product selection have also contributed to our relatively short inventory turnover days during the Track Record Period, enabling us to maintain inventory that remains closely aligned with changing market trends and customer demand.

The pharmaceutical and healthcare products we sold during the Track Record Period under wholesale model varied from period to period, which reflected the evolving customer demands. According to Frost & Sullivan, China's healthcare product distribution industry underwent structural changes in 2024, driven by several factors, including the continued deepening of volume-based procurement policies, broader healthcare system reforms, and intensifying market competition. In response to these evolving market dynamics, we strategically adjusted the product mix of our wholesale business, shifting from a pharmaceutical-focused model to one that is primarily centered on the distribution of non-pharmaceutical products, while continuing to engage in a selective range of pharmaceutical wholesale activities. We remain committed to optimizing our product selection strategy by prioritizing high-demand, fast-moving items with broad consumer appeal to enable faster turnover and improved efficiency. The following tables set forth the details and sales performance of the major products we sold under wholesale model in terms of revenue contribution during the Track Record Period:

For the Three Months Ended March 31, 2025

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Fulaiya (Bacteriostatic Liquid) (芙萊雅(抑菌液))	Non-pharmaceuticals	351,000	bottle	30.4	10,662
Yuelishu (Bacteriostatic Liquid) (悅立舒(抑菌液))	Non-pharmaceuticals	327,000	bottle	30.4	9,935
Fulaimei (Bacteriostatic Liquid) (芙萊美(抑菌液))	Non-pharmaceuticals	345,600	bottle	25.0	8,645
Huangshi Xiangsheng Wan (黃氏響聲丸) . . .	Pharmaceuticals	370,000	box	14.8	5,491
Baishikang (Bacteriostatic Liquid) (佰適康(抑菌液))	Non-pharmaceuticals	120,000	bottle	30.4	3,641
					38,374

For the Year Ended December 31, 2024

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Amino Acid Injection (氨基酸注射液)	Pharmaceuticals	204,000	bottle	124.7	25,445
Herbal Lotion (中草藥洗劑)	Non-pharmaceuticals	571,500	bottle	32.1	18,318
Chrysanthemum Lotion (薄菊洗劑)	Non-pharmaceuticals	477,000	bottle	32.9	15,711
Ice Chrysanthemum Lotion (冰菊洗劑) . . .	Non-pharmaceuticals	423,000	bottle	33.8	14,311
Haobo Lotion (毫薄洗劑)	Non-pharmaceuticals	411,000	bottle	34.7	14,271
					88,057

For the Year Ended December 31, 2023

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Orlistat Capsules (奧利司他膠囊)[(1)]	Pharmaceuticals	678,840	box	61.6	37,024
Orlistat Capsules (奧利司他膠囊)[(1)]	Pharmaceuticals	424,080	box	72.4	27,158
Kidney-Strengthening Capsules (補腎強身膠囊)	Pharmaceuticals	528,000	box	56.7	26,500
Amino Acid Injection (氨基酸注射液)	Pharmaceuticals	273,200	jar	101.8	24,621
Metformin Hydrochloride Extended-Release Tablets (鹽酸二甲雙胍緩釋片) . .	Pharmaceuticals	606,000	box	29.4	15,768
					131,072

Note:

(1) We recorded different SKUs of Orlistat Capsules due to its different product specifications.

For the Year Ended December 31, 2022

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Kidney-Strengthening Capsules (補腎強身膠囊).	Pharmaceuticals	1,596,240	box	49.9	70,488
Bromhexine Hydrochloride Injection (鹽酸溴己新注射液)	Pharmaceuticals	678,000	dose	18.3	10,980
Enteritis Calming Capsules (腸炎寧膠囊)	Pharmaceuticals	600,900	box	18.6	9,886
Rivaroxaban Tablets (利伐沙班片)	Pharmaceuticals	109,232	box	91.3	8,823
Loratadine Capsules (氯雷他定膠囊)	Pharmaceuticals	837,000	box	7.2	5,318
					105,495

Under wholesale model, we procure a wide range of products from pharmaceutical companies, distributors, and vendors, and then sell them to business customers through both online and offline channels. During the Track Record Period, we collaborated with 503 pharmaceutical companies, distributors, and vendors to supply pharmaceutical and healthcare products under our wholesale model, among which 146 have established long-term cooperative relationships with us. We implement a strict supplier selection policy to ensure the quality of the products we sell. For details, see "— Suppliers and Procurement — Supplier Management and Top Suppliers." The majority of our wholesale operations are conducted through offline channels, with a smaller portion taking place on third-party sales platforms. Throughout the Track Record Period, the primary product types and customer profiles for our online and offline sales channels remained consistent.

We engage third-party pharmaceutical supply chain companies in providing warehousing and logistics services for our wholesale pharmaceutical products. This enables that our products are handled with timeliness, quality, and flexibility throughout the supply chain. Outlined below are the key terms of the collaboration agreements between third-party pharmaceutical supply chain companies and us:

- *Product management*: Both parties must ensure that the entire product management process strictly complies with Good Supply Practice (GSP) requirements. Third-party pharmaceutical supply chain companies are responsible for drug storage, outbound delivery, and transportation, adhering to GSP standards to maintain drug quality. We have rights to monitor the activities conducted by these third-party companies.

- *Responsibilities*: The quality loss attributable to improper storage shall be borne by the third-party pharmaceutical supply chain companies.

- *Pricing*: The third-party pharmaceutical supply chain companies charge warehousing fees based on a fixed percentage of the actual product value.

- *Terms*: Our collaboration agreements generally have a term of three years. Upon expiration, we have the right of first refusal for contract renewal.

We have a seller and buyer relationship with business customers, rather than acting as a principal and agent. These business customers procure pharmaceutical and healthcare products from us in accordance with their demand. We do not set any mandatory sales target or minimum purchase commitment for such business customers. Therefore, revenue from our wholesale model is recognized on a gross basis, after deducting discounts and return allowances, which is recognized upon product delivery, at which point the risks and titles of the products are transferred to our customers. We generally do not enter into long-term purchase agreement with such business customers. Instead, we typically enter into one-off purchase agreements with our business customers for each batch of purchases. The purchase agreements include the following key terms:

- *Pricing*. Our product pricing is based on the prevailing market price, and there are no restrictions on the resale price set by business customers under these agreements.

- *Delivery*. We deliver the products to the location designated by the business customers and purchase insurance to cover any risks during transportation.

- *Transfer of product risk*. The risk associated with the products is transferred to the business customers upon acceptance.

- *Payment and credit terms*. Our payment arrangements generally include cash payment, monthly settlement, payment upon delivery, and prepayment. In addition, we provide credit terms to certain business customers, typically ranging from 30 to 45 days.

- *Product return or exchange*. In line with our standard product return policy, business customers are generally not allowed to return or exchange pharmaceutical and healthcare products unless there is a quality issue, or the product is damaged during transit.

We sometimes enter into one-year framework agreements with certain business customers on top of the one-off purchase agreements. These framework agreements outline general collaboration principles, and within these principles, specific terms for each batch of purchases are separately agreed upon in individual purchase agreements as discussed above.

We do not adopt a distributorship business model and our business customers are not our distributors, franchisees or consignees because (i) we do not have any distributorship arrangement or exclusive relationships with business customers; (ii) we do not rely on business customers to distribute our products or expect them to resell the products on our behalf; (iii) business customers engage in trading and sales independently and at their own expense, without our involvement; (iv) we do not impose any restrictions on resale regions or requirements for subsequent sales, such as minimum price, sales amount, targets, or ultimate users; (v) we do not accept product returns except for defective items or damaged product packaging; and (vi) we do not offer repurchase options to business customers, nor do we control their inventory management. According to Frost & Sullivan, our business arrangements with business customers are in line with the sales model commonly used by other wholesale service providers in the healthcare product distribution market in China. Accordingly, our Directors consider that (i) our Group does not adopt a distributorship business model as stipulated in Chapter 4.5 of the Guide for New Listing Applicants issued by the Stock Exchange, and (ii) our business customers are unlikely to be considered as distributors according to the same.

Furthermore, given that (i) we do not impose minimum sales requirements or mandatory sales targets in our purchase agreements, (ii) our products generally cannot be returned or exchanged unless there are damages or defects upon receipt, and we had not experienced any material product return or exchange from our business customers during the Track Record Period and up to the Latest Practicable Date; and (iii) a significant amount of our outstanding trade receivables from our business customers during the Track Record Period were within three months, and we did not experience significant fluctuation in the turnover days of trade receivables, both of which indicate a stable settlement pattern from our business customers; our Directors are of the view that the risk of channel stuffing arising from our wholesale model is remote in light of our current business arrangements with business customers.

Our Competitive Edge in the Healthcare Product Wholesale Market

We believe our competitive position in China's healthcare product wholesale market, and our role as a preferred distributor for pharmaceutical suppliers, are supported by our industry experience, broad business customer network, responsive supply chain, sound compliance practices, and value-added services.

We have developed a diverse network of business customers across key regions in China, including certain state-owned and listed enterprises. While we do not maintain long-term contracts with our business customers, we have established cooperative relationships that support efficient order processing and fulfillment, enabling our products to reach broader regional markets and secondary endpoints. This network also provides pharmaceutical suppliers with an effective distribution platform to access fragmented regional and lower-tier markets that are difficult to reach solely through in-house teams or a few large distributors. By partnering with a limited number of core distributors such as our Group, suppliers can reduce the complexity and cost of managing numerous small-scale business customers and benefit from our order consolidation, logistics management, and receivables handling. We also serve as a financial intermediary, taking on credit risks from downstream business customers and using our own financial capacity to facilitate product turnover. This helps suppliers accelerate cash collection and mitigates their exposure to payment risks from fragmented customers.

On the upstream side, we maintain direct relationships with a number of domestic and international pharmaceutical manufacturers and tier-one distributors. For selected products, we are granted regional or national distribution rights, which support inventory stability and favorable procurement terms. Many suppliers choose to work with us to streamline secondary distribution. Our supply chain is built for flexibility and responsiveness. With established warehousing, logistics, and order management systems, we are able to fulfill small-batch and multi-shipment orders and reallocate inventory across regions to address stock imbalances and shifting demand. This capability is especially valuable for suppliers operating on a national scale.

To support both suppliers and customers, we provide tailored value-added services, including real-time market and pricing updates, feedback aggregation, and customized logistics solutions. We also operate under a certified GSP management system, ensuring compliance, product safety, and quality throughout the distribution process.

Combining market coverage, operational efficiency, financial support, and compliance, we offer meaningful commercial and logistical value to pharmaceutical suppliers. These strengths position us as a trusted and capable partner within China's healthcare product distribution ecosystem.

Retail Model

Under our retail model, we source a wide range of pharmaceutical and healthcare products from suppliers and subsequently sell them to individual users through our retail channel. Our retail model operates through a combination of online channels, encompassing an online retail pharmacy on our platform and online stores on third-party e-commerce platforms. By capitalizing on the substantial online traffic generated by both our platform and these third-party platforms, we can engage a wider audience of individual users, thereby bolstering the sales performance of our retail business.

Underpinned by our diversified and customer-centric services for individual users, we processed 307.3 thousand, 170.1 thousand, 123.6 thousand, 47.7 thousand and 18.0 thousand orders via our retail model in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Our revenue from the retail of pharmaceutical and healthcare products amounted to RMB80.8 million, RMB35.5 million, RMB23.6 million, RMB6.4 million and RMB2.6 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, accounting for 15.4%, 5.6%, 3.8%, 6.8% and 2.6% of our total revenue during the corresponding periods. Revenue from the retail of pharmaceutical and healthcare products decreased significantly from 2022 to 2023 primarily due to the temporary adverse effect brought by a legal proceeding involving 160 Medicine. Revenue from the retail of pharmaceutical and healthcare products declined from 2023 to 2024, and further in the first quarter of 2025, primarily due to intensified industry competition starting in 2024. Major e-commerce platforms began admitting merchants to sell such products in late 2023, increasing competitive pressure and impacting sales across similar businesses. See " — Compliance and Legal Proceedings — Legal Proceedings" and "Financial Information — Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Revenue — Sale of Pharmaceutical and Healthcare Products."

Our main retail sales platform, 160 Pharmacy, operates through various online portals, including Healthcare 160 app, Healthcare 160 WeChat Official Account, Healthcare 160 WeChat Mini Program, and online stores operated on third-party e-commerce platforms. Set out below are illustrations of our online pharmacy on Healthcare 160 app:

The homepage of *160 Pharmacy*

The product list of *160 Pharmacy*

To better understand the evolving needs of our individual users, we conduct thorough analyses of historical sales records, industry trends, popular products, market supply, and physicians' recommendations. During the Track Record Period, we sold a broad range of pharmaceutical and healthcare products. In 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, the number of SKUs we sold was 3,913, 2,671, 1,618, 1,080 and 439, respectively. We witnessed a reduction in the number of product SKUs under our retail model throughout the Track Record Period, primarily attributable to our strategic adjustment of product selection. We have adjusted our product selection strategy to emphasize products that enjoyed widespread use, popularity, and a robust historical sales performance. During the Track Record Period, our principal product offerings encompassed:

- *Pharmaceutical products.* We provided a wide selection of common over-the-counter (OTC) medications, including cough, cold, allergy, and pain relief medications, as well as prescription drugs.

- *Medical supplies and devices*. We sell a wide selection of general-purpose medical supplies and devices, such as contact lenses, adult products, family planning products, and various medical devices for home healthcare, aftercare, and health monitoring.

- *Health and wellness products*. We offered a broad array of health and wellness products, including dietary supplements, immunization boosters, supplements for specific health needs, herbs, and homeopathy products, as well as traditional Chinese health products such as Chinese food medicine and traditional wellness supplements.

Anchored in our philosophy of affordability and accessibility, we strategically focus on retail products with broad user appeal to strengthen individual user engagement and drive sustained traffic growth on our platform. Throughout the Track Record Period, the pharmaceutical and healthcare products we sold under retail model varied from period to period, which reflected the evolving customer demands. The following tables set forth the details and sales performance of the major products we sold under retail model in terms of revenue contribution during the Track Record Period:

For the Three Months Ended March 31, 2025

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Special Medical Purpose Infant Formula for Deep Hydrolysis of Milk Protein (Pei Min Shu) (特殊醫學用途嬰兒乳蛋白深度水解配方食品(肽敏舒))	Non-pharmaceuticals	1,817	jar	312.9	569

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Special Medical Purpose Infant Formula for Deep Hydrolysis of Milk Protein (Ai Er Shu) (特殊醫學用途嬰兒乳蛋白深度水解配方食品(藹兒舒))	Non-pharmaceuticals	1,845	jar	287.4	530
Quan'an Su Special Medical Purpose Full-nutrition Formula Food (Vanilla Flavor) (全安素特殊醫學用途全營養配方食品(香草味)) .	Non-pharmaceuticals	1,839	jar	228.4	420
Dust Mite Drops (No. 4) (粉塵螨滴劑(4號)).	Pharmaceuticals	2,451	box	124.9	306
Jiashan Youxuan Special Medical Purpose Full Nutrition Formula Food (佳膳悠選特殊醫學用途全營養配方食品)	Non-pharmaceuticals	1,827	jar	152.1	278
					2,103

For the Year Ended December 31, 2024

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Dust Mite Drops (No. 4) (粉塵螨滴劑(4號)) . . .	Pharmaceuticals	13,344	box	108.2	1,443
Sildenafil Citrate Tablets (枸橼酸西地那非片) . .	Pharmaceuticals	5,603	box	154.8	867

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Quan'an Su Special Medical Purpose Full-nutrition Formula Food (Vanilla Flavor) (全安素特殊醫學用途全營養配方食品(香草味))	Non-pharmaceuticals	3,867	jar	205.9	796
Special Medical Purpose Infant Formula for Deep Hydrolysis of Milk Protein (Ai Er Shu) (特殊醫學用途嬰兒乳蛋白深度水解配方食品(藹兒舒))	Non-pharmaceuticals	2,995	jar	254.4	762
Minoxidil Liniment (60ml, Male) (米諾地爾搽劑(60毫升,男款)) .	Pharmaceuticals	7,667	bottle	96.1	737
					4,606

For the Year Ended December 31, 2023

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Quan'an Su Special Medical Purpose Full-nutrition Formula Food (Vanilla Flavor) (全安素特殊醫學用途全營養配方食品(香草味))	Non-pharmaceuticals	4,121	jar	530.6	1,935
Quan'an Su Special Medical Purpose Full-nutrition Formula Food (Wheat Flavor) (全安素特殊醫學用途全營養配方食品(麥香味))	Non-pharmaceuticals	3,299	jar	461.7	1,348
Dust Mite Drops (No. 4) (粉塵蟎滴劑(4號))	Pharmaceuticals	4,702	box	296.2	1,232

Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Enteral Nutrition Emulsion (TPF-D) (腸內營養乳劑(TPF-D))	Pharmaceuticals	3,557	bundle	338.9	1,067
Compound Muniziqi Granules (複方木尼孜其顆粒)	Pharmaceuticals	7,002	box	141.9	879
					6,461

For the Year Ended December 31, 2022

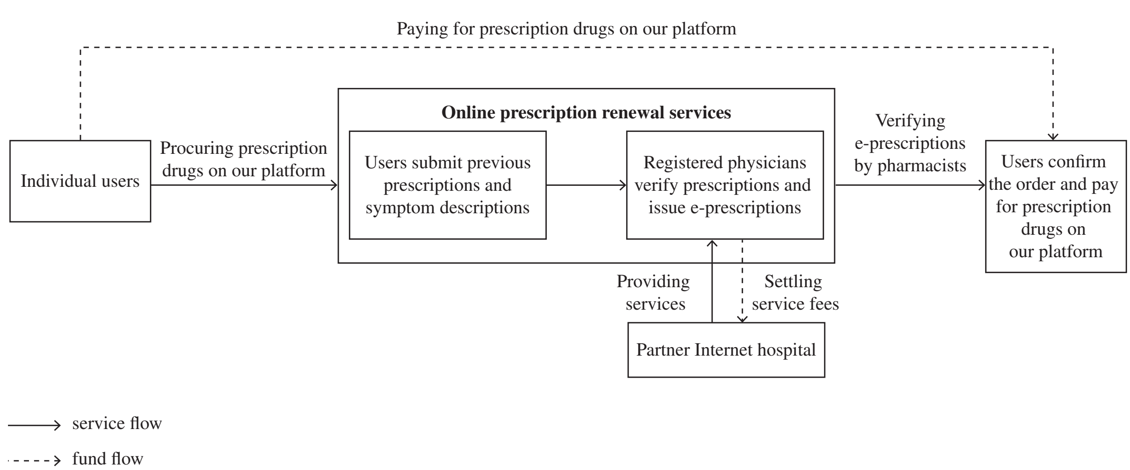
Product name	Categories	Sales volume	Sales unit	Average selling price per unit	Revenue (net of tax)
				(RMB)	*(RMB'000)*
Quan'an Su Special Medical Purpose Full-nutrition Formula Food (Vanilla Flavor) (全安素特殊醫學用途全營養配方食品(香草味))	Non-pharmaceuticals	11,152	jar	249.0	2,458
Arm-type Electronic Blood Pressure Monitor (臂式電子血壓計)	Non-pharmaceuticals	23,400	piece	118.7	2,457
Special Medical Purpose Infant Formula for Deep Hydrolysis of Milk Protein (Pei Min Shu) (特殊醫學用途嬰兒乳蛋白深度水解配方食品(肽敏舒))	Non-pharmaceuticals	7,031	jar	387.9	2,413
Dust Mite Drops (No. 4) (粉塵蟎滴劑(4號))	Pharmaceuticals	19,471	box	132.1	2,277
Enteral Nutrition Emulsion (TPF-D) (腸內營養乳劑(TPF-D))	Pharmaceuticals	42,194	bundle	60.6	2,261
					11,866

We implement a well-defined process for introducing new products. Suppliers submit samples and relevant information for review by the category manager to ensure compliance with the Good Supply Practice (GSP) requirements. Once approved, the products are further evaluated by the purchasing department manager and department head before our final approval. The quality control department assigns product codes to the relevant products, and marketing is initiated by our operation team after the approval process is complete.

In addition to product sales, we collaborate with third-party pharmacies, clinics, or pharmaceutical suppliers to offer prescription services and traditional Chinese medicine decoction services.

For prescription services, we accept prescriptions from licensed healthcare providers and provide online prescription renewal services. Users seeking prescription drugs on our platform submit necessary information for issuing or verifying prescriptions. To ensure the accuracy and reliability of submitted prescriptions, as part of our internal control measures, we redirect individual users with submitted prescriptions to our online prescription renewal services. Registered physicians are required to review the provided prescriptions for sufficiency and validity before issuing new e-prescriptions. Once e-prescriptions have been issued or verified, we provide users with purchase options for prescription drugs on our platform. In accordance with relevant laws and regulations, these services are confined to follow-up prescription renewals for exiting conditions and do not involve initial or new diagnoses or treatments.

Our online prescription renewal service is essentially a compliance procedure carried out during the sale of prescription drugs, in accordance with relevant regulatory requirements. As a necessary step in the compliant sale of prescription drugs, this service does not generate revenue directly. The following diagram illustrates the service flow and fund flow of our online prescription renewal service:



Furthermore, online prescription renewal services are classified as online medical diagnoses and treatments, which require the service provider to hold a Practicing License for Medical Institutions, and the participating physicians to complete multi-site registration in accordance with relevant laws and regulations. We provide these services through our licensed subsidiary, Chengdu Renren Weikang, and have implemented a set of internal control measures, including mandating that registered physicians complete multi-site registration before providing online prescription renewal services, to ensure compliance with all applicable laws and regulations.

Even though we are qualified to provide online prescription renewal services independently through Chengdu Renren Weikang, we also collaborate with a qualified third-party Internet hospital service provider (the "**partner Internet hospital**") to supplement our capacity. Although there are no limitation or restriction on Chengdu Renren Weikang for providing online prescription renewal services, the capacity of Chengdu Renren Weikang to deliver these services falls significantly short of the demand on our platform, particularly in response to the 24-hour service requirements. This partnership allows us to enhance our service offerings and ensure that we effectively cater to our individual users' needs.

The partner Internet hospital, founded in 2017 and based in Chengdu, Sichuan Province, is a software technology company offering a broad array of digital medical and healthcare services. Outlined below are the key terms of the collaboration agreement between the partner Internet hospital and us:

Content of collaboration	Together with the partner Internet hospital, we offer online prescription renewal services to individual users on our platform.
Duration of collaboration	The current collaboration agreement has a term of two years, expiring on June 5, 2026, can be renewed upon mutual agreement.
Primary responsibilities of the partner Internet hospital	The partner Internet hospital, as the direct service provider providing online prescription renewal services, assumes full responsibility for any complications resulting from inaccuracies in the electronic prescriptions it issues, in line with market practice. The partner Internet hospital is also responsible for the management of physicians affiliated with it, maintaining their professional liability insurance, ensuring compliance and handling all disputes arising from and related to any alleged prescription error.

	Furthermore, we request our partner Internet hospital to strictly comply with regulatory requirements concerning online prescription renewals. In accordance with relevant laws and regulations, they are required to provide only these specified services, ensuring they do not exceed the scope permitted by their license. Any losses or liabilities resulting from violations of these legal provisions or providing services beyond the permitted scope of the law shall be borne by the partner Internet hospital.
Fee structure and payment terms	We are required to deposit a prepaid fee of RMB15,000 with the partner Internet hospital. Service fees are paid based on the number of online prescription renewal services they provided. These service fees are settled monthly, which are first deducted from our prepaid fee.

Generally, our partner Internet hospital typically levies a fixed fee of RMB0.4 per order for general online prescription renewals. The fees charged by our partner Internet hospital for each online prescription renewal service are aligned with the prevailing market rates for these services. During the Track Record Period, we paid a total service fee of RMB11,638 to the partner Internet hospital.

The number of prescription drug sales orders was 19,229, 13,576, 4,269, 1,317 and 301 in 2022, 2023, 2024, and the three months ended March 31, 2024 and 2025, respectively. The corresponding number of paying individual users was approximately 10.5 thousand, 7.6 thousand, 2.9 thousand, 849 and 250, representing 61.2%, 76.6%, 65.3%, 63.7% and 66.5% of total paying individual users under the retail model for the respective periods. Revenue generated from the sale of prescription drugs involving the provision of online prescription renewal services amounted to RMB4.9 million, RMB4.0 million, RMB1.5 million, RMB0.3 million and RMB1.3 thousand for the same periods, respectively, accounting for 6.0%, 11.4%, 6.2%, 5.4% and 0.04% of total revenue from retail model for sale of pharmaceutical and healthcare products for the respective periods. The decline in number of prescription drug sales orders, the corresponding number of paying individual users and related revenue contribution in the first quarter of 2025 compared to the same period in 2024 was consistent with the overall downturn in our retail model, mainly due to the intensified market competition.

When selecting suppliers, we consider their qualifications, brand reputation, and reliability. For details on supplier selection, see "— Suppliers and Procurement — Supplier Management and Top Suppliers." Leveraging our brand recognition, we have established cooperative relationships with well-regarded pharmaceutical companies and healthcare product suppliers. We have fostered collaborative relationships with 329 pharmaceutical companies to effectively address our procurement requirements. For details, see "— Suppliers and Procurement — Procurement."

Under our retail model, we sell products directly from our inventory. To maintain consistency, we engaged the same third-party pharmaceutical supply chain companies as we do under wholesale model to handle drug warehousing and logistics during the Track Record Period. For details of the collaboration with the third-party pharmaceutical supply chain companies, see "— Wholesale Model." For efficient inventory management, we use a cloud-based inventory management system and make necessary adjustments based on product sales, supply and price fluctuations, seasonality, product popularity, and shelf life. See "— Inventory Management."

Digital Healthcare and Wellness Solutions

Since our inception, we have been dedicated to developing and enhancing digital healthcare and wellness solutions for our Platform Participants. With these innovative offerings, we drive the digital transformation and growth of medical and healthcare institutions, empowering them to expand their reach and enhance their services. Simultaneously, we strive to provide individual users with reliable, affordable, specialized, and accessible online healthcare services that cater to their unique needs. Except for digital hospital solutions, all services within our digital healthcare and wellness solutions are exclusively provided through our *Healthcare 160 Platform*.

The table below sets forth a breakdown of our revenue from digital healthcare and wellness solutions by business segment for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Online marketing solutions	84,424	59.9%	98,480	55.5%	118,507	61.0%	22,318	70.9%	23,482	70.6%
Digital hospital solutions	50,081	35.5%	72,018	40.6%	69,289	35.7%	7,724	24.5%	7,860	23.6%
Online healthcare services	3,335	2.4%	3,614	2.0%	3,128	1.6%	810	2.6%	628	1.9%
Others	3,088	2.2%	3,450	1.9%	3,233	1.7%	615	2.0%	1,304	3.9%
Total	**140,928**	**100.0%**	**177,562**	**100.0%**	**194,157**	**100.0%**	**31,467**	**100.0%**	**33,274**	**100.0%**

Online Marketing Solutions

Our online marketing solutions provide a variety of detailed marketing campaigns and services, all exclusively customized for our platform, designed to assist medical and healthcare institutions as well as third-party merchants in promoting their offerings and increasing sales. Our online marketing solutions encompass both marketplace and online advertising solutions. These solutions empower medical and healthcare institutions to bolster their brand visibility, attract a larger patient base, and ultimately generate more revenue through advertising, traffic optimization, and platform management solutions. In addition, our pharmacy marketplace services prove advantageous to third-party merchants, as they leverage our substantial user traffic to enhance their online presence and boost sales. Our wide-ranging solutions have garnered broad acceptance from medical and healthcare institutions. This is evidenced by the number of paying institutions, which stood at 3,061, 3,462, 3,520, 1,193 and 1,735 in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

The table below sets forth a breakdown of our revenue from online marketing solutions by business segment for the years indicated:

	Year ended December 31,						**Three months ended March 31,**			
	2022		**2023**		**2024**		**2024**		**2025**	
	(RMB'000, except for percentages)									
							(Unaudited)			
Marketplace solutions	52,482	62.2%	63,395	64.4%	80,514	67.9%	16,499	73.9%	16,375	69.7%
Online advertising solutions	31,942	37.8%	35,085	35.6%	37,993	32.1%	5,819	26.1%	7,107	30.3%
Total	**84,424**	**100.0%**	**98,480**	**100.0%**	**118,507**	**100.0%**	**22,318**	**100.0%**	**23,482**	**100.0%**

Marketplace Solutions

Within our multifaceted digital healthcare platform, our marketplace solutions play a pivotal role. Medical and healthcare institutions utilize our online management platform to integrate with our platform and amplify their service sales through our traffic optimization services. Concurrently, third-party merchants take advantage of our platform's substantial traffic to enhance their sales. To better serve and incentivize these Platform Participants' activities on our platform, we offer a range of tailored solutions to help them manage their operations, engage with target customers, and increase brand exposure.

- *Platform Management Solutions*

We consider medical resources as the cornerstone of our platform, working in synergy with the expansion of our individual user base. We are dedicated to strengthening our connections with medical and healthcare institutions through offering a wide array of platform management solutions. Our robust online management platform can facilitate institutions' connectivity and enable efficient management of their activities on our *Healthcare 160 Platform*. This encompasses two platforms, namely the *Jiuyitong* and *160 Cloud Hospital*, each offering specific features tailored to the diverse needs of different institutions.

(a) Jiuyitong

Before the launch of our advanced *160 Cloud Hospital* in March 2022, we had been providing platform management solutions to medical and healthcare institutions connected to our *Healthcare 160 Platform*, utilizing our self-developed online management platform, *Jiuyitong*. Our *Jiuyitong* encompasses standard features of an online management platform, comprising the following modules:

- *Basic information management module*. This module allows medical and healthcare institutions to compile and post essential information about their hospitals, departments, physicians, licenses, certificates, and awards, showcased on their respective homepages on our platform.

- *Outpatient arrangement module*. Our outpatient arrangement module facilitates the scheduling, management, and monitoring of online appointments by medical and healthcare institutions.

- *Content management module*. This module enables them to create, publish and manage educational and promotional content in the form of articles or notes for display on our platform, contributing to patient acquisition.

- *Patient management module*. This module enables institutions to categorize patients with customer tags, build patient communities, and provide real-time online patient services. Medical professionals can easily access patients' medical records, health history, and provide advices, thereby enhancing accurate patient management, increasing patient loyalty, and seizing monetization opportunities.

Before launching our *160 Cloud Hospital*, we provided options to substantially all connected medical and healthcare institutions with access to the *Jiuyitong*. Public institutions enjoy complimentary access as their participation bolsters platform traffic and encourages additional private institutions to join. On the other hand, we charge private institutions fixed annual platform subscription fees.

(b) 160 Cloud Hospital

We have remained committed to the continuous enhancement of our *Jiuyitong*, and in March 2022, we marked a significant upgrade with the launch of our *160 Cloud Hospital*. This advanced online management platform is specifically designed to streamline efficient platform operations, offering medical and healthcare institutions a broad range of cloud-based services for managing operational activities on our platform. Fueled by our *160 Cloud Hospital,* institutions can effectively manage their Internet hospital operations and provide online medical and healthcare services through our *Healthcare 160 Platform.* Utilizing the one-click activation feature, institutions can easily establish their Internet hospital, streamline services, and deliver services to patients online, providing a smooth and user-friendly experience.

The *160 Cloud Hospital* features a management dashboard and eight modules, encompassing all the functions and modules provided by the *Jiuyitong.* In addition, it has featured several new modules:

- *Consumer healthcare package management module:* empowers institutions to create, amend, and manage diverse consumer healthcare packages to meet consumers' evolving demands and monitor their sales performance.

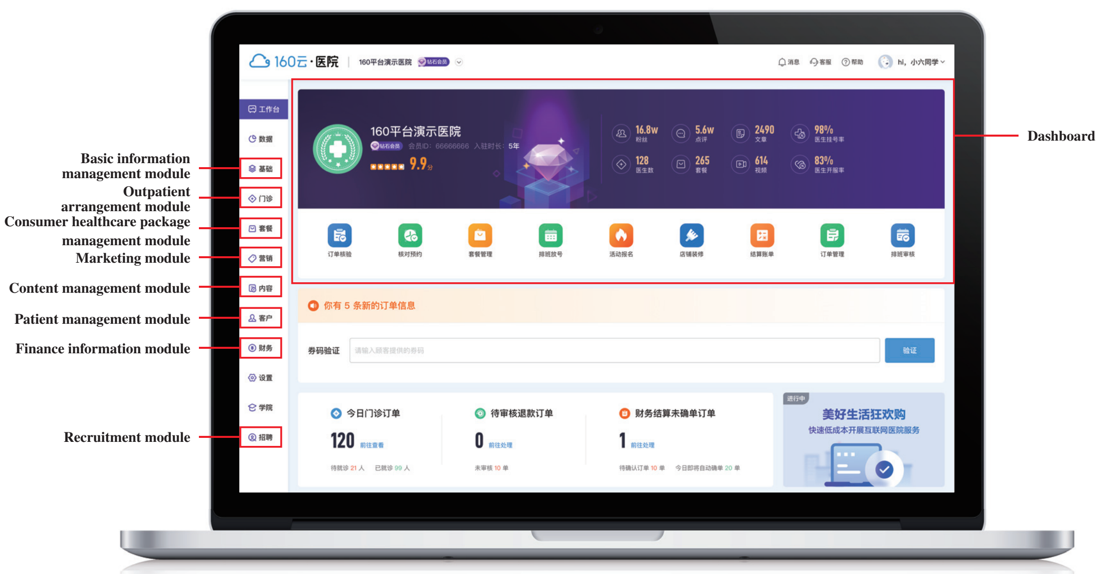
- *Marketing module*: allows institutions to design and manage marketing campaigns using our marketing toolkits. They can customize their homepage with standardized templates, highlighting key departments and specialties through images, videos, and text. The module smoothly connects with our diverse online advertising solutions, including ad placement and promotional services. For details, see "— Online Advertising Solutions."

- *Finance information module:* facilitates the tracking of medical facility finances, budget management, billing system setup, and cash handling. The visual interface provides institutions real-time performance updates, enhancing digital operational capabilities.

- *Recruitment module:* allows institutions to post job openings, manage resumes, and conduct screening on our platform.

In addition to the standardized functions of our *160 Cloud Hospital*, we also offer tailored services to medical and healthcare institutions in promoting their brands efficiently and effectively, following their operational strategies.

During the initial launch of the *160 Cloud Hospital*, we adopted a membership scheme for medical and healthcare institutions subscribing to this software, with subscription fees varying based on different membership grades — ordinary, silver, gold, and diamond. Each grade has been granted exclusive access to specific modules and services, such as marketing, content management, customer management, and recruitment modules for gold members and above. The screenshot below illustrates the interface of our *160 Cloud Hospital* for diamond members:



To promote our newly launched services, we offer new pricing options for medical and healthcare institutions, under which they can activate *160 Cloud Hospital* for free and pay us performance-based commission fees only after generating orders through our platform. Revenue from commissions charged through this option will be recognized under traffic optimization services. This initiative showcases the capabilities and benefits of our platform, allowing institutions to enjoy our *160 Cloud Hospital* firsthand. This approach has been well-received by medical and healthcare institutions, as evidenced by the increasing subscriptions to our services. Our *160 Cloud Hospital* has experienced a significant increase in the number of subscribing medical and healthcare institutions, rising from 798 as of December 31, 2022 to 3,443 as of March 31, 2025.

As a milestone in the enhancement of our platform management solutions, we have strategically focused on promoting and developing our newly launched *160 Cloud Hospital*. Medical and healthcare institutions previously use *Jiuyitong* are gradually switching to *160 Cloud Hospital*. At the same time, we continue to support operations on *Jiuyitong*, as some existing medical and healthcare institutions still manage their activities on our platform using this software. As such, we expect to operate *Jiuyitong* and *160 Cloud Hospital* concurrently for the foreseeable future.

In August 2023, we achieved a pivotal milestone by enhancing our platform's traffic and brand visibility through a collaboration with a leading global provider of information and communications technology infrastructure and smart devices incorporated in China. For details, see "— Collaboration with a Leading Global Provider of Information and Communications Technology Infrastructure and Smart Devices." This collaboration has been advantageous, as an increasing number of medical and healthcare institutions have been incentivized to pay for platform subscription fees, aiming to capitalize on the substantial online traffic generated by this collaboration.

- *Traffic Optimization Services*

Patient acquisition poses significant challenges for medical and healthcare institutions, as it requires cultivating long-term patient habits and establishing industry recognition. Private institutions usually invest substantial resources in building their patient base, while public institutions focus on attracting patients for specialty services. To address this challenge, we offer medical and healthcare institutions traffic optimization services for online appointments and consumer healthcare packages, capitalizing the individual user traffic on our platform. Our traffic optimization services play a pivotal role in enhancing sales promotion for medical and healthcare institutions by attracting quality traffic and visibility from potential patients and users.

Our approach involves a multifaceted understanding of each institution's service offerings and strengths. Institutions that have subscribed to our *160 Cloud Hospital* can utilize the basic information management module on the software to post their particulars and strengths. Through communications with the institutions, we gain deep understanding of and valuable insights into their specialties, medical services, and treatment offerings. As such, we are able to create specific tags for each institution, which is crucial for our search and recommendation algorithms to better serve individual users seeking specific medical solutions on our platform.

We create detailed user profiles based on customer tags such as location, selected medical disciplines, historical health records, age, and symptoms. These tags categorize individual users by six major sectors, including active behavior, transaction behavior, basic attributes, user segmentation, health status, and financial attributes. Underpinned by our insightful observation and deep understanding of the diverse needs of such individual users, we can effectively align medical and healthcare institutions with potential patients seeking specialized services.

Our self-developed advanced search and recommendation algorithms also laid a solid foundation for our traffic optimization services. For features of our search and recommendation algorithms, see "— Technology and Infrastructure." Empowered by these advanced algorithms, we optimize online traffic to our platform, effectively connecting medical services with those in need. Our traffic optimization services also facilitate medical and healthcare institutions in enhancing their online appointments and sales of consumer healthcare packages. As such, we can not only enhance patient acquisition and operational efficiency for medical and healthcare institutions but also provide individual users with easy access to reliable and tailored healthcare solutions through our platform. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we provided traffic optimization services to 2,257, 2,449, 2,231, 1,336 and 1,383 medical and healthcare institutions, respectively, the majority of which were private medical and healthcare institutions. We generated 43.3 million, 44.0 million, 45.2 million, 9.3 million and 9.7 million traffic optimization service orders in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, with revenue per order ranged from RMB40.0 to RMB300.0.

(a) Online appointment

We integrate the appointment services of our collaborating medical and healthcare institutions into our platform, allowing individual users to make online appointments easily.

Our solid foundation for traffic optimization services is built upon our ability to accurately identify the healthcare demands and customer preferences of individual users, as well as the deep understanding of the characteristics, resources, and target patients of medical and healthcare institutions. To this end, our AI-powered algorithms swiftly match users with appropriate institutions, leveraging deep learning of user profiles. For example, we recommend institutions offering specialty services to individual users seeking specific medical care, sorting results by factors such as distance, institution level, and user rating. This approach not only optimizes traffic for medical and healthcare institutions, but also improves the utilization of healthcare resources.

While we offer traffic optimization services to both public and private medical and healthcare institutions, we only charge private institutions fixed commission fees per order for each appointment made through our platform and completed offline. In contrast, we generally do not charge public institutions any commission fees. Instead, we harness the significant user traffic generated by these public institutions, which significantly augments our platform's user base. This strategic approach plays a pivotal role in the success of our platform. Underpinned by the wide range of medical resources integrated into our platform, we recorded a substantial number of online appointment orders.

(b) Consumer healthcare packages

With the increasing focus on health consciousness, consumer healthcare services have gained significant attention and demand from customers. However, information gaps between consumer healthcare providers and potential consumers have created challenges in customer acquisition for these providers. To address this industry-wide concern, we facilitate medical and healthcare institutions in boosting the sales of consumer healthcare packages by leveraging our platform traffic.

Building on the foundation of trust we have established with individual users through the provision of essential medical care, we are well-positioned to introduce prudently selected consumer healthcare packages offered by medical and healthcare institutions to them.

The consumer healthcare packages available on our platform primarily encompass physical examination, ophthalmic service and dental service packages provided by both public and private institutions. To promote these packages effectively, we strategically feature a physical examination section in prominent locations on our platform for users' easy access. Users can explore detailed information about the service packages, read reviews from other users, schedule appointments, and make package purchases.

Moreover, for all medical and healthcare institutions that have activated our *160 Cloud Hospital*, we provide them a dedicated consumer healthcare package management module. Leveraging this module, medical and healthcare institutions can create, amend, and manage their service packages offered on the *160 Cloud Hospital,* and visually monitor their sales. See "— Platform Management Solutions — (b) 160 Cloud Hospital."

We employ a cost-per-sale pricing model, primarily charging medical and healthcare institutions a pre-agreed percentage of the contract amount of the consumer healthcare packages purchased on our platform and completed offline.

- *Pharmacy Marketplace Services*

Leveraging our well-established brand recognition and large user base, our pharmacy marketplace services offer an avenue for third-party merchants to sell a wide array of pharmaceutical and healthcare products. During the Track Record Period, we had a cumulative total of 3,525 third-party merchants operating on our pharmacy marketplace. The total GMV of our pharmacy marketplace services reached RMB30.1 million, RMB31.2 million, RMB24.5 million, RMB6.7 million and RMB4.3 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. The decrease in the total GMV of pharmacy marketplace services from 2023 to 2024 was primarily attributable to product portfolio adjustments by certain third-party merchants, which resulted in temporary shortage of certain innovator drugs during 2024. The decrease in the total GMV of pharmacy marketplace services from the first quarter of 2024 to the same period of 2025, primarily due to product mix adjustments made by third-party merchants in response to intensified market competition. Newly introduced products typically require a ramp-up period before achieving stable sales performance, which led to a temporary decline in overall transaction volume during the period.

Our pharmacy marketplace services not only contribute to the growth of our user base by expanding the product selection but also enhance the brand recognition of third-party merchants. We aim to provide all purchasers on our online marketplace with a consistent and high-quality user experience, regardless of the products they choose. To achieve this, we have implemented a rigorous selection process for third-party merchants, ensuring that they possess all the requisite licenses and certificates for their business operations, guaranteeing the authenticity and reliability of their products. Furthermore, we continually monitor their operations, including sales performance, customer service, and user satisfaction, to maintain the quality of products and services offered.

Once a third-party merchant joins our online marketplace, we handle transaction processing and billing services for all orders placed, while the third-party merchants are responsible for inventory management, order fulfillment, and delivery. In return for using our platform, we charge third-party merchants commission fees based on a pre-agreed percentage of their sales amount. As we act as an agent for third-party merchants, we recognize commission fees as revenue on a net basis.

In accordance with applicable laws and regulations, platform fund clearing must be carried out by licensed financial institutions. To this end, we have established collaborative relationships with a commercial bank to set up an escrow account for the fund clearing and settlement for pharmacy marketplace transactions. All funds paid by individual users are first deposited into the escrow account. The bank subsequently splits the amount in accordance with the commission rates agreed between the merchants and us and settles the payment accordingly. As advised by our PRC Legal Advisers, under this payment arrangement, we do not violate any prohibitive provisions under relevant PRC laws and regulations governing platform clearing operations.

Online Advertising Solutions

We offer medical and healthcare institutions a broad range of online advertising solutions to enhance their brand promotion and drive growth and engagement. Through our platform, these institutions can leverage multi-channel and highly targeted advertising initiatives to reach their desired audience. Our diverse online advertising options within the Healthcare 160 app primarily include:

(a) *Splash ads.* These ads are full-screen interstitial ads with a five second display that appear right after launching our app, leaving a notable initial impression and encouraging user engagement.

(b) *Banner ads*. These ads are rectangular images that occupy designated spots within our app's layout, positioned at the center of the device screen.

(c) *Pop-up ads*. These ads randomly appear in a new window or "pop-up" while users interact with the app. Our pop-up ads support dynamic image display and can appear on the homepage, post-ordering pages, and post-registration pages of mobile apps or WeChat Mini Programs.

(d) *Headline search ads*. These ads include top-placed search keywords and the search discovery section on the search results page, prominently featured at the top of the homepage's search bar and in the middle section of the search page, providing prime entry points for search traffic.

In addition to these advertising spaces, we provide keyword ranking promotion services, prioritizing institutions or physicians in search results for their chosen keywords, to achieve accurate ad targeting. Furthermore, push notification service on our app allows institutions or physicians to deliver targeted advertising messages to specific audiences, maximizing the impact of their promotions.

The following images illustrate certain examples of advertisement displaying within our Healthcare 160 app:

Splash ads

Banner ads

Pop-up ads

Headline search ads

We offer flexible pricing mechanisms to accommodate the diverse needs of medical and healthcare institutions. They can choose either fixed advertising fees for displayed ads or performance-based commission fees. During the Track Record Period, we generated revenue from online advertising solutions primarily through charging fixed advertising fees. The fixed advertising fee differs across various advertising spaces and can be negotiated based on the advertising packages selected by the institutions. Generally, the fixed advertising fee ranges from RMB500 to RMB5,000 per advertising space per week. We provided online advertising solutions to 183, 178, 145, 56 and 83 medical and healthcare institutions in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. The decrease in the number of paying institutions in 2024, compared to 2023, was primarily due to fewer promotional campaigns held in 2024, following strategic adjustments in our business promotion plan.

Digital Hospital Solutions

Capitalizing on our advanced technological infrastructure and capabilities, we offer medical and healthcare institutions customized digital hospital solutions. Our offerings encompass three proprietary hospital management systems: *Blue Dragonfly Infectious Disease Real-time Monitoring System*, *Blue Dragonfly Hospital Infection Real-time Surveillance System*, and *Hospital Full-Process System*.

Our *Blue Dragonfly Infectious Disease Real-time Monitoring System* and *Blue Dragonfly Hospital Infection Real-time Surveillance System* are aimed at optimizing in-hospital disease prevention and management, thereby fortifying infectious disease control. Through the utilization of these systems, medical and healthcare institutions can efficiently monitor and control disease spread, enabling timely interventions and delivering quality care to patients.

In contrast, our *Hospital Full-Process System* facilitates the construction and enhancement of in-hospital information system, aiming to improve patient care and streamline hospital operations. The upgraded or newly launched in-hospital information system promotes smooth communication and seamless access to medical information, thereby enhancing the overall patient experience.

Our digital hospital solutions empower medical and healthcare institutions to embrace digital transformation, enhance operational efficiency, and provide healthcare services to their patients. Our systems have effectively ignited the subscription interest of medical and healthcare institutions, as demonstrated by the growing number of medical and healthcare institutions we have served under our digital hospital solutions. Specifically, there were 678, 1,005, 1,290, 619 and 693 medical and healthcare institutions utilizing our digital hospital solutions in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

- *The Blue Dragonfly Infectious Disease Real-time Monitoring System*

  China has taken significant steps to combat infectious diseases by establishing a national disease report system. However, some primary healthcare institutions still rely on manual reporting for internal infectious disease reports, leading to potential issues such as underreporting, delays, and inaccuracies. To bridge this digitalization gap and improve network-based reporting of infectious diseases in primary healthcare institutions, we have independently developed the *Blue Dragonfly Infectious Disease Real-time Monitoring System* (the "**Infectious Disease Monitoring System**"). Our Infectious Disease Monitoring System primarily focuses on the detection, alerting, reporting, and verification of infectious diseases as defined by the relevant governmental authorities and public health events at the national or regional level, as identified in the medical and healthcare institutions where patients seek treatment. This system is designed in accordance with governmental policies governing national disease control and prevention, infectious disease reporting, and the monitoring of public health events and epidemics.

  Our Infectious Disease Monitoring System is designed carefully, with modules and functionalities for data retrieval, integration, and infectious disease reporting, as well as data statistics, analysis, and alerts. It can be integrated with hospitals' existing digital systems, such as the hospital information system (HIS), enabling automated loading of patient data and hospital foundational data. The system also integrates various reporting modules to ensure compliance with regulatory and internal requirements for reporting infectious diseases under different scenarios.

Medical and healthcare institutions, along with disease control and prevention authorities, can utilize the system to analyze patient diagnosis information, test results, and case information to identify any potential infectious diseases. In addition, the system sends alert automatically to relevant responsible departments in the hospital for disease reporting, prevention, and control if any infectious diseases are detected.

Through our Infectious Disease Monitoring System, primary healthcare institutions can report infectious disease outbreaks timely, accurately, and effectively. This not only helps in preventing and controlling infectious diseases efficiently but also contributes to the overall public health efforts in the country.

In general, the sales price of our Infectious Disease Monitoring System ranges from RMB100,000 to RMB300,000, depending on the distinct features embedded in the system to meet the specific demands of medical and healthcare institutions.

- *The Blue Dragonfly Hospital Infection Real-time Surveillance System*

Drawing on our industry insights, we have identified the deficiencies in traditional hospital infection surveillance systems. These systems often analyze data without involving frontline medical professionals, leading to higher in-hospital infection rates. To address this challenge, we developed the *Blue Dragonfly Hospital Infection Real-time Surveillance System* (the "**Hospital Infection Surveillance System**"). This system has been designed in alignment with governmental policies aimed at enhancing national healthcare quality, as well as promoting the quality improvement of public hospitals.

Our Hospital Infection Surveillance System is purpose-built to function as a real-time monitoring solution for hospital-acquired infections, to address the practical challenges in hospital infection prevention and control. The system places an emphasis on the real-time monitoring of infections within hospitals, encompassing aspects such as hospital infection rates and the detection of multi-drug-resistant bacteria. Its major functions also comprise issuing alerts, managing cases, and reporting incidents related to hospital-acquired infections. This system finds its primary usage among hospital infection control departments and clinical physicians. The system follows a three-step approach to enhance infection control: (i) automatic detection of suspected cases of hospital-acquired infections, utilizing advanced algorithms; (ii) assisting in the diagnosis of hospital-acquired infections to streamline the diagnostic process and enhance accurate identification of infections; and (iii) supporting clinical interventions, which empowers medical professionals to implement targeted clinical interventions based on the risk analysis and indicators of hospital infections.

By involving frontline medical professionals in the infection surveillance process, our Hospital Infection Surveillance System can be used to lower hospital infection rates and improve overall patient safety and care.

In general, the sales price of our Hospital Infection Surveillance System ranges from RMB130,000 to RMB300,000, depending on the distinct features embedded in the system, tailored to meet the specific demands of medical and healthcare institutions.

The Infectious Disease Monitoring System and the Hospital Infection Surveillance System serve distinct roles within hospital management frameworks, differing in focus, function, and primary users. The Hospital Infection Surveillance System, aligned with the *Hospital Infection Management Measures*, concentrates on monitoring and preventing nosocomial infections. It aims to detect potential infections and control outbreaks within the hospital environment through diligent data monitoring and targeted intervention. Conversely, the Infectious Disease Monitoring System, developed in accordance with the *Law of the People's Republic of China on the Prevention and Treatment of Infectious Diseases,* prioritizes the surveillance and reporting of infectious diseases within the hospital. This system is designed to ensure timely reporting and minimize the risk of unreported or delayed notifications of infectious disease cases and other public health concerns.

Furthermore, the systems are utilized by different hospital departments. The Hospital Infection Surveillance System is primarily operated by the hospital's infection control office or the department responsible for infection management. In contrast, the Infectious Disease Monitoring System is mainly used by the hospital's public health department, preventive health care department, and other relevant departments, highlighting the distinct operational focus and user base of each system.

- *The Hospital Full-Process System*

Our *Hospital Full-Process System* facilitates the digital management of medical and healthcare institutions by offering a wide range of functionalities and services that encompass and integrate the entire in-hospital visiting process. This system works as the cornerstone of the HIS. For institutions already equipped with in-hospital visiting management systems, our *Hospital Full-Process System* can assist in upgrading and enhancing their existing ones. For those yet to adopt such systems, our system offers tailor-made services to construct customized in-hospital visiting management systems.

From pre-diagnosis to in-diagnosis and post-treatment, this system facilitates a seamless and efficient process for both medical and healthcare institutions and their patients. The pre-diagnosis module includes various features such as outpatient scheduling management, registration number allocation, appointment booking, multi-channel reservations, and online queuing. These functionalities enable patients to easily schedule and manage their appointments, enhancing patient experience. In the in-diagnosis module, our system provides mobile payment options and appointment inquiries. It also automatically generates statistical reports of appointments, streamlining the diagnostic process and facilitating efficient diagnostic management. For post-treatment, our system offers a range of services, including laboratory test and examination inquiries, inpatient expense management, personal appointment and visitation management, satisfaction surveys, and access to health information, contributing to better patient care and support.

During the process of assisting medical and healthcare institutions in building an end-to-end in-hospital visiting management system, we also extend a range of operational services, spanning basic operations, online operations, offline operations, big data analysis, and marketing endeavors. Our operational support spans various aspects, from setting up WeChat Official Accounts and micro-websites to conducting soft article promotions and news releases.

Generally, the sales price of our *Hospital Full-Process System* ranges from RMB0.3 million to RMB1.5 million, depending on the specific features selected by customers and integrated into the system.

We extend invitations to all hospitals that completing the construction or upgrade of their in-hospital visiting management system using our *Hospital Full-Process System* to connect with the *Healthcare 160 Platform*. This connection allows them to leverage our platform's traffic, thereby augmenting their brand visibility and overall business performance. All the hospitals that purchased our *Hospital Full-Process System* during the Track Record Period have connected with our *Healthcare 160 Platform*.

Online Healthcare Services

We aim to create a better healthcare network that connects individual users with a vast array of online and offline healthcare resources. To achieve this, we provide individual users with easy access to a wide range of online healthcare services through our platform. Our online healthcare services are online medical consultation services, offering medical visit guidance and lifestyle recommendations to individual users, while strictly excluding disease diagnoses or medication advice. These services form an integral part of our business model, addressing to the diverse needs of individual users. During the Track Record Period, we provided these services through our subsidiary, Weikang Zhiyuan.

Different from online medical diagnoses and treatments, online medical consultation services do not involve disease diagnoses or medication advice as advised by our PRC Legal Advisors based on the consultation with the relevant competent authority. Under our online healthcare services, registered physicians are only allowed to offer guidance on medical visits and lifestyle recommendations based on the information provided by individual users, without disease diagnoses or medication advice. As such, online healthcare services provided by registered physicians on our platform are categorized as online medical consultation services, instead of online medical diagnoses and treatments. Under relevant laws and regulations, only service providers engaged in online medical diagnoses and treatments are required to hold a Practicing License for Medical Institutions, and physicians providing these services are obligated to complete multi-site registration. As advised by our PRC Legal Advisors, given the business nature of our online medical consultation services and assuming no material changes to the current laws and regulations or to the prevailing practices of local authorities in policy implementation and enforcement, Weikang Zhiyuan is not required to hold a Practicing License for Medical Institutions and the registered physicians involved, who only engage in online medical consultations, are not required to complete multi-site registration. To ensure compliance, we have implemented a set of internal control measures to prevent registered physicians from providing services beyond the scope defined under our online healthcare services. See "— Risk Management and Internal Control — Online Healthcare Service Management."

Our online healthcare services cover a broad spectrum of conditions, with a particular focus on common diseases and certain chronic diseases. These services are provided by registered physicians on our platform through our multiple portals we operate, including the Healthcare 160 app, Healthcare 160 official website, WeChat Official Accounts, and WeChat Mini Program.

We offer three main types of online medical consultation, encompassing express consultation, image-text consultation, and phone and video consultation. The express consultation option quickly matches patients with suitable physicians based on their symptom description and selected consultation fee, with substantially all of orders receiving responses within 10 minutes. For image-text consultation, patients can upload relevant images and describe their symptoms and queries, receiving feedback from designated physician within two hours. Phone and video consultations are also available, allowing patients to communicate directly with their designated physician during specified timeslots. The consultation duration is determined by the physicians, who have discretion to set their own minimum consultation duration.

To meet the demand for advanced consultations, we also offer private physician services. These services provide patients with exclusive and personalized online and offline medical consultations, including professional consultation, treatment advice, and long-term health management.

Our commitment to social responsibility is exemplified by inviting physicians affiliated with our partner medical and healthcare institutions and specialty associations to provide pro bono consultations on our platform during their available time slots between paid consultations. This initiative aims to benefit more individuals in need while promoting the professional image of participating physicians. During the Track Record Period, we facilitated 1.4 million pro bono consultation service orders on our platform.

Physicians on our platform have the discretion to set their consultation fees, with reference to the price range provided by our platform based on the fees charged by other physicians with similar backgrounds and experience. We charge registered physicians commission fees based on a pre-agreed percentage of the service fees paid by individual users for online healthcare services received through our platform. See "Financial Information — Critical Accounting Policies and Estimates — Revenue Recognition — Digital Healthcare and Wellness Solutions — Online Healthcare Services."

Similar to pharmacy marketplace services, platform fund clearing must be carried out by licensed financial institutions. For our collaboration with the commercial bank for the fund clearing and settlement, see "— Online Marketing Solutions — Marketplace Solutions — Pharmacy Marketplace Services" above.

We strive to provide cost-effective online healthcare services for individual users. During the Track Record Period, the prices of our online healthcare services ranged from RMB76 to RMB108, while the prices of our private physician services ranged from RMB125 to RMB149, with variations based on different consultation types and physicians. Our platform processed 1.4 million, 1.9 million, 1.7 million, 0.3 million and 0.3 million online healthcare service orders in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

As the platform operator, we are legally required to verify the professional qualifications of all physicians who provide online healthcare services through our platform. Under the cooperation agreements entered into with registered physicians, any liability arising from consultation disputes, where the individual user is not at fault, shall be borne by the registered physician. In such cases, if we are held liable, the registered physician is contractually obligated to indemnify us. Accordingly, while we provide the technological infrastructure for online healthcare services, we are not the provider of medical advice. The responsibility for the accuracy and appropriateness of consultation advice rests solely with the registered physicians, both under applicable regulatory requirements and the terms of our cooperation agreements.

Others

To a lesser extent, we offered certain value-added ad hoc services to our customers during the Track Record Period, such as technical services for system development and individual membership services. Except for individual membership services, these services are non-recurring in nature and are primarily provided to address the specific demands of our customers while implementing our other solutions.

OUR BUSINESS EXPANSION

To enhance the growth of our business and strengthen our localized customer services, we have been establishing business centers in strategically selected regions characterized by an abundance of high-quality medical resources and a rising demand for medical services. In August 2023, we strategically founded a subsidiary, Ningji Medicine, located in Huzhou, Zhejiang Province, marking a significant milestone in our business expansion efforts. We will progressively develop and enhance the product and services offerings managed by Ningji

Medicine. We anticipate that Ningji Medicine will emerge as one of our central business operation hubs, significantly expanding our service coverage and expediting our business growth in the eastern coastal regions of China.

OUR OPERATIONAL ACHIEVEMENTS

Through our continuous efforts in diversifying our offerings, exploring effective monetization strategies, and enhancing customer satisfaction and engagement, we have made considerable progress. This progress is evident not only in the improvement of our financial performance but also in our operating results. The following table sets forth the key operating metrics for the period/as of the date indicated:

	Year ended/As of December 31,			Three months ended/As of March 31,	
	2022	2023	2024	2024	2025
Registered individual users[1] (million)	43.3	46.6	54.1	47.6	55.2
Average MAUs[2] (million)	3.3	3.1	3.3	2.8	3.3
Average DAUs[3] (million)	0.3	0.3	0.3	0.3	0.3
Average monthly paying users[4] (million)	0.6	0.7	0.7	1.0	1.1
Conversion rate from registered individual users to ordering customers[5] (%)	53.2	65.9	55.6	57.0	55.7
User repurchase rate[6] (%)	67.7	70.5	65.7	83.1	84.6
Average revenue per customer[7] (RMB in thousand)					
– Online marketing solutions	20.8	20.8	32.1	13.9	13.5
– Digital hospital solutions	73.9	71.7	56.0	12.5	11.3
– Online healthcare services	0.4	0.4	0.3	0.2	0.3
Average revenue per online order[8] (RMB)	20.8	15.4	17.5	20.0	18.6
Gross merchandise value[9] (RMB in million)					
– Traffic optimization services	126.9	113.6	128.4	23.2	25.8
– Online healthcare services	24.3	25.9	26.8	6.2	6.7
– Pharmacy marketplace services	30.1	31.2	24.5	6.7	4.3

	Year ended/As of December 31,			Three months ended/As of March 31,	
	2022	2023	2024	2024	2025
Number of paying customers[10]					
– Business customers	376	145	142	42	32
– Medical and healthcare institutions	3,699	4,455	4,513	2,235	2,404
– Registered individual users under retail model[11]	17,247	9,930	4,506	1,332	376
– Registered physicians	9,499	10,103	10,307	5,806	6,155

Notes:

(1) Registered individual users represent the number of registered users on our platform cumulatively since inception up to the date indicated, regardless of whether they remain active or make payments in a given period.

(2) Average MAUs refer to the average number of registered individual users who logged into Healthcare 160 app at least once in a given month during a given period.

(3) Average DAUs refer to the average number of registered individual users who logged into Healthcare 160 app at least once in a given day during a given period.

(4) Average monthly paying users refer to the average number of registered individual users who placed orders on our platform at least once in a given month during a given period. These figures cover both transactions that directly contribute revenue to us (such as purchases under our retail model) and those that generate revenue indirectly through other platform participants (such as online appointment orders and healthcare services).

(5) Conversion rate from registered individual users to ordering customers refers to the number of ordering customers for the given period divided by the number of registered individual users who logged into our platform in the given period as of the last day of that period.

(6) User repurchase rate refers to the number of users with purchasing history who made purchases again in the given period, divided by the total number of users who made orders in the given period.

(7) Average revenue per customer in the context of online marketing and digital hospital solutions is calculated by dividing the total revenue generated from the respective business line in a given period by the total number of medical and healthcare institutions that procured these solutions during the same period. For online healthcare services, the average revenue per customer is determined by dividing the total revenue generated from this business line in a given period by the total number of medical professionals who provided these services during the same period.

(8) Average revenue per online order is calculated by dividing the total revenue generated from services provided on our *Healthcare 160 Platform* (including online marketing solutions, online healthcare services, and the retail of pharmaceutical and healthcare products) in a given period, by the total number of online orders placed through this platform in the same period.

(9) Gross merchandise value represents the total value of products or services sold over a given period through our *Healthcare 160 Platform*.

(10) Number of paying customers refers to customers (in units) who directly contributed revenue to us in each year/period during the Track Record Period, including (i) business customers who purchased pharmaceutical and healthcare products under the wholesale model, (ii) registered individual users who purchased pharmaceutical and healthcare products under the retail model, and (iii) medical and healthcare institutions and

registered physicians who purchased our digital healthcare and wellness solutions. The significant difference between the number of registered individual users, average monthly paying users and the number of paying customers arise from their distinct statistical definitions as set out above. These metrics are therefore not directly comparable.

(11) Number of paying registered individual users under retail model specifically refers to registered individual users who make purchases under our retail of pharmaceutical and healthcare products, thereby directly contributing revenue to us.

The conversion rate from registered individual users to ordering customers fluctuated throughout the Track Record Period. The conversion rate increased from 53.2% in 2022 to 65.9% in 2023, primarily due to a decline in the number of registered individual users logging into our platform following the easing of the pandemic, while the number of paying registered individual users under retail model continued to grow, driven by our ongoing efforts to enhance the products and services offered to individual users. Although both the number of registered individual users and average MAUs continued to grow from 2023 to 2024 and further from the first quarter of 2024 to the same period in 2025, which was driven by the growing number of collaborating medical and healthcare institutions as well as our strategic collaboration with Partner Company, the conversion rate declined over the same periods. This decrease was mainly attributable to the inherent characteristics of medical and healthcare services, which generally require a longer engagement and nurturing cycle for newly registered users before they convert into paying customers.

The average revenue per customer for our online marketing solutions remained stable at RMB20.8 thousand and RMB20.8 thousand in 2022 and 2023, respectively, and significantly increased to RMB32.1 thousand in 2024, primarily driven by increased spending from medical and healthcare institutions, particularly due to a higher rate of cross-purchasing across different sub-business lines within the solution. The average revenue per customer for digital hospital solutions decreased during the Track Record Period, primarily as we provide maintenance services for customers subsequent to our initial software sales and our maintenance service fees are much lower than our software subscription fees.

Our average revenue per online order decreased from RMB20.8 in 2022 to RMB15.4 in 2023, primarily due to less pharmaceutical and healthcare products sold under retail model. However, it increased to RMB17.5 in 2024, primarily driven by a higher proportion of consumer healthcare packages sold with higher unit prices. It slightly decreased from RMB20.0 in the first quarter of 2024 to RMB18.6 in the same period of 2025, primarily due to the lower unit prices of online appointment orders from newly connected key medical and healthcare institutions. This reflects our continued efforts to expand coverage and attract users through broader institutional partnerships.

The GMV of traffic optimization services decreased from RMB126.9 million in 2022 to RMB113.6 million in 2023, primarily attributable to a reduction in the sales of consumer healthcare packages, especially vaccine services, as a result of more market supplies. The GMV of traffic optimization services increased to RMB128.4 million in 2024, primarily driven by a higher proportion of consumer healthcare packages sold with higher unit prices. The GMV of traffic optimization services increased from RMB23.2 million for the three months ended

March 31, 2024 to RMB25.8 million for the same period in 2025, primarily driven by an increase in the number of orders received for traffic optimization services. The GMV of pharmacy marketplace services remained relatively stable at RMB30.1 million and RMB31.2 million in 2022 and 2023, respectively. However, it decreased to RMB24.5 million in 2024, primarily due to product portfolio adjustments made by certain third-party merchants, which resulted in temporary shortage of certain innovator drugs during 2024. The GMV of pharmacy marketplace services decreased from RMB6.7 million for the three months ended March 31, 2024 to RMB4.3 million for the same period in 2025, primarily due to product mix adjustments made by third-party merchants in response to intensified market competition. Newly introduced products typically require a ramp-up period before achieving stable sales performance, which led to a temporary decline in overall transaction volume during the period.

The number of business customers decreased from 376 in 2022 to 145 in 2023, and further to 142 in 2024. It declined from 42 in the first quarter of 2024 to 32 in the same period of 2025. This decline was primarily due to a strategic shift in customer acquisition approach, as we focused on targeting business customers with larger procurement demands.

The number of paying individual users primarily refers to registered individual users who purchase pharmaceutical and healthcare products under our retail model and contribute directly to our revenue. The decline in such users during the Track Record Period was consistent with the decrease in revenue from the retail model over the same periods. This was mainly attributable to the transitional phase of the new sales brand under Hailiantang Pharmacy, coupled with intensified market competition.

OUR HEALTHCARE 160 PLATFORM

We launched our digital healthcare and wellness service platform, *Healthcare 160 Platform*, in 2010. The time for us to introduce our initial official website can be traced back to 2005, and over time, we progressively expanded our platform to encompass mobile apps, WeChat Official Accounts, and WeChat Mini Programs. Through years of dedicated work, our *Healthcare 160 Platform* was the largest digital healthcare and wellness service platform in the digital healthcare integrated service industry in China in 2024 in terms of (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024, according to Frost & Sullivan.

Our platform serves as a vital link that connects and empowers key Platform Participants throughout the healthcare value chain. For individual users, it acts as a gateway to connect them with offline medical and healthcare institutions and professionals. The platform covers the entire process of medical consultation and extends its services to post-treatment follow-up visits. Our healthcare services encompass both essential medical care for disease treatment and diverse consumer healthcare services for wellness maintenance.

The platform offers various functional modules, including online appointment booking, consultation, healthcare content, retail pharmacy, and physical examinations. Individual users can easily check physician availability and make appointments for offline consultations, diagnoses, or physiotherapy. For medical consultations, we attract offline customers to our online platforms including mobile apps, WeChat Official Accounts, and WeChat Mini Programs, providing them with online healthcare services through various channels such as telephone, video, text, and photos. This integration between offline and online healthcare services creates a smooth and easy experience for our users. To better serve our users, only registered individual users can place orders and make purchases on our platform. During the Track Record Period, our registered individual user base has displayed a consistent and sustainable growth trajectory. Cumulatively since our inception, our platform boasted registered individual users of 43.3 million, 46.6 million, 54.1 million and 55.2 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. Our commitment to providing engaging services is evident through our average MAUs of 3.3 million, 3.1 million, 3.3 million and 3.3 million during the years 2022, 2023 and 2024 and the three months ended March 31, 2025, respectively. In addition, our platform has accumulated more than 5.6 million user reviews up to March 31, 2025.

Medical and healthcare institutions and professionals access our platform through the *160 Cloud Hospital* and *160 Yihu app,* respectively, which connect and integrate with *Healthcare 160 Platform*, for them to offer online healthcare services on our platform. With our well-crafted toolkits embedded in these portals, they can efficiently deliver services, manage patients, post healthcare content, and enhance their brands. For details of our *160 Cloud Hospital*, see "— Our Product and Service Offerings — Digital Healthcare and Wellness Solutions — Online Marketing Solutions — Marketplace Solutions — Platform Management Solutions — (b) 160 Cloud Hospital." As of March 31, 2025, we had collaborated with over 14,400 hospitals and over 30,200 primary healthcare institutions cumulatively since our inception. Additionally, we had connected with over 902,300 medical professionals in China as of the same date cumulatively since our inception, among which approximately 46,200 were registered physicians.

Leveraging our varied online marketing solutions, our platform showcases a broad range of content, primarily including advertisements, articles, descriptions of medical and healthcare institutions and professionals, user comments and short videos. We, together with our key Platform Participants, take an active role in content creation.

According to relevant laws, rules and regulations, online content creators are prohibited from infringing on others' civil rights or publishing content banned by laws or administrative rules, risking infringement liabilities and administrative sanctions like fines, suspension orders, or license revocations. In addition, online platforms must ensure network security by removing, blocking, or disconnecting illegal content and notifying relevant authorities once aware of any infringement or illegal postings. Neglecting these responsibilities may lead to joint infringement liability and penalties such as business suspension, license revocation, or website closure. As advised by our PRC Legal Advisors, we are obligated to ensure the content created by ourselves does not infringe on third-party civil rights or include prohibited content, and as platform operators, we have a duty to oversee and manage the information published on our platform.

Furthermore, pursuant to the Measures for Administration of Internet Advertising (《互聯網廣告管理辦法》), Internet advertisers are prohibited from publishing (i) advertisements of prescription drugs on the Internet or (ii) advertisements for medical treatment, drugs, medical devices, health food, and formula food for special medical purposes by way of introducing knowledge on health or health maintenance. As advised by our PRC Legal Advisors, we shall diligently oversee advertisements on our platform to ensure compliance with advertising laws and regulations, with non-compliance risking fines or operational suspension.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or administrative penalties by any competent regulatory authorities in relation to the violations of platform content management or advertisement-related laws and regulations. Our PRC Legal Advisors are of the view that during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents concerning all relevant laws and regulations regarding platform content and online advertisement.

To maintain the integrity of content published on our platform, we have set up a detailed framework of internal policies. See "— Risk Management and Internal Control — Platform Content Management."

As of the Latest Practicable Date, we owned and operated a variety of online platforms, including official websites, mobile apps, WeChat Official Accounts and WeChat Mini Programs, all under the name of "*Healthcare 160*." The below table sets forth the operating model of our online healthcare portals in operation:

Online platform	**Target users**	**Nature of the platform**	**Scope and nature of major services**
Healthcare 160 Official Website (健康160官網)		Proprietary official website	Online appointments for offline diagnosis, online consultations, and free science popularization through videos and articles[1]
Healthcare 160 app (健康160手機應用程序)		Proprietary official app	
Healthcare 160 WeChat Official Account (健康160微信公眾號)	Individual users	Proprietary WeChat Official Account	Online appointments for offline diagnosis, online consultations, purchase of pharmaceutical and healthcare products and free science popularization through videos and articles
Healthcare 160 WeChat Mini Program (健康160微信小程序)		Proprietary WeChat Mini Program	

Online platform	Target users	Nature of the platform	Scope and nature of major services
Jiuyitong (就醫通)		Proprietary online management platform tailored to our platform	Online appointment management, patient management, and institution information and content management
160 Cloud Hospital (160雲醫院)	Medical and healthcare institutions	Proprietary advanced online management platform tailored to our platform	Online appointment management, department and physician management, online marketing campaign arrangement and free science popularization through videos and articles
160 Yihu (160醫護)	Medical professionals	Proprietary official app	Physician registration, online consultation, online payment for the prescription, patient management and free science popularization through articles
160 Shanghu (160商戶)	Third-party merchants	Proprietary official app & website	Product, order and operating data management

Note:

(1) We have voluntarily suspended the retail of pharmaceutical and healthcare products on Healthcare 160 official website after the Reorganization, as our subsidiary, Weikang Zhiyuan, which operates the website, has not yet obtained the required EDI license for such activities which involved online data and transaction processing. However, after consulting with the Guangdong Communication Administration, the competent authority regulating online data and transaction processing, it has been determined that those conducting similar operations through mobile apps, WeChat Official Accounts, or WeChat Mini Programs are not obligated to obtain the EDI license.

Nevertheless, such temporary suspension would not have any material adverse impact on our business operations or financial performance, given the limited number of retail transactions processed through Healthcare 160 official website and the negligible revenue generated from it during the Track Record Period. From 2022 until the Reorganization, transactions through our Healthcare 160 official website represented approximately 0.001% of the total pharmaceutical and healthcare product retail orders during this period, while the corresponding revenue accounted for approximately 0.001% of the total revenue from the retail of pharmaceutical and healthcare products. Following the Reorganization and through the three months ended March 31, 2025, these transactions made up approximately 0.001% of our total retail orders, contributing approximately 0.011% of total revenue from our retail business during this period.

Set out below are illustrations of our selected proprietary online healthcare portals:

Healthcare 160 app

Healthcare 160 WeChat Mini Program

160 Yihu

160 Shanghu

Membership Program

We launched our membership program in 2016 to improve customer stickiness and loyalty. We offer our members a variety of detailed and personalized value-added services through our membership program, which comprises general membership program and premium membership program. The general membership is free of charge and available to all registered individual users, providing basic benefits like online appointment notifications and maintenance of personal health profiles. Our premium membership program is further divided into four tiers, namely the Silver Tier, Diamond Tier, Premier Tier, and Black Gold Tier, each offering distinct privileges. The annual membership fees for premium membership range from RMB188 to RMB58,000. During the Track Record Period, we generated aggregated membership fees of RMB0.8 million.

The following screenshots of Healthcare 160 app's interface illustrate the privileged services or functions offered to our Black Gold members:

Our premium members have access to a variety of privileged value-added services, which include:

- *Physical examination offerings*. This encompasses personalized health evaluations, customized physical examination plans, assistance during outpatient visits, and reexaminations for abnormal results.

- *High-end medical services*. Our premium members can enjoy exclusive medical benefits, including up to two consultations and face-to-face diagnoses with advanced experts each year.

- *Member privileges*. We offer premium members a wide range of exclusive privileges, such as access to a dedicated health housekeeper, consultations with specialized physicians, electronic health records, family medicine box, medicine delivery services, and member discounts.

By offering these value-added services, we expect to enhance the overall experience for our premium members and address their specific healthcare needs. As of March 31, 2025, we had approximately 5.5 million members cumulatively since our inception, among which approximately 98.0 thousand were premium members.

SYNERGIES AMONG OUR PLATFORM PARTICIPANTS AND OUR OPERATIONS

We foster synergies among our Platform Participants, creating a successful cycle that benefits both medical and healthcare institutions and individual users. Our services to medical and healthcare institutions enable us to attract more individual users, leading to deeper cooperation with institutions. We offer a range of digital hospital and online marketing solutions to address their digital transformation, service enhancement, and brand promotion needs. This has laid solid foundation for us to establish stable partnerships with thousands of well-regarded medical and healthcare institutions in China and integrate them into our platform. Our expertise in serving medical and healthcare institutions has allowed us to effectively expand our user base. The growth of our user base, in turn, attracts more institutions and medical professionals to collaborate with us. This substantial medical resource coverage forms the foundation for providing top-notch online healthcare services to our individual users, granting them access to a wide range of medical resources. The trust gained from providing reliable services further strengthens our collaboration with institutions and attracts third-party merchants to join our platform. In addition to medical and healthcare institutions, we also proactively explore collaborative opportunities with participants in the digital healthcare integrated service industry to further reinforce our user base. Notably, we anticipate a significant surge in our user base as a result of our strategic collaboration with a prominent global provider of information and communications technology infrastructure and smart devices incorporated in China. See "— Collaboration with a Leading Global Provider of

Information and Communications Technology Infrastructure and Smart Devices." Through our synergistically integrated business model, we create a win-win situation for all stakeholders involved, fostering sustainable growth and continuous improvement in the quality and scope of our services.

Our digital healthcare and wellness solutions are designed to address the healthcare needs of individual users while meeting the operational demands of cooperative medical and healthcare institutions. Within our suite of digital healthcare and wellness offerings, our online marketing solutions, in conjunction with digital hospital solutions, are instrumental in enhancing the platform's medical resources, which in turn bolster the medical resources for online healthcare services. The different offerings within digital healthcare and wellness solutions reinforce each other. For example, digital hospital solutions improve in-hospital management efficiency, while online healthcare services extend user engagement outside hospitals. Online marketing solutions, by connecting medical and healthcare institutions with potential users, further enhance the visibility and utilization of these services. Together, these complementary functions strengthen user stickiness, support customer acquisition, and improve overall service quality.

By contrast, our pharmaceutical and healthcare product sales business operates as a separate line of business, primarily serving the needs of business customers under our wholesale model and individual users under our retail model. Our adoption of a wholesale model under pharmaceutical and healthcare product sales was intended to bolster our relationships with suppliers, improving our negotiation leverage and ensuring more competitive, stable, and beneficial supply terms for our retail operations. At the same time, the growth of our retail model brings additional individual user traffic to our platform, enhancing user engagement and brand awareness. This, in turn, supports the expansion of our digital healthcare and wellness solutions business.

COLLABORATION WITH A LEADING GLOBAL PROVIDER OF INFORMATION AND COMMUNICATIONS TECHNOLOGY INFRASTRUCTURE AND SMART DEVICES

In August 2023, we reached a significant milestone in our collaboration with a prominent global provider of information and communications technology infrastructure and smart devices incorporated in China (the "**Partner Company**"). The Partner Company, established in 1987 and headquartered in Shenzhen, Guangdong Province, offers an extensive array of products, including smart personal devices, commercial intelligent devices, and a variety of solutions. We entered into a collaborative agreement with the Partner Company to list our Healthcare 160 app on the service grid of all cellphones developed by it as default setting. In partnership, we function as the healthcare service provider, and our services have been smoothly integrated into the proprietary system of the Partner Company. Working alongside various other notable lifestyle service providers, we collectively contribute to constructing a full suite of services within its proprietary system, each equipped with an exclusive and dedicated app and integrated core features to meet users' daily needs, fostering an innovative and well-rounded lifestyle service ecosystem.

Users can access the Healthcare 160 app via system-level entries such as the minus one screen (the leftmost screen), the smart search bar, and the electronic health insurance card holder on the Partner Company's cellphones. These avenues enable users to perform actions including hospital searches, appointment bookings, and accessing health test reports. Moreover, users can also engage in consultations with physicians, monitor personal health data, and truly enjoy the convenience of healthcare services, all at their fingertips.

According to the Partner Company's annual report, the number of smart devices equipped with its proprietary system reached over 1.0 billion as of December 31, 2024. Given the Partner Company's prominent position and significant influence within the industry, we have an opportunity to tap into a broad user base of smart device users across China, which we expect will not only result in an increase in user traffic to our platform but will also enhance our brand visibility. Our collaboration with the Partner Company has reinforced our platform's standing, leading to an increase of over 2,419,300 registered individual users as of the Latest Practicable Date. Furthermore, the number of active users originating from the Partner Company's devices have reached approximately 125,022 in August 2025. We believe that the increase in platform traffic will further drive the expansion of our collaborating medical and healthcare institutions, which are motivated to pay for access to our services, thereby contributing positively to our financial performance. Looking ahead, we will deepen our partnership with the Partner Company to explore new avenues for delivering a wide range of medical and healthcare services across various scenarios and devices.

OUR COLLABORATION WITH MEDICAL AND HEALTHCARE INSTITUTIONS

Leveraging our brand recognition and years of operation, we have established a national network of medical and healthcare institutions. As of March 31, 2025, our network connected 44,639 medical and healthcare institutions cumulatively since our inception, which comprised 14,432 hospitals and 30,207 primary healthcare institutions, spanning over 260 cities across China. The following table illustrates the number of medical and healthcare institutions we collaborated by categorization as of the dates indicated.

	As of December 31,						As of March 31,	
	2022		2023		2024		2025	
	Number	*%*	*Number*	*%*	*Number*	*%*	*Number*	*%*
Hospitals								
Public hospitals	10,633	36.8%	10,837	33.1%	11,009	24.6%	11,008	24.7%
Private hospitals	3,195	11.1%	3,421	10.5%	3,416	7.6%	3,424	7.7%
Primary healthcare institutions	15,034	52.1%	18,449	56.4%	30,244	67.7%	30,207	67.7%
Total	**28,862**	**100.0%**	**32,707**	**100.0%**	**44,669**	**100.0%**	**44,639**	**100.0%**

We primarily collaborate with Class III and Class II hospitals, as well as high-quality primary healthcare institutions. Cumulatively since our inception, we had connected 3,265, 3,340, 3,424 and 3,430 Class III hospitals as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively.

When exploring medical resources in a new geographical area, our strategic approach prioritizes connecting with Class III public hospitals and their professionals. By partnering with these institutions, we tap into their broad patient base, generating significant user traffic and attracting a diverse range of individual users to our platform. Leveraging this large user base, we subsequently attract more local medical and healthcare institutions and professionals to collaborate with us. As our network grows, we gradually extend coverage to include more public medical and healthcare institutions in the area.

In addition, we collaborate with selected private medical and healthcare institutions. Our selection process involves careful evaluation of their qualifications, background, historical performance, reputation, and facilities. We also require them to submit their medical advertising review certificate and samples for review.

We generally enter into collaboration agreements with medical and healthcare institutions. The key terms of our collaborations with these institutions include the followings:

- *Term and termination*: The agreement generally has a term of one year and may be renewed upon mutual consent. Either party may terminate the agreement upon giving the other party prior notification or in the event of a breach by the other party who fails to promptly rectify.

- *Collaborations*: We provide medical and healthcare institutions with digital hospital solutions or online marketing solutions. In this context, medical and healthcare institutions grant us authorization to use their articles, images, and videos for brand promotion.

- *Complaint handling mechanism*: In the event of user complaints, claims, reports, or penalties related to products sold by institutions on our platform, the respective institution is responsible for addressing and compensating for these issues. Should there be any losses caused by the abovementioned issues to us or our platform users, such institution will be liable for compensation.

- *Fees and settlement*: For our online marketing solutions, we charge institutions annual platform subscription fees. In addition, we charge either performance-based or pre-agreed commission fees for marketplace solutions and fixed or performance-based advertising fees for our online advertising solutions. Payment settlements with institutions are typically conducted on a monthly basis. Moreover, institutions are required to pay software fees for licensing hospital management systems and technical service fees for system maintenance. Subscription fees must be settled within seven days after signing the contract, while software fees will be settled based on the agreed-upon milestones. In some cases, institutions may deposit certain amount into their accounts as prepayments for streamlined settlement.

PHYSICIAN MANAGEMENT

Medical professionals, particularly physicians, play a crucial role as principal participants in our online healthcare and wellness service platform. The qualifications and expertise of our medical professionals are of utmost importance to us and directly contribute to our success. On our platform, we categorize medical professionals into two groups: registered physicians and independent physicians.

Registered physicians are third-party physicians who have completed their registration with us, typically by entering into collaboration agreements. They provide online medical consultation services through our platform. By contrast, independent physicians are primarily affiliated with our collaborative medical and healthcare institutions. Information about independent physicians is posted on our platform by their respective institutions for online appointment only. Unlike registered physicians, independent physicians do not establish any contractual relationships with us and do not directly provide online medical consultation services through our platform.

As of March 31, 2025, our platform had connected with 772.0 thousand physicians, including 46.2 thousand registered physicians, and 725.8 thousand independent physicians cumulatively since our inception.

Registered Physicians

When selecting new physicians, we conduct a thorough assessment that considers various factors, including their qualifications, professional title, specialty, and practicing institutions. We also carry out diligent information verification and background checks. All registered physicians are required to hold valid physician qualification certificates in compliance with relevant laws and regulations. To ensure that, we verify their practicing licenses and other relevant professional credentials. Registered physicians willing to provide prescription renewal services on our platform must complete multi-site practicing registration with us as required by the relevant laws and regulations.

In the PRC, licensed physicians are required to pass periodic assessments of their professional skills, achievements, and ethics by institutions or organizations authorized by the public health department. There are three qualifications and three professional ranks for physicians in the PRC: (i) junior qualification (初級職稱) for resident physicians who typically handle entry-level tasks under the supervision of attending physicians or superiors, such as preparing medical records for patients; (ii) mid-level qualification (中級職稱) for attending physicians who may supervise resident physicians and are involved in routine medical procedures, teaching, and research; and (iii) senior qualification (高級職稱) for (a) associate chief physicians who may supervise attending and resident physicians, lead research in a specific field, and typically undertake complex medical procedures; and (b) chief physicians who possess the highest level of medical expertise in a specific field and are typically the heads of clinical departments.

Cumulatively since our inception, our registered physicians included 9.8 thousand chief physicians, 12.5 thousand associate chief physicians, 17.9 thousand attending physicians and 6.0 thousand resident physicians as of March 31, 2025.

We closely monitor the qualification registration and licensing records of our registered physicians to ensure that all registered physicians adhere to the applicable laws and regulations. Specifically, we ensure that each physician's practice is within the scope of their respective qualifications and licenses. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material complaints or penalties in relation to our registered physicians practicing beyond the scope of their respective licenses.

We rely on our user review mechanism to review the service quality of registered physicians. This mechanism evaluates the services of registered physicians from various perspectives, including overall service quality, treatment effectiveness, and the physician's attitude, with ratings ranging from one star to five stars. Additionally, users have the option to provide written evaluation of the physician's services. These ratings and evaluations will be displayed on the physicians' profile page on our platform.

We enter into service agreements with registered physicians. The key terms of our service agreements with these physicians are as follows:

- *Physician's qualification*. Physicians must hold requisite qualification certificates for medical practice in the PRC, such as the physician qualification certificate.

- *Physician's service*. Physicians can use our *160 Yihu* app to provide medical consultation, schedule appointments and manage patients. Our registered physicians are responsible to ensure that the content they publish on our platform are in compliance with the applicable laws and regulations.

- *Remuneration*. The service fees paid by individual users through our platform are transferred to the physicians' accounts on the platform as their remuneration after deducting the agreed commission. Physicians can then withdraw their earnings at any time.

- *Patient complaint*. In the event of any patient complaints arising from physicians' services, we will facilitate communication between the patient and physician to help maintain the trustful relationship between them. If the dispute arises from improper physician services, we will assist in handling matters such as refunds and compensation by the responsible physician.

- *Termination*. We may terminate the service agreement without incurring any liability, should we identify any inaccurate or false information provided by the physician during our verification process, or in the event of the physician's misconduct.

During the Track Record Period, we did not rely on any single registered physicians.

Collaboration with Independent Physicians

Apart from registered physicians, we also collaborate with medical and healthcare institutions to connect with independent physicians to enhance our pool of medical professionals for online appointment services. Although these independent physicians do not provide online healthcare services on our platform, we are able to attract more user traffic leveraging our collaboration with medical and healthcare institutions, and in turn, their physicians. The institutions publish their physician's information on our platform upon our review and approval and facilitate online appointments for the offline medical services offered by these physicians. According to our collaboration agreements, the medical and healthcare institutions are responsible for ensuring the accuracy and authenticity of independent physicians' information they posted on our platform.

TECHNOLOGY AND INFRASTRUCTURE

We developed and constructed our *Healthcare 160 Platform*, which serves as the foundational technology and infrastructure for our cloud hospital platforms. It consists of a set of application systems with diverse function modules, operating through various online channels. See "— Our Healthcare 160 Platform."

Underpinned by the proprietary technologies we adopted, we can ensure robust data security and provide flexible operational support for all Platform Participants within the platform. These advanced technologies facilitate the seamless integration of medical resources, effectively combining online and offline healthcare services, and ultimately elevating the overall quality of healthcare service delivery. Some of the key proprietary technologies we have developed and implemented in our platform include:

- *Open appointment technology*: Our open appointment technology is designed to interface not only with the HIS systems of medical and healthcare institutions, but also to support data exchange with downstream traffic platforms. Given the varying performance and data processing capabilities of HIS systems across different institutions, our technology flexibly adapts to each system's capacity by enabling either real-time synchronization or asynchronous data exchange. For HIS systems that support real-time data interaction, the technology integrates appointment data through APIs and other data interfaces, enabling real-time synchronization between our platform and the medical and healthcare institutions' systems. Asynchronous exchange, implemented via message queues or scheduled tasks, allows for delayed transmission of registration data to avoid system overload. This is particularly effective for high-demand departments, helping prevent HIS crashes due to data spikes. The system also dynamically adjusts exchange strategies, such as frequency and delay, based on real-time system performance to ensure stable integration.

On the downstream side, our open appointment technology redistributes appointment resources to mainstream traffic platforms, improving slot utilization and expanding our traffic reach. The technology broadens registration service coverage, enhances resource availability, and improves operational efficiency through customized data strategies and seamless integration across upstream and downstream systems. Furthermore, to uphold fairness in medical resource distribution and appointment management, we have independently developed the "Scalper Cloud Shield" (黃牛雲盾) product. This product utilizes advanced big data, AI, and rule engine technologies to identify and block abnormal appointment activities.

- *AI-driven search and recommendation algorithms*: Grounded in our profound industry insights and the knowledge graph we have developed, we deploy our advanced search and recommendation algorithm across our platform services. This algorithm is crafted upon the wealth of data we collect and the user profiles we curate. During the user profiling process, we consider variables such as age, gender, historical purchasing or clicking behaviors, while also accounting for the distinct characteristics of the medical and healthcare sector. Once the data collection and user profiling processes are completed, our algorithm initiates by identifying user intent, primarily through the alignment of user-input keywords and pertinent user tags with our detailed knowledge base, thereby establishing corresponding intent labels. In the subsequent resource matching phase, we harmonize the intent labels with the institutions present on our platform. Leveraging our profound comprehension of the medical and healthcare institutions within our platform, we assign weighted scores, factoring in aspects like specialization, location, and historical performance records, all the while iteratively refining the algorithm's patterns through our industry expertise and user input. Ultimately, in the resource ranking phase, the institutions evaluated by our algorithm are presented to users in order of relevance, thus enhancing user experience.

- *Instant messaging technology*: Our instant messaging technology facilitates smooth interactions among physicians, patients, and other platform users across multiple roles and various product platforms.

RESEARCH AND DEVELOPMENT

Aligned with our consistent culture of innovation, we allocate significant resources to research and development endeavors, aimed at enhancing our technology, creating new solutions that complement our existing ones, and providing superior services to our customers. For details of our strength on research and development, see "— Our Competitive Strengths — Solid research and development capabilities contributing to higher conversion rates of paying customers and creating more cross-selling opportunities." Our dedicated research and development team comprises highly skilled individuals who possess expertise in various domains, including digital management platforms, software development, and algorithms. As of March 31, 2025, our research and development team consisted of 122 employees, accounting for 22.6% of our total workforce.

During the Track Record Period, our primary research and development endeavors were centered on advancing and refining the *Healthcare 160 Platform*, while also enhancing its avenues of accessibility, such as the Healthcare 160 app, *160 Yihu app*, and 160 Shanghu app. In particular, our primary areas of research and development encompassed the data middleware, with special emphasis on AI-driven search and recommendation algorithms, messaging technology, and health management techniques. See "— Technology and Infrastructure."

We incurred research and development expenses of RMB54.1 million, RMB41.7 million, RMB50.5 million, RMB11.9 million and RMB9.0 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Our commitment to investing in research and development remains steadfast as we strive to provide our customers with well-rounded and feature-rich services.

DATA PRIVACY AND PROTECTION

While offering our healthcare solutions and products, we collect, store, use, process, transfer, provide, and disclose personal data of our customers, adhering to their prior consent, unless within the confines of circumstances stipulated by the applicable data protection laws and regulations. This data handling is undertaken to the necessary extent and in compliance with applicable data protection laws and regulations in the PRC. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we experience any material fines or administrative penalties imposed by relevant PRC governmental authorities for any violation of applicable data protection laws and regulations. Our PRC data compliance legal advisor is of the view that we were in compliance with the applicable PRC data privacy and protection laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

Our Access to Data during Operations

In the ordinary course of our business, we access various categories of data from our customers, differing by customer type. For individual users, we primarily gather (i) basic personal and identity data, such as name, phone number, gender, birth date, address, and ID; (ii) physiological and health data, such as health reports, disease and medication history. The health reports collected may include individual users' medical records, such as routine health metrics (including height and weight), diagnostic records, laboratory test results, and physical examination reports; and (iii) transaction data, such as payment method and medical insurance. For medical professionals, we mainly collect: (a) basic personal and identity data, such as name, ID, working experience, professional title, qualifications, and educational background,

(b) transaction data, such as bank account, and (c) responses during online consultations. Business customers provide us with their basic incorporation data, including enterprise name and legal representative. Hospitals using our digital solutions offer basic user registration and hospital incorporation data to us.

We strictly regulate the use of data collected during our business operations to ensure it remains within the bounds of reasonableness and necessity. Considering the necessities of our business operations, including aspects such as joint product operations, unified login systems, and prescription issuance, we disseminate necessary data among our subsidiaries. Furthermore, to support the delivery of services by medical and healthcare institutions and medical professionals via our platform, we share specific vital user data with them, including appointment and consultation data. Concurrently, in compliance with legal requirements, we provide personal user data to regulatory bodies such as the provincial health commission and government medical information centers. Beyond controlling the scope of data usage, we adhere to the mandate that all data collected during our operations within the territory of the PRC is stored and processed within the country, aligning with local data protection regulations.

Internal Policies and Measures on Data Privacy and Protection

We have implemented measures to ensure the confidentiality and regulatory compliance of this data. Below are our major efforts in data privacy and protection during our business operations, aiming to cover the entire lifecycle of data in our systems, including collection, usage, storage, transmission, disclosure, and deletion of data.

Data Governance Policies on Data Protection

Our data governance policies are framed within a well-rounded data governance framework. This framework diligently oversees the collection, processing, and storage of various data types, including personal and healthcare data. To manage this data responsibly, we have established a data security and privacy protection committee, tasked with overarching responsibility for data protection across our Group. Guided by this committee's leadership, we have developed and implemented foundational system structures and management policies in the realm of data protection. These include a data security management policy and a personal data protection policy that encompass the entire data processing lifecycle. In addition, we have instituted policies for data classification and grading management, established emergency plans for information security incidents, and developed third-party management policies. We implement data classification and handling protocols, ensuring all data is treated according to its sensitivity and in compliance with regulatory requirements. Furthermore, we have procedures in place for responding to requests from personal data subjects. Regular audits are required to be conducted to monitor compliance with data protection laws and our own stringent standards.

In our commitment to securing data, we deploy encryption technologies and secure data storage solutions in accordance with relevant legal requirements and market practice, shielding data from unauthorized access or potential data breaches. An essential component of our data protection strategy involves de-identification of stored raw data. This process includes the removal or masking of personally identifiable data, such as names, identification numbers, and contact details, thereby safeguarding our customers' privacy while conforming to data protection laws and regulations.

Further reinforcing our security measures, we have implemented robust firewalls designed to thwart cyber threats and prevent data loss or unauthorized access. These measures, collectively, affirm our unwavering dedication to upholding the rigorous standards of data privacy and security.

Data Retention Policies on Data Security

Our data security management and personal data protection policies mandate that our Group employs suitable security measures tailored to the category and sensitivity of the data being stored. This includes the application of various cryptographic and de-identification techniques, ensuring the integrity and confidentiality of the data. Furthermore, we have implemented measures for the online real-time backup and local backup of highly sensitive data, enhancing our data resilience. The duration for which data is stored is determined by the dual criteria of service provision necessity and legal compliance obligations. In addition, our policies include guidelines for the secure deletion and disposal of data to prevent any unauthorized access or use post-retention period.

Internal Policies for Employees on Data Security

We have established rigorous internal policies that provide detailed guidance on data security and data privacy for our employees. These policies mandate that all employees sign confidentiality agreements with us, ensuring the prevention of improper use or disclosure of data. Our confidentiality agreements explicitly mandate that employees adhere to our confidentiality, data security, and personal data protection protocols. These agreements encompass all data to which employees have access, including data under our control and data entrusted to us for processing. Furthermore, our employees receive regular training in data privacy and cybersecurity, reinforcing their understanding of confidentiality obligations. To guarantee the secure storage and transmission of customer data within our operating systems, we require staff to use designated communication software for interacting with customers. In addition, any customer data collected or generated during operations is required to be stored within our operating systems, not on personal devices. For employees who resign, we deactivate their accounts from our systems to eliminate any subsequent access to customer data.

Access Control Policies on Data Privacy

We have established well-rounded access control policies to ensure the utmost protection of sensitive data. Central to these policies is a role-based access control system that strictly limits data access to align with employees' specific job functions. Data access requests from employees falling outside the authorized scope will be carefully reviewed and approved on a case-by-case basis. Each request must detail the purpose of processing, the scope, and the classification of the data to be accessed. This access control system is regularly reviewed and updated to ensure continued alignment with each employee's role and responsibilities, adhering to the principle of least privilege by providing only the minimum access necessary for effective job performance. To further bolster our data security, we employ robust authentication processes, including multi-factor authentication, as a defense against unauthorized access. In addition, we have established a clearly defined incident response plan to address any data breaches swiftly and effectively, thereby mitigating potential risks. Our commitment to data security is reinforced through regular updates to our policies and compliance checks, ensuring that our practices consistently meet or better than the latest data protection regulations.

SALES AND MARKETING

We have made significant efforts to continuously improve user satisfaction as we believe it can generate positive word-of-mouth referrals and enhance the monetization of our digital healthcare services. In pursuit of this goal, we focus on enhancing our brand recognition, promoting both new and existing solutions and products, strengthening our relationships with business partners, and increasing user traffic to our platforms. As of March 31, 2025, we employed 118 sales and marketing professionals.

Business Customer-end Sales and Marketing

To enhance customer engagement and boost sales, we have implemented targeted sales and marketing strategies centered on the specific needs of our business customers. We actively participate in national and regional pharmaceutical trade shows, industry forums, and business summits, which serve as key channels to promote our products, demonstrate our distribution capabilities, and connect with potential business customers. In addition to event-based engagement, our dedicated sales and marketing team conducts market research and initiates direct outreach efforts to approach prospective customers in targeted regions or niche segments.

We leverage data analytics to identify potential business customers, specifically targeting pharmacies and pharmaceutical trading companies that align with our product offerings. Our outreach is further supported by targeted digital marketing campaigns and promotions across industry-specific platforms, including trade publications and healthcare media.

Referrals also play an important role in our customer acquisition strategy. Our existing business customers often introduce us to new partners based on their positive experience with our stable supply, competitive pricing, and efficient services. In some cases, upstream pharmaceutical suppliers with whom we maintain strong relationships also refer their downstream business partners to us, facilitating new customer collaborations. Through this multi-pronged approach, we have gradually expanded and diversified our business customer base across various regions in China.

Medical Resource-end Sales and Marketing

We actively engage in major trade exhibitions and industry events to strengthen our brand influence in the healthcare industry. Additionally, to promote our *160 Cloud Hospital*, we introduced a flexible pricing mechanism that combines free activation with a performance-based charging model starting in late 2022. This unique approach allows medical and healthcare institutions to activate *160 Cloud Hospital* at no initial cost, with commission fees payable only after receiving orders through our platform. This innovative pricing strategy has garnered positive reception and has been a driving force behind the increasing adoption of our services. Moreover, we have received government support from multiple local authorities in integrating local medical and healthcare institutions and professionals, as well as promoting digital healthcare integrated services. Furthermore, in response to the increasing demands of medical resources due to the growing number of individual users on our platform, we are continuously building and expanding our local promotional teams dedicated to fostering local medical resource development and support.

Individual User-end Sales and Marketing

In recent years, we have utilized the Internet and new media platforms to proactively publish press releases and conduct educational activities for individual users through our social media accounts. This approach helps us boost brand awareness and promote our products and services. Additionally, we actively engage in pro-bono activities, such as providing free consultations, to increase brand recognition and attract potential customers.

Moreover, our collaborations with medical and healthcare institutions, where we offer digital hospital solutions, enable us to display our logo on their premises and departments. This increased brand visibility not only strengthens our presence but also effectively attracts offline individual users. To encourage word-of-mouth promotion, we offer incentives to our existing customers for successful referrals of our product and service offerings to their acquaintances in the form of vouchers.

CUSTOMERS AND CUSTOMER SUPPORT

Our Customers

Our customer types may vary slightly across different business lines. Regarding the sale of pharmaceutical and healthcare products, our customers encompass individual users, regional pharmaceutical trading companies, medical and healthcare institutions, and other pharmaceutical sales platforms. In relation to our digital healthcare and wellness solutions, our customers comprise medical and healthcare institutions, individual users, and third-party merchants. During the Track Record Period, all of our customers were located in the PRC.

In general, we offer customers of our digital healthcare and wellness solutions credit terms of up to 90 days, with the specific duration depending on the transaction's nature and the customer's credit history. In contrast, sales contracts for the wholesale of pharmaceutical and healthcare products usually do not specify credit terms. Nevertheless, business customers generally settle their payments within one to three months.

Our five largest customers varied significantly from period to period throughout the Track Record Period, primarily due to the one-off nature of our wholesale model for pharmaceutical and healthcare products. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025, we generated revenue from our top five customers in each year/period during the Track Record Period amounting to RMB217.2 million, RMB217.8 million, RMB248.3 million and RMB58.7 million, respectively, accounting for 41.3%, 34.6%, 40.0% and 58.4% of our total revenue for the corresponding periods. Revenue from our largest customers in each year/period during the Track Record Period accounted for RMB86.4 million, RMB56.8 million, RMB109.6 million and RMB21.7 million, respectively, representing 16.4%, 9.0%, 17.7% and 21.6% of our total revenue for the corresponding periods.

During the Track Record Period, the concentration of our five largest customers reflected the characteristics of our wholesale business. Our five largest customers contributed a higher proportion of revenue in the three months ended March 31, 2025 compared with 2024. This difference was mainly attributable to the seasonality of our digital healthcare and wellness solutions, which typically generate lower revenue contribution in the first quarter, with a larger share of revenue recognized in the second half of the year as additional business customers are acquired. As a result, the overall revenue scale in the first quarter was smaller, making the proportion of revenue from our five largest wholesale customers appear higher. On a like-for-like basis, the customer concentration ratio in the first quarter of 2025 was broadly consistent with that of the first quarter of 2024, demonstrating the stability of our customer base.

The table below sets forth the details of our five largest customers in each year/period during the Track Record Period:

For the Three Months Ended March 31, 2025

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of Commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer P . .	Procuring pharmaceutical and healthcare products	Bank transfer	21,670	21.6	A wholesaler of pharmaceuticals and medical devices with registered capital of RMB20.0 million, located in Taizhou, Zhejiang Province	2025
Customer Q . .	Procuring pharmaceutical and healthcare products	Bank transfer	15,301	15.2	A wholesaler and retailer of pharmaceuticals and medical devices with registered capital of RMB5.0 million, located in Hangzhou, Zhejiang Province	2024

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of Commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer H . .	Procuring Pharmaceutical and healthcare products	Bank transfer	8,994	9.0	A pharmaceutical company primarily providing traditional Chinese medicine decoction pieces, Chinese patent medicine and pharmaceutical preparations with registered capital of RMB36.9 million, located in Zhoukou, Henan Province	2022
Customer R . .	Procuring Pharmaceutical and healthcare products	Bank transfer	8,883	8.8	A pharmaceutical company primarily conducting the wholesale of pharmaceuticals and the veterinary drug operations with registered capital of RMB56.0 million, located in Zibo, Shandong Province	2025
Customer S . .	Procuring Pharmaceutical and healthcare products	Bank transfer	3,814	3.8	A pharmaceutical company primarily conducting the wholesale of pharmaceuticals and sales of food with registered capital of RMB20.0 million, located in Binhai New Area, Tianjin	2025
Total			**58,662**	**58.4**		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with customers.

For the Year Ended December 31, 2024

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer H . .	Procuring pharmaceutical and healthcare products	Bank transfer	109,639	17.7	A pharmaceutical company primarily providing traditional Chinese medicine decoction pieces, Chinese patent medicine and pharmaceutical preparations with registered capital of RMB36.9 million, located in Zhoukou, Henan Province	2022
Customer C . .	Procuring pharmaceutical and healthcare products	Bank transfer	38,913	6.3	A pharmaceutical technology company primarily providing technical service, development, consultation and licensing with registered capital of RMB38.3 million, located in Shunyi District, Beijing	2023
Customer O . .	Procuring pharmaceutical and healthcare products	Bank transfer	37,916	6.1	A pharmaceutical company primarily conducting Internet merchandise sales and sales of pharmaceuticals with registered capital of RMB5.0 million, located in Guangzhou, Guangdong Province	2021

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer M . .	Procuring pharmaceutical and healthcare products	Bank transfer	35,063	5.6	A pharmaceutical company primarily conducting the wholesale of Chinese herbal medicine and medical devices and medical devices Internet information services with registered capital of RMB262.5 million, located in Guangzhou, Guangdong Province	2024
Customer I . . .	Procuring pharmaceutical and healthcare products	Bank transfer	26,730	4.3	A pharmaceutical company primarily conducting Internet merchandise sales and sales of pharmaceuticals with registered capital of RMB10.0 million, located in Guangzhou, Guangdong Province	2020
Total			**248,261**	**40.0**		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with customers.

For the Year Ended December 31, 2023

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of commencement of business relationship[1]
			(RMB'000)	*(%)*		
Customer A . .	Procuring pharmaceutical and healthcare products	Bank transfer	56,798	9.0	A pharmaceutical company primarily conducting wholesales of pharmaceutical, medical devices and health products with registered capital of RMB71.2 million, located in Hedong District, Tianjin	2023
Customer I . . .	Procuring pharmaceutical and healthcare products	Bank transfer or commercial acceptance bill	53,897	8.6	A pharmaceutical company primarily conducting Internet merchandise sales and sales of Pharmaceuticals with registered capital of RMB10.0 million, located in Guangzhou, Guangdong Province	2020
Customer H . .	Procuring pharmaceutical and healthcare products	Bank transfer	42,954	6.8	A pharmaceutical company primarily providing traditional Chinese medicine decoction pieces, Chinese patent medicine and pharmaceutical preparations with registered capital of RMB36.9 million, located in Zhoukou, Henan Province	2022

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer E . .	Procuring pharmaceutical and healthcare products	Bank transfer	33,119	5.3	A pharmaceutical company primarily conducting import and export of pharmaceuticals, wholesales of pharmaceuticals and sales of Class III medical devices with registered capital of RMB10.0 million, located in Hangzhou, Zhejiang Province	2023
Customer D . .	Procuring pharmaceutical and healthcare products	Bank transfer	31,041	4.9	A wholesaler of pharmaceutical and healthcare products primarily providing medical devices and medical devices Internet information services with registered capital of RMB5.0 million, located in Shijiazhuang, Hebei Province	2021
Total			**217,809**	**34.6**		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with customers.

For the Year Ended December 31, 2022

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer F . .	Procuring pharmaceutical and healthcare products	Bank transfer	86,354	16.4	A wholesaler, retailer and manufacturer of pharmaceuticals and medical devices with registered capital of RMB193.0 million, located in Chongqing	2022
Customer B[(2)] .	Procuring pharmaceutical and healthcare products	Bank transfer	38,586	7.3	A pharmaceutical company primarily providing medical technology development, technical consultation and sales of Class I medical devices with a registered capital of RMB3.0 million, located in Shenzhen, Guangdong Province	2022
Customer G . .	Procuring pharmaceutical and healthcare products	Bank transfer	32,132	6.1	A wholesaler of pharmaceutical and healthcare products with registered capital of RMB7.0 million, located in Daxing District, Beijing	2022

Customer	Products/ services nature	Payment method	Revenue	% of our total revenue	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Customer D . .	Procuring pharmaceutical and healthcare products	Bank transfer	32,027	6.1	A wholesaler of pharmaceutical and healthcare products primarily providing medical devices and medical devices Internet information services with registered capital of RMB5.0 million, located in Shijiazhuang, Hebei Province	2021
Customer H . .	Procuring pharmaceutical and healthcare products	Bank transfer	28,126	5.4	A pharmaceutical company primarily providing traditional Chinese medicine decoction pieces, Chinese patent medicine and pharmaceutical preparations with registered capital of RMB36.9 million, located in Zhoukou, Henan Province	2022
Total			**217,225**	**41.3**		

Notes:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with customers.

(2) In October 2019, 160 Medicine invested in a pharmaceutical e-commerce company (the "**Investee Company**"), in which customer B holds a 51% equity interest. Pursuant to the cooperation arrangement, 160 Medicine contributed the use of the 160 brand and consented to the Investee Company adopting the name "Yiliuling" ("一六澪" in Chinese) in exchange for a 20% equity interest in the Investee Company. Following the investment, 160 Medicine did not participate in the Investee Company's daily operations or management and has withdrawn from its board of directors since September 2024.

Save as disclosed above, we do not have any other past or present relationships — whether financing, familial, employment, trust, or otherwise — with customer B, or any of their associates. As confirmed by our Directors, the pricing and payment arrangements between customer B and us are consistent with those applied to other independent customers.

Except for customer B, as disclosed above, our Directors confirm that none of our five largest customers in each year/period of the Track Record Period, their substantial shareholders, directors or senior management, or any of their respective associates, have any past or present relationships (including, without limitation, financing, familial, employment, trust, or otherwise) with our Group during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders, who or which to the knowledge of the Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers.

Customer Acquisition and Retention

We strive to expand our customer base by attracting new customers while also prioritizing the retention of existing customers and fostering their loyalty. To achieve this, we employ a variety of strategies for customer acquisition across multiple channels, as well as implement differentiated approaches for customer retention.

As a key customer segment contributing the majority of our revenue during the Track Record Period, we have implemented a comprehensive set of strategies to drive business customer acquisition and enhance retention. Utilizing data-driven marketing techniques, we identify potential business customers and execute targeted outreach campaigns through direct communication via digital channels and participation in industry trade shows, thereby increasing brand visibility and attracting new clients. Additionally, by leveraging our established relationships with major industry players and expanding our presence on e-commerce platforms, we enhance our ability to reach new customers and provide convenient procurement options. To further strengthen relationships, we assign dedicated account managers to each business customer, ensuring personalized service, timely support, and close communication, fostering long-term partnerships. During the Track Record Period, we achieved an average business customer retention rate of 30.0%, with repeat purchases contributing approximately 63.2% of our total wholesale revenue, underscoring the resilience and consistency of our customer relationships.

In our pursuit of attracting individual users, we capitalize on organic growth through various online portals and strategically display offline materials in collaborating medical and healthcare institutions. To further enhance our reach, we deploy on-site customer service personnel at these institutions and establish strategic partnerships with third-party channels. To retain individual users, our primary focus is on consistently enhancing the user experience. We have implemented a user reward system on our platform to incentivize user engagement. In this reward system, we employ a points-based mechanism with different levels that offer varying point accumulation rates. Users can earn points by simply signing into our app, completing daily tasks, and making purchases of products and services on our platform. These points can then be redeemed for select products available in our points mall. In our ongoing efforts to retain individual users, we are continuously expanding our platform's medical resources, offering an abundance of medical knowledge content, enhancing the user reward system, optimizing and iterating our products, all with the ultimate goal of elevating the overall quality of our platform services.

When it comes to acquiring medical and healthcare institutions, we engage in proactive negotiation through our dedicated sales representatives. To bolster our presence, we also distribute promotional posters and business cards within these institutions. We firmly believe that a focus on enhancing service quality will encourage proactive referrals from existing collaborative institutions, strengthening our network and fostering long-term collaborations. To retain these collaborative medical and healthcare institutions, we are committed to promptly upgrading and iterating our products and services, driving increased platform traffic, and continuously refining our customer service system to meet their evolving needs and expectations.

Our Customer Support

After years of dedicated work, we have built a large and loyalty customer base, and our foremost priority is to deliver an exceptional customer experience. To achieve this, we have implemented a user review mechanism, allowing us to gather valuable opinions and understand our customers' expectations. Our review mechanism integrates various channels for customer interaction, including our platform's user review system, a dedicated customer service hotline, and follow-up interviews with customers. Notably, we have introduced a rating system across all service portals, including our Healthcare 160 official website, Healthcare 160 app, WeChat Official Account, and WeChat Mini Program. This enables customers to rate the quality of our services, products, and the performance of our medical professionals after availing themselves of our offerings. We encourage customers to provide detailed written comments and suggestions for further improvement.

As an inherent aspect of our business, we receive customer complaints from time to time. These complaints typically fall into two main categories: (i) online appointment-related issue, where customers express difficulties in securing appointments with certain popular medical and healthcare institutions and professionals; and (ii) account and function-related issues, where customers report constraints on account activities due to missed appointments.

Our dedicated customer service team is responsible for handling all customer complaints. To ensure efficient and effective resolution, we have established a tiered reporting system and provided our staff with strict internal guidelines to follow. When a complaint is received, it is promptly escalated to the head of the customer service team, who works diligently towards a fair and timely resolution. If, despite our apologies and mediation efforts, the issue remains unresolved, it is further escalated to the respective business manager for appropriate action.

We maintain records of all customer complaints, which serve as a valuable resource for identifying recurring issues and implementing appropriate corrective measures. Through thorough discussions, we proactively address any recurring complaints and develop suitable strategies for improvement. Our goal is to continuously enhance our service quality and address any concerns raised by our valued customers.

To enhance our customer service and support, we have strategically established 11 regional operation centers across China. These centers focus on delivering localized customer services and support, as well as forging business collaborations with local medical and healthcare institutions and professionals. When selecting locations for regional operation center, we prioritize regions with abundant medical resources. Currently, our regional operation centers are located in key cities including Beijing, Shanghai, Guangzhou, Shenzhen, Qingdao, Changsha, Chengdu, Chongqing, Hangzhou, Dongguan, and Xi'an. In addition to these centers, we have also opened a regional office in Huzhou, Zhejiang Province, aiming to expand our business reach in its surrounding areas. This network of regional centers and offices underscores our commitment to providing well-rounded and accessible services, facilitating our engagement with a broad spectrum of healthcare providers and enhancing our presence in China's healthcare and wellness industry.

Product Return Policy

For our software products and services, we typically do not offer a return policy. Instead, we provide maintenance and upgrade services for the software products and services. Given the distinctive nature of healthcare products and in adherence to relevant laws and regulations, we typically do not permit customers to return or exchange pharmaceutical and healthcare products unless certain conditions are satisfied, such as erroneous deliveries or identifying defective products. However, there are exceptions for our sale of health supplements or nourishment products, for which we provide customers with a seven-day return and exchange service for unopened healthcare products without any specific reason. We may consider product return applications after conducting a case-specific review. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product return or exchange.

SUPPLIERS AND PROCUREMENT

Procurement

During the Track Record Period, we procured pharmaceutical and healthcare products, technical services, operational services and rental services from suppliers. Our proficient procurement department plays a pivotal role in this process, skillfully selecting procurement channels and negotiating favorable terms. The procurement process is initiated by the requesting department, and upon approval by department leaders, it is submitted to the procurement department. The procurement department then requests quotations based on the requirements and invites multiple suppliers to provide their quotes. After an evaluation of the quotation, the procurement department carefully select suitable suppliers to complete the procurement process.

In our supplier engagement, we adopt a strategic approach, capitalizing on the harvest season when the market tends to favor buyers. During this period, we leverage our solid bargaining power to negotiate favorable procurement terms. In addition, we maintain regular communication with our suppliers to strategically plan and stockpile inventory in anticipation of potential shortages. Through this proactive approach, we effectively mitigate procurement costs and secure a stable supply chain, even during periods of limited availability.

All of our pharmaceutical and healthcare products and other services are sourced within the PRC. The terms of our supply agreements with suppliers vary depending on the type of supplies and our relationship with each supplier. Generally, we establish annual procurement agreements with suppliers, and individual purchase orders are placed separately for each purchase. Payment is typically made via wire transfer. The responsibility for arranging delivery to our designated warehousing facilities lies with the suppliers.

We typically have the right to return or exchange certain supplies that do not meet our standards, as determined upon post-delivery inspection, or those identified as having quality deficiencies, supported by a product inspection report. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any significant return or exchange of supplies that did not meet our standards and had not suffered any significant loss or damage caused by quality problems with the supplies.

Supplier Management and Top Suppliers

Our suppliers primarily consist of (i) suppliers of pharmaceutical and healthcare products; (ii) technical outsourcing service providers; and (iii) network and IT infrastructure service providers.

Our suppliers comprise a mix of sizeable pharmaceutical companies, specialized midsized manufacturers, innovative biotech firms, national and regional general agents, tier-one distributors for domestic and international products, and reputable pharmaceutical trading companies.

While some large or well-known suppliers have relatively strong bargaining power, many of our suppliers do not fall into this category. For smaller, innovative, or regional suppliers with less market dominance, we are often able to secure more favorable commercial terms by leveraging our established business customer network, cross-regional distribution capabilities, and consistent sales volumes. This balanced dynamic helps alleviate procurement cost pressure from the supply side. Although supplier size and bargaining power may influence procurement costs, they are not the sole determinants of our gross profit margin and have not led to sustained or material pressure on our overall profitability.

We prudently select our suppliers based on stringent criteria and unwavering commitment to adherence to applicable laws and regulations, guaranteeing the quality of our purchases. When engaging with potential suppliers, we conduct thorough evaluations, carefully considering crucial factors such as pricing, product/service quality, technology, service level, market influence, and after-sales support.

Moreover, our dedication to maintaining the highest standards is evident in our regular assessment of our partnered suppliers. We continuously evaluate their performance in essential aspects such as quality, delivery efficiency, pricing competitiveness, service reliability, and creditworthiness. The assessment results serve as the basis for rating and ranking our suppliers, allowing us to closely monitor their performance and identify areas for improvement. As part of our commitment to transparency and accountability, our procurement management department maintains an approved supplier list. This list is updated annually, with the inclusion of suppliers demonstrating exceptional performance and compliance with our stringent requirements.

While we cherish our partnerships with reputable suppliers, we hold our suppliers to high standards. Suppliers who do not meet our rigorous standards will be promptly removed from our approved supplier list, ensuring that only the qualified and reliable suppliers remain part of our valued network.

To ensure supply stability and consistency, we typically source each type of supply from one primary supplier, with several alternative options available as backups. Throughout the Track Record Period and up to the Latest Practicable Date, we had not experienced significant shortages or delays in the delivery of supplies.

Leveraging our relationships with suppliers and enhanced bargaining power, our pharmaceutical and healthcare product suppliers typically extend credit terms ranging from one to three months. Meanwhile, suppliers of technical services for our digital healthcare and wellness solutions often provide us with credit terms of up to 90 days, determined on a case-by-case basis.

Meanwhile, we have actively strengthened our supply chain by establishing and maintaining stable relationships with quality suppliers. During the Track Record Period, we engaged 146 recurring suppliers, achieving an average three-year retention rate of 55.6%.

Our five largest suppliers varied significantly from period to period throughout the Track Record Period, primarily due to the one-off nature of our wholesale model for pharmaceutical and healthcare products. All of our five largest suppliers in each year/period during the Track Record Period were Independent Third Parties. Our five largest suppliers in each year/period during the Track Record Period in aggregate accounted for 66.0%, 55.6%, 42.7% and 80.2% of our total purchases in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. Our largest supplier in each year/period during the Track Record Period accounted for approximately 40.5%, 25.2%, 13.9% and 34.0% of our total purchases in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively.

During the Track Record Period, the concentration of our five largest suppliers reflected the characteristics of our wholesale business. Our five largest suppliers accounted for a higher proportion of our purchases in the three months ended March 31, 2025, compared with the full year of 2024. The apparent increase is mainly attributable to comparing a single quarter with a full year, where the smaller overall procurement scale in the first quarter makes the share of purchases from the top suppliers appear higher. Our key suppliers are primarily pharmaceutical and healthcare product providers, and procurement in this sector is naturally concentrated in a limited number of partners handling large-volume transactions. On a like-for-like basis, the supplier concentration ratio in the first quarter of 2025 was broadly consistent with that of the first quarter of 2024.

The table below sets forth the details of our five largest suppliers during the Track Record Period:

For the Three Months Ended March 31, 2025

Supplier	Major Products/ services procured	Payment method	Purchase amount	% of our total purchase	Background	Year of Commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Supplier D . .	Pharmaceutical and healthcare products	Bank transfer	26,664	34.0	A pharmaceutical company primarily conducting production, retail and wholesale of pharmaceuticals with registered capital of RMB10.0 million, located in Bozhou, Anhui Province	2024
Supplier S . .	Pharmaceutical and healthcare products	Bank transfer	15,147	19.3	A pharmaceutical technology company primarily providing Internet drug information services and import and export of pharmaceuticals with registered capital of RMB5.0 million, located in Hangzhou, Zhejiang Province	2024
Supplier T . .	Pharmaceutical and healthcare products	Bank transfer	8,902	11.4	A pharmaceutical company primarily providing the production, import and export of pharmaceuticals with registered capital of RMB70.6 million, located in Jinan, Shandong Province	2025

Supplier	Major Products/ services procured	Payment method	Purchase amount	% of our total purchase	Background	Year of Commencement of business relationship[1]
			(RMB'000)	*(%)*		
Supplier U . .	Pharmaceutical and healthcare products	Bank transfer	8,503	10.9	A pharmaceutical company primarily providing the production, import and export of pharmaceuticals with registered capital of RMB20.0 million, located in Zhoukou, Henan Province	2022
Supplier V . .	Pharmaceutical and healthcare products	Bank transfer	3,628	4.6	A biopharmaceutical technology company primarily providing the technical services and development with registered capital of RMB5.0 million, located in Hefei, Anhui Province	2024
Total			62,844	80.2		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with suppliers.

For the Year Ended December 31, 2024

Supplier	Major products/ services procured	Payment method	Purchase amount	% of our total purchase	Background	Year of commencement of business relationship(1)
			(RMB'000)	*(%)*		
Supplier D . .	Pharmaceutical and healthcare products	Bank transfer	61,447	13.9	A pharmaceutical company primarily conducting production, retail and wholesale of pharmaceuticals with registered capital of RMB10.0 million, located in Bozhou, Anhui Province	2024
Supplier M. .	Pharmaceutical and healthcare products	Bank transfer	34,545	7.8	A pharmaceutical company primarily conducting wholesale, import, export and production of pharmaceuticals with registered capital of RMB20.4 million, located in Chongqing	2024
Supplier Q . .	Pharmaceutical and healthcare products	Bank transfer	33,832	7.7	A biopharmaceutical technology company principally engaged in the sale of Class I and Class II medical devices with a registered capital of RMB50.0 million, located in Bozhou, Anhui Province	2024

Supplier	Major products/ services procured	Payment method	Purchase amount	% of our total purchase	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Supplier R . .	Pharmaceutical and healthcare products	Bank transfer	31,943	7.3	A pharmaceutical company principally engaged in the wholesale of pharmaceuticals with a registered capital of RMB30.0 million, located in Guangzhou, Guangdong Province	2024
Supplier I . .	Pharmaceutical and healthcare products	Bank transfer	26,554	6.0	A chain pharmacy company primarily providing agency service of import and export and sales of pharmaceutical and healthcare products with registered capital of RMB10.0 million, located in Shenzhen, Guangdong Province	2020
Total			**188,321**	**42.7**		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with suppliers.

For the Year Ended December 31, 2023

Supplier	Major products/ services procured	Payment method	Purchase amount	% of our total purchases	Background	Year of commencement of business relationship[1]
			(RMB'000)	*(%)*		
Supplier E . .	Pharmaceutical and healthcare products	Bank transfer	118,036	25.2	A pharmaceutical technology company primarily providing technical service, development, consultation and licensing with registered capital of RMB38.3 million, located in Shunyi District, Beijing	2020
Supplier I . .	Pharmaceutical and healthcare products	Bank transfer	53,688	11.5	A chain pharmacy company primarily providing agency service of import and export and sales of pharmaceutical and healthcare products with registered capital of RMB10.0 million, located in Shenzhen, Guangdong Province	2020
Supplier B . .	Pharmaceutical and healthcare products	Bank transfer	35,548	7.6	A pharmaceutical company primarily conducting sales of Class III medical devices and wholesales of pharmaceuticals with registered capital of RMB100.0 million, located in Fengtai District, Beijing	2023

Supplier	Major products/ services procured	Payment method	Purchase amount	% of our total purchases	Background	Year of commencement of business relationship[(1)]
			(RMB'000)	*(%)*		
Supplier A . .	Pharmaceutical and healthcare products	Bank transfer or commercial acceptance bill	27,146	5.8	A biopharmaceutical company primarily providing wholesale of pharmaceuticals and medical devices with registered capital of RMB50.0 million, located in Yangzhou, Jiangsu Province	2023
Supplier C . .	Pharmaceutical and healthcare products	Bank transfer	25,602	5.5	A wholesaler, retailer and manufacturer of pharmaceuticals including Chinese patent medicine and traditional Chinese medicinal materials with registered capital of RMB25,506.6 million, located in Haidian District, Beijing	2021
Total			**260,020**	**55.6**		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with suppliers.

For the Year Ended December 31, 2022

Supplier	Major products/services procured	Payment method	Purchase amount	% of our total purchases	Background	Year of commencement of business relationship[1]
			(RMB'000)	*(%)*		
Supplier E . . .	Pharmaceutical and healthcare products	Bank transfer	158,135	40.5	A pharmaceutical technology company primarily providing technical service, development, consultation and licensing with registered capital of RMB38.3 million, located in Shunyi District, Beijing	2020
Supplier C . . .	Pharmaceutical and healthcare products	Bank transfer	37,832	9.7	A wholesaler, retailer and manufacturer of pharmaceuticals including Chinese patent medicine and traditional Chinese medicinal materials with registered capital of RMB25,506.6 million, located in Haidian District, Beijing	2021
Supplier F. . . .	Pharmaceutical and healthcare products	Bank transfer	27,964	7.2	A wholesaler of biopharmaceuticals, chemical ingredients, medical devices, and healthcare products with registered capital of RMB79.0 million, located in Changsha, Hunan Province	2022

Supplier	Major products/services procured	Payment method	Purchase amount	% of our total purchases	Background	Year of commencement of business relationship(1)
			(RMB'000)	*(%)*		
Supplier G . . .	Pharmaceutical and healthcare products	Bank transfer	17,699	4.5	A wholesaler of pharmaceuticals and medical devices with registered capital of RMB20.0 million, located in Taizhou, Zhejiang Province	2022
Supplier H . . .	Pharmaceutical and healthcare products	Bank transfer	15,988	4.1	A pharmaceutical trading company primarily providing wholesale of pharmaceuticals and Class III medical devices with registered capital of RMB1,000.0 million, located in Fuyang, Anhui Province	2021
Total			**257,618**	**66.0**		

Note:

(1) The year of commencement of business relationship represents the initial year when we initiated business transactions with suppliers.

As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders, who or which to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers during each year of the Track Record Period.

Quality Control

Quality control is of paramount importance to our reputation and success. We have dedicated quality staff responsible for implementing and maintaining our quality control measures. They also monitor real-time developments, transportation, and inventory management to ensure strict compliance with the applicable regulatory and industry standards. Our quality control staff, in collaboration with third-party pharmaceutical supply chain companies that provide pharmaceutical warehousing and logistical services, works diligently to guarantee the quality of our inventory of raw materials and products. This involves thorough inspections and examinations of raw materials and products before they are accepted into our inventory.

The third-party pharmaceutical supply chain companies are responsible for accurately recording inventory details, ensuring the traceability of our raw materials and products. They manage the regular storage, maintenance, and inspection of the inventory and the overall warehouse upkeep. Our dedicated quality control staff conducts regular inspections of the inventory, ensuring it adheres to the required storage and maintenance conditions as specified for the relevant inventory items.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Due to the nature of the pharmaceutical and healthcare sales business, pharmaceutical and healthcare products circulate among various market players along the value chain of product sales. As a result, after taking into account factors such as customer demand, prevailing market prices, and supply availability, among others, we, from time to time, source certain products from suppliers who are also our customers for the purchase of other pharmaceutical and healthcare products under our wholesale model. It is an industry norm to have overlapping customer-supplier relationships in the healthcare product distribution industry. During each year/period of the Track Record Period, we had overlapping customer-suppliers, with two of our five largest customers also serving as our supplier, and four of our five largest suppliers also being our customer, among which two were featured as both our five largest customers and suppliers at various times within this period (collectively, as the "**overlapping customer-suppliers**"). These overlapping customer-suppliers were all involved in our wholesale of pharmaceutical and healthcare products. During the Track Record Period, our transactions with overlapping customer-suppliers, the nature of which involves the purchase or sale of pharmaceutical and healthcare products, varied in specifics according to the demands at the time, leading to differences in the timing of these transactions and the specific SKUs of the products bought and sold.

The following table sets forth the details of our overlapping customer-suppliers, which were among either our five largest customers or suppliers during each year/period of the Track Record Period, for the periods indicated:

Customer/Supplier	Period	Revenue	% of total revenue	Purchase	% of total purchase
		(RMB'000)		*(RMB'000)*	
Customer C/Supplier E (Among five largest suppliers in 2022 and 2023 and among five largest customers in 2024) .	FY2022	–	–	158,135	40.5%
	FY2023	25,902	4.1%	118,036	25.2%
	FY2024	38,913	6.3%	–	–
	2025 Q1	–	–	–	–
Customer Z/Supplier I (Among five largest suppliers in 2023 and 2024). . .	FY2022	246	0.047%	2,819	0.7%
	FY2023	29	0.005%	53,688	11.5%
	FY2024	–	–	26,554	6.0%
	2025 Q1	–	–	0.3	0.000%
Customer Y/Supplier C (Among five largest suppliers in 2022 and 2023). . .	FY2022	–	–	37,832	9.7%
	FY2023	18,295	2.9%	25,602	5.5%
	FY2024	363	0.1%	1,290	0.3%
	2025 Q1	54	0.054%	7	0.009%
Customer P/Supplier G (Among five largest suppliers in 2022 and among five largest customers in the first quarter of 2025).	FY2022	–	–	17,699	4.5%
	FY2023	–	–	–	–
	FY2024	–	–	–	–
	2025 Q1	21,670	21.6%	–	–

The purchase amount from our suppliers who are also our five largest customers in each year/period during the Track Record Period, represented 45.0%, 25.2%, nil and nil of our total purchases in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. Revenue generated from these supplier-customers accounted for nil, 4.1%, 6.3% and 21.6% of total revenue in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. On the other hand, revenue generated from our customers, who are also our five largest suppliers in each year/period during the Track Record Period, accounted for 0.05%, 7.0%, 6.4% and 21.7% of total revenue in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. The purchase amount from these customer-suppliers accounted for 55.4%, 42.2%, 6.3% and 0.01% of total purchases in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. Revenue generated or purchase amount from overlapping customers and suppliers fluctuated during the Track Record Period primarily due to the nature of the pharmaceutical and healthcare product sales business, which can be affected by changes in customer demands and preferences.

The revenue contribution by and/or purchases from certain overlapping customers-suppliers were relatively high in certain periods of the Track Record Period, primarily due to large sales or purchases reflecting the evolving customer demands. However, taking into account (i) we did not have significant sales to the same overlapping customers-suppliers, from which we also procured substantial amount of pharmaceutical and healthcare products simultaneously in each period of the Track Record Period, (ii) the overlapping customers-suppliers varied in each period of the Track Record Period, many of which only overlapped once during the Track Record Period, and (iii) according to Frost & Sullivan, it has been seen that the revenue contribution to pharmaceutical distribution companies and their purchases from overlapping customer-suppliers can reach 34.7% and 44.4% in a single period, respectively, our Directors are of the view that the revenue contribution by and/or purchases from overlapping customers-suppliers during the Track Record Period are reasonable and in line with industry practice.

Negotiations regarding the terms of our sales to and purchases from the overlapping customer-suppliers were conducted on a transaction-by-transaction basis. As a result of our industry expertise and prominent market position, we have established solid business relationships with these overlapping customer-suppliers. Our sales to and purchases from these overlapping customer-suppliers were not interrelated or conditional upon each other. Our Directors have confirmed that all transactions with these overlapping customer-suppliers were (i) entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, (ii) conducted in the ordinary course of business under normal commercial terms and on arm's length basis, and (iii) at prices no less favorable than those with other Independent Third Parties who are not overlapping customer-suppliers. As of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholders who owned more than 5% of the issued share capital of our Company, had any interest in any of our overlapping customer-suppliers.

To the best knowledge of our Directors, save as disclosed above, our Group did not have any other overlapping relationships between our other major customers and major suppliers during the Track Record Period and up to the Latest Practicable Date.

INVENTORY MANAGEMENT

Our inventory consists primarily of pharmaceuticals, healthcare products, consumables, and packaging materials. We have implemented a cloud-based inventory management system that oversees every stage of the warehousing process, including procurement, storage, distribution, exchange, return, and disposal. Adhering to relevant laws and regulations, we have established strict internal policies for inventory management, storage, and disposal.

During the Track Record Period, we collaborated with reputable third-party pharmaceutical supply chain companies to handle pharmaceutical warehousing and logistics services, which assume responsibility for pharmaceutical storage, outbound delivery, and transportation, diligently safeguarding drug quality throughout these essential processes. Operating in full compliance with the Good Supply Practice (GSP) for pharmaceuticals, this partnership enables us to meet the high standards of safety and efficacy of our pharmaceutical products. Moreover, all pharmaceutical products are recorded in the drug regulatory department-approved ERP management system, which handles inventory, sales, and expiration date alerts. We conduct regular checks with the third-party pharmaceutical supply chain companies to ensure consistency between the physical inventories and the records. Expired inventories are promptly identified, and we either write them off or initiate negotiations with the suppliers for product returns, in accordance with our agreements.

For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025, our inventory turnover days were ten days, five days, three days and two days, respectively.

PRICING

According to the relevant laws and regulations in the PRC, online healthcare platforms and pharmacies generally have the discretion to set the prices of their healthcare solutions and products. Our approach is to price our products and services competitively to attract new users, retain existing users, and ensure profitability. During the Track Record Period, our products and services were not covered by national reimbursement programs, so our pricing was not restricted by pricing guidelines, price ceilings, or cost-plus ceilings set by local healthcare administrative authorities.

Sale of Pharmaceutical and Healthcare Products

When determining the pricing of pharmaceutical and healthcare products in our retail channels, we typically abide by the recommended retail price range provided by our suppliers. We closely monitor market prices to ensure competitive offerings to our valued customers. However, for specific products that significantly drive traffic or generate substantial profits, we exercise a flexible pricing policy to optimize our business strategies.

For products that attract high traffic, we usually set low gross margins, striking a balance between affordability for our customers and sustainable profitability for the company. By contrast, products that yield considerable profits are generally priced with slightly higher gross margins. This approach allows us to maximize profitability while maintaining customer satisfaction. Furthermore, we handpick certain products for promotional events and store-specific promotions, offering discounts to our customers. For these promotional products, we generally adopt relatively low gross margins, providing enticing deals that further strengthen our bond with our valued customers.

In our wholesale model, we generally consider prevailing market prices and engage in commercial negotiations with our customers on a case-by-case basis.

Digital Healthcare and Wellness Solutions

Online Marketing Solutions

Under online marketing solutions, we employ a flexible pricing model tailored to the needs of medical and healthcare institutions. For traffic optimization services, we primarily charge performance-based commission fees using cost-per-action mechanism for online appointments, charging a pre-agreed fixed amount per order for each appointment made through our platform and completed offline. We use cost-per-sale pricing mechanism to charge commission fees for consumer healthcare packages, charging a pre-agreed percentage of the contract amount of the consumer healthcare packages purchased on our platform and completed offline.

In terms of our platform management solutions, we charge annual subscription fees only on private medical and healthcare institutions for connecting to our platform. When it comes to our esteemed *160 Cloud Hospital*, institutions can choose to pay us an annual subscription fee, with functionalities varying among different membership levels. Alternatively, they may choose a pay-for-performance mechanism, wherein they can activate the *160 Cloud Hospital* at no initial cost for connecting to our platform and utilizing our traffic optimization services. They would then pay us commissions based on the volume of orders or transaction amounts generated through our platform. Revenue from this mechanism would be recognized under traffic optimization services.

Furthermore, for third-party merchants participating in our online marketplaces, we charge them commission fees based on the sales amount they generated through our platform. The commission rates are determined by several factors, including the types of products transacted, the extent of cooperation with the merchants, and the recognition of their brand among our valued individual users.

For our online advertising solutions, institutions can opt to pay a fixed advertising fee or choose a performance-based pricing mechanism for ads displayed on our app or platform through ad placements.

Digital Hospital Solutions

In the realm of software products, our pricing strategy follows a "cost-plus" approach, providing transparent and fair pricing to our collaborating institutions. Our systems are provided under software licensing model, wherein medical and healthcare institutions pay software purchase fees for licensing, as well as technical service fees for ongoing system maintenance and upkeep.

Online Healthcare Services

When it comes to online healthcare services, we believe in empowering physicians with the flexibility to set their consultation prices based on their background, experience, and professional title. We provide them with reference prices to assist in their decision-making process while allowing them the autonomy to determine their fees. As a platform, we charge registered physicians commission fees, calculated as a pre-agreed percentage of the service fees paid by individual users for availing these online healthcare services.

AWARD AND RECOGNITION

We have gained widespread recognition for our quality services. The following table sets forth recent major awards and recognitions received by us.

Year	Entity/Person Receiving Award/Recognition	Award/Recognition	Award Issuing Authority
2024	Shenzhen Ningyuan	Top 30 Most Investable Companies (最具投資價值TOP 30)	Organizing Committee of China Information Technology Expo (中國電子信息博覽會組委會)
2023	Shenzhen Ningyuan	2023 Greater Bay Area Strategic Emerging Industries Leading Enterprises (2023粵港澳大灣區戰略性新興產業領航企業)	Guangdong Province Greater Bay Area Strategic Emerging Industries Development Promotion Association (廣東省粵港澳大灣區戰略性新興產業發展促進會) & Shenzhen Strategic Emerging Industries Development Promotion Association (深圳市戰略性新興產業發展促進會)

Year	Entity/Person Receiving Award/Recognition	Award/Recognition	Award Issuing Authority
2023	Shenzhen Ningyuan	2023 Most Powerful Brand Unicorn Companies (2023年最具品牌力獨角獸企業)	GURUCLUE Global Investment Carnival (格隆匯-全球投資嘉年華)
2023	Shenzhen Ningyuan	Shenzhen Top 100 Industry Leaders Enterprises (深圳行業領袖百強企業)	Shenzhen Industry Leader Corporate Development Promotion Association (深圳市行業領袖企業發展促進會) & Shenzhen Commercial Daily (深圳商報)
2023	Shenzhen Ningyuan	Annual Best Partner (年度最佳合作夥伴)	Huawei Developer Conference 2023 (2023華為開發者大會)
2022	Shenzhen Ningyuan	Shenzhen Industry Leader Corporate 2022 Top 100 (2022深圳行業領袖企業100強)	Shenzhen Industry Leader Corporate Development Promotion Association (深圳市行業領袖企業發展促進會)
2021	Shenzhen Ningyuan	China's Medical Industry Unicorn (中國醫療產業獨角獸)	China International Digital Economy Expo (中國國際數字經濟論壇)
2021	Shenzhen Ningyuan	2021 China Top 100 Digital Healthcare Enterprises List — China Internet Healthcare Enterprise Top 20 (2021中國數字醫療企業百強榜-中國互聯網醫療企業TOP 20)	China Health Industry Upgrading Summit (中國大健康產業升級峰會)

Year	Entity/Person Receiving Award/Recognition	Award/Recognition	Award Issuing Authority
2019	Shenzhen Ningyuan	China's Big Health Industry Innovation Award — the Best Medical Big Data Innovation Enterprise (中國大健康產業創新獎-最佳醫療大數據創新企業)	China Health Industry Upgrading Summit (中國大健康產業升級峰會)

COMPETITION

The PRC healthcare product wholesale market and the PRC digital retail pharmacy market are highly competitive and fragmented, with numerous market participants. While large state-owned or listed companies leverage strong financial backing and extensive sales networks to dominate the markets, small and medium-sized players like us contribute to a highly segmented landscape by sharing the remaining market share. In these markets, our primary competitors are other small to medium-sized entities. We differentiate ourselves through brand recognition, product and service quality, localized medical resources, superior customer service, and competitive pricing. In 2024, we captured less than 0.1% of the market share in both the PRC healthcare product wholesale market and the PRC digital retail pharmacy market in terms of revenue.

The digital healthcare integrated service industry in China is characterized by a high level of fragmentation due to the presence of numerous market players. Notwithstanding this fragmentation, we ranked first among all market participants in 2024 based on (i) the number of appointments made through the platform in 2024, (ii) the number of cooperated hospitals as of December 31, 2024, (iii) the number of cooperated Class III hospitals as of December 31, 2024, and (iv) the number of medical professionals connected to the platform as of December 31, 2024.

The digital healthcare integrated service industry in China encompasses various segments of the healthcare and wellness service industry that are being transformed by digital technology. As a result, major market players in China adopt diversified cooperation models with different business focuses within their respective segments. Given the nature of our business, we face intense competition from various competitors, including digital healthcare and wellness service platforms, cloud hospital platforms, and digital pharmaceutical sales platforms, among others. However, we believe we are well-positioned to capitalize on future industry growth and trends, leveraging our deep industry insights, robust medical resources, established brand recognition, strong technological capabilities, and enhanced monetization mechanisms to compete effectively with our peers.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had (i) seven patents registered in the PRC; (ii) 205 registered copyrights in the PRC; (iii) 138 registered trademarks in the PRC and 18 registered trademarks in Hong Kong; and (iv) 17 registered domain names. For details of our material intellectual properties, see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group."

We rely on a combination of patent, trademark, copyright, domain name, and other proprietary rights protection laws in China, as well as confidentiality procedures and contractual provisions, to safeguard our intellectual properties. Our key intellectual properties include our trademarks for the Healthcare 160 brand and copyrights related to our proprietary software products.

We have implemented robust measures to protect our intellectual property. Our legal department diligently oversees our intellectual properties to ensure timely applications, renewals, and filings, as well as to navigate any relevant third-party intellectual properties. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any lawsuits or arbitrations, or received any notifications from third parties alleging infringement of our intellectual property or the sale of counterfeit products that could have a significant negative impact on our business. Furthermore, we had not encountered any adverse findings from government authorities regarding investigations or audits concerning infringement of third-party intellectual property or the sale of counterfeit products that could have a substantial adverse effect on our business.

Even though we have paid attention on protecting our intellectual property, we may still face certain risks relating to our intellectual property. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position."

EMPLOYEES

We had 539 employees as of March 31, 2025, all of whom are located in the PRC. The following table sets forth a breakdown of our employees by function as of March 31, 2025.

Function	Number of Employees	% of total employees
Research and development	122	22.6%
Business operation	101	18.7%
Sales and marketing	118	21.9%
Customer service and technical support	80	14.8%
Management and administrative	86	16.0%
Product management	32	5.9%
Total	**539**	**100.0%**

Our success relies on our ability to attract, retain, and motivate qualified personnel. We employ various methods, such as campus recruitment, online recruitment, internal referrals, and collaborations with hunting firms or agents, to meet our diverse talent requirements. Our employees typically sign standard labor contracts with us. All employees have also signed confidentiality agreements and are bound by non-compete agreements during their employment and for a period of up to two years afterward.

We offer competitive compensation to our employees, including base salary and performance-based bonuses. We also provide selected directors, senior management, and employees with the opportunity to participate in our Pre-IPO Share Option Scheme, aligning our interests with theirs.

To enhance and maintain the knowledge and skills of our workforce, we provide regular and specialized training tailored to the needs of employees in different positions. This includes orientation programs for new hires and technical training for existing staff. In addition, we offer management team members opportunities for external training.

In compliance with PRC laws and regulations, we participate in employee social security schemes organized by municipal and provincial governments. These schemes encompass pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance, and housing provident fund, as stipulated by relevant laws and regulations. We are obligated to contribute to social security schemes based on specified percentages of salaries, bonuses, and certain allowances, up to the maximum amounts set by local government authorities.

During the Track Record Period, we failed to make full social insurance and housing provident fund contributions for certain of our employees, which was primarily due to (i) the relevant personnel who did not fully understand the relevant requirements under the PRC laws and regulations; (ii) inconsistent implementation of the PRC laws and regulations by local authorities; and (iii) unwillingness of employees to make contributions of social insurance and housing provident fund in full for personal reasons, mainly considering the increase in their financial burden. As of March 31, 2025, the total unpaid amount of our social insurance and housing provident fund contributions was approximately RMB26.9 million.

As advised by our PRC Legal Advisors, according to the relevant PRC laws and regulations: (i) with respect to social insurance, the relevant authorities may order us to pay the outstanding amounts within the prescribed time period with a late charge at the daily rate of 0.05% on the outstanding amounts, and if and only if we fail to do so, they may impose a maximum fine or penalty equivalent to three times the outstanding amounts; and (ii) with respect to housing provident funds, the relevant authorities may order us to pay the outstanding amounts within the prescribed time period, and they may apply to a competent court for enforcement of the outstanding amounts if we fail to do so.

During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any administrative penalties for our failure to make full social insurance and housing provident fund contributions in accordance with the relevant PRC laws and regulations. Our PRC Legal Advisors have further advised us that, given there have been no significant changes in current regulatory policies, as well as the implementation and supervision requirements of local governmental authorities, the overall risk of being imposed any material administrative penalties by the relevant government authorities for our non-compliance concerning social insurance and housing provident fund contributions is remote.

We have reviewed our internal control policy and designated our human resources department to closely monitor our on-going compliance with the social insurance and housing provident fund contribution requirements and oversee the implementation of any necessary measures.

Therefore, based on the foregoing, our Directors are of the view that the maximum amount of our liabilities under these unpaid social insurance and housing provident fund contributions has no material impact on our operations.

Currently, none of our employees are represented by labor unions. We maintain a positive working relationship with our employees, and during the Track Record Period, we did not encounter any significant labor disputes or difficulties in recruiting staff for our operations.

LICENSES, PERMITS AND CERTIFICATES

We operate within heavily regulated industries in the PRC. We are required to obtain various licenses, permits, and certificates to conduct our operations. During the entire Track Record Period and up to the Latest Practicable Date, we had obtained and maintained all requisite licenses, approvals, and permits from the relevant authorities that are material to our operations in China. The table below provides specific details regarding the material permits, licenses, and approvals that we possessed for our operations as of the Latest Practicable Date.

License/Permit	Holder	Issuing Authority	Issuance Date	Expiration Date
Practicing License for Medical Institutions (醫療機構執業許可證)[(1)]	Chengdu Renren Weikang	Shuangliu District Health Bureau of Chengdu	January 5, 2023	January 4, 2028
Value-added Telecommunications Business Operating License (增值電信業務經營許可證)[(2)]	Shenzhen Ningyuan	Guangdong Communications Administration	January 21, 2023	January 21, 2028
	Weikang Zhiyuan	MIIT	November 4, 2022	November 4, 2027
Pharmaceutical Operation Permit (藥品經營許可證)[(3)]	Ruiwentai Medicine	Guangdong Drug Administration	August 18, 2024	August 17, 2029
	Hailiantang Pharmacy	Guangdong Drug Administration	December 8, 2020	December 7, 2025

License/Permit	Holder	Issuing Authority	Issuance Date	Expiration Date
Internet Pharmaceutical Information Service Certificate (互聯網藥品信息服務資格證書)(4)	Shenzhen Ningyuan	Guangdong Drug Administration	May 24, 2024	May 23, 2029
	Weikang Zhiyuan	Guangdong Drug Administration	May 31, 2023	May 30, 2028
Internet Pharmaceutical Information Service Filing Certificate (互聯網藥品信息服務備案憑証)(5)	Hailiantang Pharmacy	Guangdong Drug Administration	August 25, 2025	N/A
Medical Device Operation License (醫療器械經營許可證)(6)	160 Medicine	Shenzhen Administration for Market Regulation	April 1, 2022	March 31, 2027
	Ruiwentai Medicine	Shenzhen Administration for Market Regulation	December 2, 2024	January 15, 2030
	Hailiantang Pharmacy	Shenzhen Administration for Market Regulation	March 8, 2023	March 7, 2028

Notes:

(1) Chengdu Renren Weikang initially obtained the Practicing License for Medical Institutions on October 15, 2021, and subsequently renewed it on January 5, 2023.

(2) Shenzhen Ningyuan first obtained the Value-added Telecommunications Business Operating License on January 21, 2013, and has since renewed it according to regulatory requirements.

(3) Ruiwentai Medicine first obtained the Pharmaceutical Operation Permit on August 23, 2019, and subsequently renewed it on August 18, 2024. Hailiantang Pharmacy will actively pursue the renewal of its Pharmaceutical Operation Permit upon its expiration and, as advised by our PRC Legal Advisors, so long as the renewal application is made in accordance with applicable laws and regulations, no substantial legal impediments are expected in obtaining such renewal.

(4) Shenzhen Ningyuan initially obtained the Internet Pharmaceutical Information Certificate on June 17, 2019, and renewed it upon expiration on May 24, 2024.

(5) Pursuant to the relevant laws and regulations, the original Internet Pharmaceutical Information Service Certificate has, since 2025, been replaced by the Internet Pharmaceutical Information Service Filing Certificate, with the scope of authorization under the Filing Certificate remaining consistent with that of the original certificate. Hailiantang Pharmacy initially obtained the Internet Pharmaceutical Information Service Certificate on August 14, 2020, and successfully renewed it as the Internet Pharmaceutical Information Service Filing Certificate on August 25, 2025, which, subject to ongoing compliance with regulatory requirements, remains valid on a long-term basis.

(6) 160 Medicine initially obtained the Medical Device Operation License on April 20, 2017, and has since renewed it as per regulatory requirements. Ruiwentai Medicine first received its license on July 1, 2019, and renewed it upon expiration on April 29, 2020 and December 2, 2024, respectively.

We closely monitor the validity of relevant licenses, permits, and certificates and ensure timely applications for their renewal before the expiration date. Our PRC Legal Advisors are of the view that there is no material legal impediment to renewing these licenses, permits, approvals and certificates as they expire in the future, as long as we are in compliance with applicable laws, regulations and rules, provided that we take all necessary steps and submit the relevant applications in accordance with the requirements and schedules prescribed by applicable PRC laws and regulations. However, we cannot assure you that we will be able to obtain or renew such licenses, permits or certificates in the future. See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to obtain or maintain necessary licenses, permits or certificates for our business, we may not be able to maintain or expand our business operations, which may materially and adversely affect our business, financial condition and results of operations."

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business. We currently do not maintain additional insurance policies such as business interruption insurance, product liability insurance, key man life insurance, or insurance coverage for damages to our platform, information technology systems, or properties. During the Track Record Period, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

Our Directors consider that our existing insurance coverage is in line with industry norm and is sufficient for our present operations. However, the risks related to our business and operations may not be fully covered by insurance. See "Risk Factors — Risks Relating to Our Business and Industry — We have limited business insurance coverage, which could expose us to significant costs and business disruption."

PROPERTIES

As of the Latest Practicable Date, we did not own any properties. As of the same date, we leased 12 properties in the PRC with an aggregate GFA of 5,187.29 sq.m. Our leased properties are primarily used as offices.

Pursuant to applicable PRC laws and regulations, property lease contracts are required to be registered with the local branch of the Ministry of Housing and Urban Development of the PRC. As of the Latest Practicable Date, we had not filed 11 lease agreements for the properties we leased with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Advisors, failure to register such lease agreements with the relevant PRC governmental authorities does not affect the validity and enforceability of the relevant lease agreements, but the relevant PRC governmental authorities may order us or the lessors to, within a prescribed time limit, register the lease agreements. Failure to do so within the time limit may subject us to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As such, we estimate that the maximum penalty we may be subject to for those unregistered lease agreements will be approximately RMB110,000. See "Risk Factors — Risks Relating to Our Business and Industry — We face risks related to our leased properties."

As of the Latest Practicable Date, we were actively finalizing the necessary lease registrations in accordance with the applicable PRC law. To this end, we have assigned established a dedicated team responsible for the lease registration, including communication with lessors and relevant governmental authorities. We expect to complete all lease registrations prior to the Listing.

Moreover, we have strengthened our internal control measures and procedures to assure our compliance. For example, we will require lessors to provide all necessary documentation promptly, review their title rights and complete all requisite registrations with the appropriate authorities.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS ("ESG")

Our operations do not fall within a highly polluting industry, nor do we manage manufacturing or warehousing facilities, which positions us away from substantial pollutants, health, safety, or environmental risks. Consequently, we do not currently anticipate any material risks in these areas. Nonetheless, we place great emphasis on ESG considerations and are dedicated to environmental protection. We strive to promote corporate social responsibility and adhere to the highest standards of corporate governance practices, aiming for sustainable development. As a responsible corporate citizen, we have established ESG policies in accordance with the standards of Appendix 27 to the Listing Rules, which outlined, among others, (i) appropriate risk governance on ESG matters, including climate-related risks and opportunities; (ii) identification of key stakeholders and the communication channels to engage with them; (iii) procedures for forming an ESG strategy; (iv) ESG risk management and monitoring; and (v) identification of key performance indicators (the "**KPI**"), relevant measurements and mitigating measures.

Set forth below are examples of our ESG policies in various aspects:

- Employment practices – Our commitment to fostering an inclusive working environment is unwavering. We enforce policies that ensure equal employment opportunities, strictly prohibiting discrimination based on race, color, religion, gender, sexual orientation, and more. We maintain a zero-tolerance stance on sexual harassment, addressing any complaints with utmost seriousness and confidentiality through established reporting channels, including direct communication with managers, department heads, or the human resource department. Our hiring protocol, applicable to all staff levels, emphasizes: (i) attracting and retaining the most suitable candidates for each role; (ii) prioritizing local talent recruitment to support community employment before extending the search regionally or nationally; and (iii) basing all hiring decisions on competencies, skills, and experience in alignment with our internal policies and local regulations.

- Employee development – We prioritize employee training and development, offering regular training sessions across various areas including cybersecurity, anti-bribery, anti-money laundering, and information technology. Our comprehensive onboarding program is designed to integrate new employees effectively, covering areas such as leadership, management skills, and IT.

- Health, safety, and well-being – Although our operations do not inherently involve significant health and safety risks, we are dedicated to ensuring the physical and mental well-being of our employees. We strive to maintain a healthy work-life balance, organize social and team-bonding activities, and adhere to local governmental health and safety regulations.

- Social responsibility – Our approach to social responsibility involves creating sustainable community connections through corporate philanthropy, community partnerships, and encouraging employee volunteerism. Internally, we engage in proactive communication with employees through training and handbooks, and externally, we foster relationships with our Platform Participants and external stakeholders through community initiatives.

- Environmental protection – Our resource efficiency policy encourages employees to adopt sustainable practices, aiming to minimize our environmental impact by promoting recycling, reducing paper usage, and conserving water and electricity. We are committed to achieving carbon neutrality through digital operations, cloud-based services, and specific guidelines for conserving resources at work.

Our Board and Directors bear the overall responsibility for addressing environmental, social, and climate-related risks. They ensure the proper implementation of relevant policies and maintain continuous updates to ensure compliance with the latest laws, regulations, and standards. Furthermore, our Directors actively support our commitment to fulfilling our environmental and social responsibilities. They are accountable for identifying, assessing, and managing our ESG-related risks, as well as establishing effective internal control systems for ESG risk management. A Board meeting will be held at least annually to discuss and review ESG issues. The ESG policies will be reviewed, and performance will be monitored annually by the Board in the Board meeting on an ongoing basis. All the key ESG issues and ESG KPIs will be reported according to Appendix 27 of the Listing Rules.

To assist our Directors in implementing our agreed ESG policies, targets, and strategies, we have formed an ESG working group consisting of three members, including Mr. Tang Shihua, Mr. Wang Lifa and a designated staff. The ESG working group plays a supportive role and undertakes various responsibilities, such as: (i) conducting materiality assessments of environmental, climate-related, and social-related risks, and assessing how our Group can adapt its business practices in response to climate change, (ii) collecting ESG data from different stakeholders to prepare the ESG report, and (iii) continuously monitoring the implementation of measures to address our Group's ESG-related risks. Furthermore, we are committed to staying updated on the Stock Exchange's ESG requirements. Our Directors will oversee the compilation of our ESG report after the Listing, ensuring its content and quality before publication. Whenever necessary, we will seek advice from external professionals to enhance our ESG compliance level.

Our ESG working group will establish the following material KPIs at the start of each financial year:

- KPIs related to employee and social matters, including gender structure, age distribution, frequency of employee training, and hours dedicated to team building activities; and

- KPIs related to resource utilization, such as electricity consumption in kilowatt-hours, water volume in thousand tonnes, average monthly costs of energy and water, and energy and water consumption per revenue. Our goal is to reduce our energy and freshwater consumption per revenue.

These KPIs will serve as benchmarks to track our progress and performance in areas crucial to our ESG initiatives. By setting measurable targets, we can monitor and improve our performance over time, promoting sustainable practices and responsible resource management.

Identification, Assessment and Mitigation of our ESG risks

We have conducted regular assessments and internal reports throughout our years of operation to identify multiple ESG-related risks, opportunities, and impacts. The following table outlines the material ESG issues, their potential risks and opportunities, and the mitigating actions we have adopted or plan to adopt:

Material ESG issues	Potential risks, opportunities and impacts	Mitigating actions (adopted/to be adopted)
Impact of climate change . .	Climate change poses the risk of more frequent extreme weather conditions, which in turn can impact the timing of harvests, the quality and availability of pharmaceutical and healthcare products, and customer demand for healthcare services.	• Providing work arrangement and optimizing inventory management for bad weather and/or extreme conditions to mitigate short supply and fluctuation in price

Material ESG issues	Potential risks, opportunities and impacts	Mitigating actions (adopted/to be adopted)
	In addition, regulators may demand greater disclosure on emissions and tighten environmental regulations. These transitional risks necessitate a shift towards a sustainable business model and may result in impacts such as increased operational costs due to changes in operational practices.	• Monitoring the changes in ESG-related regulatory requirements and market trend
Resources and energy management	Ineffective management of resources and energy can potentially result in excessive energy consumption, leading to increased operational costs.	• Promoting energy conservation and environmentally friendly procurement practices • Reviewing and accounting for greenhouse gas emissions and resource consumptions • Performing overall waste management in the offices
Human capital development	Insufficient resources dedicated to the development of human capital, such as a lack of training and promotion opportunities, may pose a risk of higher turnover rates and a less competent workforce for our Group in the medium and long term. However, by focusing on robust human capital development and offering competitive remuneration packages, we can enhance employee retention and foster greater dedication.	Providing employees with competitive social benefits and career development opportunities

ESG Related Metric and Targets

Our operations, being distinct from manufacturing and production, do not directly impact the environment adversely. However, we are committed to minimizing indirect environmental impacts arising from our activities. To this end, we employ ESG KPIs to gauge our ESG endeavors, ensuring adherence to our sustainability objectives and implementing corrective measures as needed.

Given the characteristics of our business operations, the Board identifies electricity and water consumption as critical KPIs for assessing our ESG performance. To align with our commitment to environmental stewardship, we have established specific ESG-related targets. These measures underline our dedication to sustainability and responsible corporate conduct, reflecting our effort to balance operational efficiency with environmental preservation. Taking 2024 as the baseline year, we target to reduce the average electricity and water consumptions by 10% to 20% over the next three years.

Environmental Protection

We recognize the potential environmental impacts of our operations, although our activities do not cause significant environmental pollution. We have evaluated our environmental performance, focusing on greenhouse gas emissions and resource consumption, which quantitatively reflects our Group's effective management of environmental and social-related risks.

Greenhouse Gas Emissions

Our operations do not directly produce greenhouse gas emissions. However, we are proactive in reducing indirect emissions. We use video conferencing or virtual meetings to avoid unnecessary business travel. When travel is essential, we opt for direct, non-stop flights to reduce emissions from multiple flights. We also promote environmental awareness among our staff, encouraging them to embrace a low-carbon lifestyle by using public transport and carpooling.

Resource Consumption

Our operations are primarily office-based, with electricity and water being the main resources consumed. We are committed to minimizing our resource usage through various initiatives:

- Electricity Consumption: Employees are instructed to turn off lights and electronic devices when not in use, especially before breaks and holidays. We have transitioned from traditional lighting to energy-efficient LED bulbs and installed automatic sensors to turn off lights when they are not needed, facilitating efficient energy management. Additionally, strategies have been put in place for turning off certain IT equipment or enabling automatic power shutdown for specific systems and devices. Air conditioning controls have been implemented, including establishing minimum temperature settings, conducting regular maintenance of air-cooling technologies, and optimizing timing controls for energy conservation.

- Water Usage: We are committed to promoting a culture of conservation within our Group, with a particular focus on reducing water consumption. Regular inspections are conducted to detect and promptly repair any leaks in water pipes, and employees are reminded to ensure taps are fully turned off after use through strategically placed notices throughout the workplace.

The following sets out the total electricity and water consumption of our headquarters in Shenzhen during the Track Record Period:

	Year ended December 31,			Three months ended March 31,
	2022	2023	2024	2025
Total electricity consumption (kWh)	242,216	237,089	251,161	50,856
Intensity of electricity consumption (kWh/thousand RMB revenue)	0.46	0.38	0.40	0.51
Total freshwater consumption (tons)	1,459	1,074	1,068	161
Intensity of freshwater consumption (ton/thousand RMB revenue)	0.003	0.002	0.002	0.002

We will set targets for each material KPIs at the beginning of each financial year in accordance with the disclosure requirements of Appendix 27 to the Listing Rules and other relevant rules and regulations upon the Listing. Relevant targets on material KPIs will be reviewed on an annual basis to ensure that they remain appropriate to the needs of our Group. In setting targets for the KPIs, we had taken into account their respective historical levels during the Track Record Period and considered our future business expansion in a thorough and prudent manner with a view of balancing business growth and environmental protection to achieve sustainable development.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material fines or other penalties due to non-compliance with environment protection regulations.

Employment Matters

Our company is deeply committed to fostering a diverse and inclusive workplace, emphasizing equal opportunities across gender and age. By implementing policies that ensure bias-free recruitment, gender pay equity, and age-inclusive practices, we strive to create an environment where all employees, regardless of their gender or age, have equal access to opportunities for growth, development, and advancement. We champion robust anti-discrimination measures, including a zero-tolerance policy against any form of harassment. Our dedication to diversity extends to regular training programs and transparent reporting, ensuring that our commitment to gender and age diversity is not just stated but actively practiced and continuously improved upon. Through these policies, we aim to cultivate a workplace culture that values and leverages the unique perspectives and contributions of each employee, driving innovation and development in our organization.

The following table sets out the total workforce by gender of our Group as of March 31, 2025:

	Number of employees	Percentage
Male	321	59.6%
Female	218	40.4%
Total	**539**	**100.0%**

The following table sets out the total workforce by age group of our Group as of March 31, 2025:

	Number of employees	Percentage
Aged 30 or below	233	43.2%
Aged 31 to 40	239	44.4%
Aged 41 to 50	62	11.5%
Aged 51 or above	5	0.9%
Total	**539**	**100.0%**

Our Group diligently adheres to the relevant laws and regulations, including, but not limited to, the Labor Law of the PRC and the Labor Contract Law of the PRC. In our effort to attract and retain top talent, we offer employees attractive benefits and a competitive remuneration package that considers both external market and internal salary benchmarks. Our compensation structure undergoes an annual review against these benchmarks to ensure we continue to provide competitive remuneration to our employees.

Supply Chain Management

Acknowledging the critical link between product quality and supply chain management, our Group prioritizes responsible supply chain practices to ensure the high quality of our products. This involves strict assessments, selections, and evaluations of our suppliers. We have established a structured approach to manage our supply chain processes, which includes setting specific criteria for the performance evaluation of existing suppliers, encompassing aspects such as price competitiveness, product variety and quality, and the reliability of delivery schedules.

Moreover, we have integrated environmental protection criteria into our supplier selection process. Suppliers with established environmental management systems adhering to industry standards, or those using eco-friendly and recyclable materials for product packaging, will be given precedence. We require suppliers to supply the products that meet the relevant environmental standards in the industry. Our aim is to create an environmentally conscious supplier database, reinforcing our commitment to environmental stewardship and sustainability.

Climate Change Impact and Strategy

We acknowledge the potential disruptions posed by climate-related risks, especially in regions vulnerable to extreme weather, which may affect the reliability of our technology infrastructure and user access to services. On the other hand, climate change also presents opportunities, notably the growing demand for digital healthcare and wellness solutions as a proactive response to its health impacts. These include expanding our service offerings to address health issues caused by climate change and using technology to enhance healthcare access during adverse weather conditions. Strategically, leveraging these opportunities could foster innovation, tap into new markets, and improve our financial performance by meeting the increasing need for robust healthcare delivery systems. However, to seize these opportunities and mitigate risks, we plan to invest in reinforcing our technology infrastructure and developing innovative services, which may recalibrate our strategic focus and financial projections.

In the short term, we face climate-related risks like heightened operational costs due to extreme weather affecting our data centers and technology infrastructure, potentially causing service interruptions. Our immediate response involves bolstering infrastructure resilience with backup systems and formulating disaster recovery strategies. Mid-term risks entail potential regulatory changes aimed at curbing carbon emissions, which could hike compliance costs and necessitate operational adjustments. Concurrently, this period offers the chance to promote telehealth services as a greener alternative to traditional healthcare, reducing our carbon footprint. Our approach includes engaging in policy discussions, ensuring our operations comply with evolving environmental regulations, and innovating our service delivery for greater emission efficiency. Looking to the long term, climate change may shift health trends, driving demand for services addressing climate-related health issues. This scenario offers us the opportunity to broaden our services portfolio to cater to emerging healthcare requirements. Not adapting to these trends poses the risk of losing market relevance and share. To counter long-term risks and maximize opportunities, we are committed to investing in research and development to forecast future healthcare demands and incorporating climate resilience into our strategic planning. Constant monitoring of climate science and policy updates will empower us to proactively adjust to new challenges and opportunities.

Occupational Safety

As we do not operate any production facilities and rely on third-party logistics service providers for product delivery, we are not exposed to significant health or occupational safety risks. However, to prioritize the occupational safety of our employees and maintain the smooth operation, we have implemented rigorous contingency plans to address emergencies such as power outages, water leakage, fires, earthquakes, and toxic substance pollution or leaks. Furthermore, we provide occupational safety education and training to our employees to enhance their awareness and promote a safe working environment. Regular health assessments are also conducted to monitor the overall well-being of our employees.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health and safety regulations.

Social Responsibility

We believe that the most effective approach to corporate social responsibility is integrating social responsibility into our business model. As a digital healthcare and wellness service platform, our dedication goes beyond mere operations; we are committed to generating and extending societal value. This commitment is manifested in our efforts to foster the development of a hierarchical medical system, enhance physician-patient relationships, and optimize the utilization of public health expenditure. Since our inception, our adherence to corporate social responsibility has been unwavering. We have consistently strived to extend the benefits of our platform beyond our immediate stakeholders to the wider community. For instance, we offer pro bono consultation services on our platform, providing free online medical consultations to individual users. Furthermore, we actively encourage medical professionals registered on our platform to participate in our pro bono consultation program. During the Track Record Period, medical professionals provided approximately 1.4 million online pro bono medical consultation services through our platform.

In addition to our pro bono efforts, we actively contribute to philanthropic foundations through regular donations. In 2022, we donated COVID-19 prevention supplies with a value of RMB30,000 to the Sensory Control Branch of the Yunnan Academy of Preventive Medicine. During the outbreak of COVID-19, we provided free consultation services to local residents affected by the pandemic. We believe in supporting and assisting our community in times of need.

Our commitment to corporate social responsibility goes beyond mere words. We are dedicated to actively making a positive impact and contributing to the well-being of society through our actions and initiatives.

Board Diversity

We have implemented a board diversity policy that outlines our objective and approach to achieving and maintaining diversity within our Board. The purpose of this policy is to enhance the effectiveness of our Board. As part of our commitment to promoting gender diversity at the Board level, we appointed Ms. Sun Meng as our non-executive Director in October, 2023. See "Directors and Senior Management."

In order to ensure compliance with applicable laws and regulations, our human resource department periodically reviews and adjusts our human resources policies, in consultation with our legal advisors, to accommodate any significant changes in relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we complied with all PRC laws and regulations with respect to health and occupational safety matters in all material respects.

Moving forward, our Board will assume responsibility for establishing, adopting, and reviewing our ESG policies. It will also evaluate, determine, and address our ESG-related risks on an annual basis. We are committed to implementing any necessary improvements to mitigate these risks. In addition, we plan to regularly review our key ESG performance. Our management team will actively participate in defining our ESG strategies and targets, as well as monitoring the implementation of our ESG policies. Should the need arise, we may engage independent professional third parties to assist us in making necessary improvements on ESG issues.

COMPLIANCE AND LEGAL PROCEEDINGS

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material or systemic non-compliance incidents, which, taken as a whole, in the opinion of our Directors, were likely to have a material and adverse effect on our business, financial condition or results of operations, nor had we been imposed any material administrative penalties by the relevant governmental authorities.

Legal Proceedings

We may from time to time be involved in legal proceedings in the ordinary course of our business.

During the Track Record Period, our subsidiary, 160 Medicine, was involved in a legal proceeding stemming from a dispute arising from a commodity transaction contract. The legal proceeding was in connection with a proposed mask purchase among an Independent Third-Party purchaser (the "**Purchaser**"), an Independent Third-Party mask supplier (the "**Mask Supplier**"), and our subsidiary, 160 Medicine, serving as the intermediary to this purchase. The Purchaser remitted a payment of RMB21.0 million to 160 Medicine as agreed among parties and 160 Medicine subsequently transferred most of the payment received to the Mask Supplier. However, the Mask Supplier failed to deliver the masks due to a deterioration in its operations. With the Mask Supplier's business deteriorating significantly, diverging from 160 Medicine's stable operations, the Purchaser initiated legal proceedings against 160 Medicine in July 2020 demanding for a refund of RMB21.0 million plus interest incurred, despite that 160 Medicine acting merely as an intermediary in the transaction. 160 Medicine was held liable for a refund of RMB0.6 million to the Purchaser by the court of first instance in July 2021 while the court of second instance ruled the Purchaser is entitled to a full refund of RMB21.0 million plus interest incurred in November 2022. In December 2023, 160 Medicine reached a settlement with the Purchaser during the enforcement process, agreeing on a final compensation amount of RMB13.0 million. As of the Latest Practicable Date, all settlement payments stipulated under the settlement agreement had been duly made and the legal proceeding was finalized and conclusively resolved. Accordingly, the difference between the final compensation amount and the amount awarded to the Purchaser in the first-instance judgment was recognized as other losses of RMB12.4 million in 2022, and the litigation expenses incurred for the legal proceeding was recognized as other losses of RMB0.4 million in 2023. See "Financial Information – Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items – Other (Losses)/Gains, Net." Our Directors are of the view that the legal proceeding had no material adverse effect on our business, financial condition, or results of operations. In addition, we have ceased to conduct business with the Mask Supplier after this legal proceeding.

Following the legal proceeding, we have taken steps to review and enhance our internal control measures, particularly in the area of procurement management. These enhanced measures encompass the following: (i) strengthening the qualification review of supplier candidates by requiring them to submit their annual reports from the latest financial year, in addition to their qualifications and certificates related to product supply; (ii) assessing the operational status of existing suppliers; and (iii) conducting regular evaluations of the operational status of collaborating suppliers.

As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceedings, and we were not aware of any claims or proceedings contemplated by governmental authorities or third parties which would materially and adversely affect our business. Our Directors were not involved in any actual or threatened material claims or litigation as of the same date.

RISK MANAGEMENT AND INTERNAL CONTROL

Overview

We are exposed to various risks in our operations, including those related to our business, industry, and market. For detailed information, please refer to the "Risk Factors" section in this prospectus. Our risk management and internal control system and procedures are specifically designed to address our unique business needs and minimize our exposure to risk. We have implemented internal guidelines, policies, and procedures to monitor and mitigate the impact of risks that are relevant to our business. These measures also help us maintain effective corporate governance and ensure compliance with applicable laws and regulations.

Our Board and senior management are responsible for identifying and analyzing risks associated with our operations. They develop measures to mitigate these risks and assess and report on their effectiveness. To assist the Board in providing an independent assessment of our financial reporting process, internal control, and risk management system, we have established an audit committee. The primary responsibilities of the audit committee include overseeing the audit process, evaluating the effectiveness of our financial reporting, internal controls, and risk management systems, and fulfilling other duties and responsibilities assigned by the Board. For the professional qualifications and experiences of the members of our audit committee, see "Directors and Senior Management — Executive Directors."

To enhance our corporate governance, we have implemented and will continue to adopt a series of internal control measures and policies aimed at providing reasonable assurance in achieving objectives such as effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations. The key highlights of our internal control framework are as follows:

- We have strengthened our existing internal control framework by implementing an internal control manual and policies covering various areas including corporate governance, risk management, operations, and legal matters;

- Our Directors have received training on the continuing obligations, duties, and responsibilities of directors of publicly listed companies under the relevant laws of Hong Kong, conducted by our legal advisor;

- Each of our Directors understands their fiduciary duties, which require them to act in the best interests of our company and avoid conflicts of interest. If there is a potential conflict of interest arising from any transaction between our company and Directors or their associates, the interested Director will abstain from voting and will not be counted in the quorum at the relevant Board meeting;

- We have established various policies to ensure compliance with the Listing Rules, including those related to risk management and information disclosure;

- We have engaged external legal advisors to provide guidance on compliance requirements of the Listing Rules and to ensure adherence to relevant regulatory requirements and applicable laws, as necessary;

- Regular audits and inspections will be conducted to assess and monitor the implementation of our internal control manual and policies by the relevant departments and companies within our Group;

- Internal training programs will be provided to employees to ensure their understanding and adherence to internal control and corporate governance procedures;

- We have implemented anti-corruption and anti-bribery compliance policies, which are included in our manual. We have also established a whistle-blower program that encourages employees to report instances of bribery directly to the finance department; and

- We will continue to update our policies as necessary to ensure ongoing compliance with applicable laws and regulations.

By implementing these measures, we strive to enhance our corporate governance, strengthen internal controls, and ensure compliance across our organization.

Management of Wholesale of Pharmaceutical and Healthcare Products

We prioritize the compliance of our pharmaceutical and healthcare product sales, dedicating personnel to monitor policy changes regularly and promptly adjust our internal policies to align with relevant laws and regulations. Within our internal regulations for pharmaceutical and healthcare product sales management, we explicitly stipulate that all pharmaceutical and healthcare product sales activities must strictly adhere to the requirements of national laws, regulations, and normative documents, with particular attention to the "centralized procurement" and "two-invoice system" requirements mandated by national and local governments. Moreover, we have integrated clauses into our wholesale contracts with business customers, obligating them to commit to and comply with the pertinent "centralized procurement" and "two-invoice system" requirements; failure to do so will result in business customers assuming the corresponding violation responsibilities. Throughout the Track Record Period, we did not participate in the procurement processes of any public medical and healthcare institutions, which may subject us to the "two-invoice system."

Management of Online Pharmaceutical Sales

We have implemented policies to regulate our daily management of pharmaceuticals. These policies require each member of our Group involved in online pharmaceutical sales to adhere to the following guidelines:

- Ensuring the accuracy and reliability of the source of e-prescriptions and strictly complying with the requirements of applicable laws and regulations during the review and fulfillment of e-prescriptions;

- Clearly marking used prescriptions to avoid any confusion or potential misuse;

- Establishing and implementing a set of internal control policies that cover various aspects of pharmaceutical management, including procurement, storage, sales, distribution, complaint management, and pharmaceutical recalls;

- Issuing invoices to customers for their pharmaceutical purchases; and

- Ensuring that all displayed information regarding prescription pharmaceuticals is true, accurate, legitimate, and effective.

By adhering to these policies, we strive to maintain a high level of compliance, accuracy, and integrity in our pharmaceutical sales.

Financial Reporting Risk Management

We have established a set of accounting policies to ensure the effective management of financial reporting. These policies encompass financial reporting management, budget management, financial statement preparation, as well as finance department and employee management. To ensure the proper implementation of these accounting policies, we have put in place various procedures, and our finance department is responsible for reviewing our management accounts in accordance with these procedures. Furthermore, we provide training to our finance department personnel on an as-needed basis, with a focus on accounting policies, tax management, financial reporting, and other relevant topics.

Information System Risk Management

The maintenance, storage, and protection of our data and related information are crucial to our success. To ensure the security and integrity of our data, we have implemented internal procedures designed to prevent any unauthorized access, leakage, or loss. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of our data. See "— Data Privacy and Protection" in this section for more information about our information security procedures and policies.

We highly value software copyright and have implemented comprehensive internal control measures to prevent unauthorized software use. We adopted the *Office Computers Management System* (《辦公室電腦管理制定》) in July 2015, as amended in April 2025, which prohibits installation or use of software from unauthorized sources. All software installations are centrally managed by our operation and maintenance center. In addition, we designated the operation and maintenance center to manage for the centralized procurement of legitimate software from licensed developers or distributors, and maintain complete records of procurement and license validity. Moreover the operation and maintenance center also conducts regular inspections of office computers to prevent the use of unauthorized software. Last, we will implement compulsory corrective measures if we find any employee using unauthorized software.

Platform Content Management

In pursuit of uniformity in content management on our platform, we have developed an internal management framework. This includes the establishment of a specialized content review management team, segmented into four distinct sections based on the inherent characteristics of the content. Each section is supported by dedicated review teams and appointed staff with specialized responsibilities. Notably, these staff possess professional expertise in the fields of medicine and law, providing a solid foundation for our content review process. Our internal policies clearly outline the platform's review obligations, specific standards for review, and protocols for addressing content that is deemed illegal or inappropriate.

Following the review process, content on the platform is categorized into distinct levels. Content that does not meet our standards, such as containing illegal information, inappropriate content, or cyber violence, is promptly blocked and excluded from front-end display. Additionally, high-quality and relevant content, such as accessible and educational physician videos and articles, along with medical experience reviews that are accurate, objective, authentic, and detailed, is recommended for homepage display and marked with a "Featured" label.

Online Healthcare Service Management

To prevent registered physicians from providing disease diagnoses or medical advice on our platform, we explicitly require registered physicians to provide only advisory responses to inquiries from individual users. To regulate this, we only grant registered physicians access to medication prescription function module when they complete multi-site registrations in accordance with the relevant regulations. We also alert individual users through displaying reminders on our online healthcare service page, indicating online medical consultations do not entail diagnosing illnesses or serve as formal medical advice, nor can they be a substitute for offline medical treatments. If a registered physician provides services more than consultation, we encourage the individual user to file complaints through our customer complaint channel.

BUSINESS SUSTAINABILITY

Overview

We act as a pharmaceutical and healthcare product wholesaler and stand as a prominent digital healthcare and wellness service platform, dedicated to offering a wide range of pharmaceutical and healthcare products as well as well-rounded solutions in the highly competitive and rapidly growing markets. Our strategic focus is on fostering sustainable and long-term growth rather than short-term financial gains or temporary net operating cash inflows. From the outset, our focus has been, and will continue to be, on our digital healthcare and wellness solutions, which have been instrumental in shaping our historical trajectory and guiding our future strategies. These solutions are pivotal to our profitability and have been key in carving out a distinct position for us in the marketplace.

However, we still deem sale of pharmaceutical and healthcare products as an important part of our operations, which contributed the majority of our revenue during the Track Record Period. The sustained revenue contribution from our product sales business provides supplementary cash inflows that support our operations, in particular, the development and commercialization of our higher-margin digital healthcare and wellness solutions, which will drive our future expansion. Therefore, this aspect of our business is primarily designed to complement and support our digital healthcare and wellness solutions. This approach aligns with our business model, promoting a diversified revenue stream while ensuring a broad service array for our customers.

Industry Dynamics and Profitability Outlook

Digital healthcare and wellness solution providers in China's digital healthcare integrated service industry are currently in the initial phases of their development. Such solution providers require significant upfront investment in medical resource exploration, technological innovation, customer outreach, and brand building to achieve stable revenue streams and eventual profitability. It is a common trend for providers in this industry to incur losses over an extended period before reaching profitability.

In the emerging industry, many Chinese digital healthcare integrated service providers are still navigating their path to reporting net profits. These early-stage ventures encounter a multitude of challenges as they invest significant capital in establishing robust networks with medical and healthcare institutions and professionals and attracting substantial user traffic for their growth and have yet to achieve profitability. Concurrently, substantial efforts are directed toward sales and marketing to build brand recognition and secure a solid market presence. Given the recurring nature of revenue from digital healthcare and wellness solutions, nurturing a loyal customer base and continuously expanding medical resources through strategic marketing investments are essential for long-term success. Furthermore, the success of these solutions is closely tied to platform performance, necessitating constant technological upgrades and platform enhancements. Consequently, the upfront costs associated with these investments often surpass initial revenues, leading to early-stage financial losses. While some industry pioneers are nearing the break-even point, only three market players had achieved profit-making status as of the Latest Practicable Date, collectively accounting for 0.6% for the market share in terms of revenue in 2024.

Over the long term, upon the realization of economies of scale and synergies from enhanced medical resources, along with improvements in platform accuracy, efficiency, and effectiveness, enlarged customer bases, and refined monetization strategies, digital healthcare and wellness solution providers are expected to see gradual profit margin improvements. This is attributed to the growth of recurring revenue streams without proportionately high incremental costs, positioning these providers for sustained financial success.

Industry Growth Drivers and Future Opportunities

The digital healthcare integrated service industry in China is experiencing dynamic growth and holds a promising future. According to Frost & Sullivan, the market size of the digital healthcare integrated service industry in China increased from RMB54.8 billion in 2019 to RMB220.3 billion in 2024 at a CAGR of 32.1% from 2019 to 2024, and is expected to reach RMB740.1 billion in 2030 at a CAGR of 22.4% from 2024 to 2030.

Key drivers propelling the growth of China's digital healthcare integrated service industry include favorable policies, notably the "Internet + Healthcare" initiative, which catalyze the industry's development by promoting the integration of digital technologies with healthcare services. In addition, the innovative technology within digital healthcare is redefining healthcare standards through the provision of convenient and efficient services. Moreover, growing health awareness and increasing per capita healthcare expenditure are driving demand for digital healthcare and wellness solutions. Evolving behavioral patterns, characterized by deeper penetration of digital applications in healthcare, are further contributing to the industry's expansion. Collectively, these drivers forecast a dynamic and promising future for China's digital healthcare integrated service industry, underscoring significant opportunities for market participants. For details, see "Industry Overview — the Healthcare and Wellness Service Industry in China — the Digital Healthcare Integrated Service Industry in China — Key Drivers."

We benefit significantly from our front-runner advantage, deepening our nationwide medical resources coverage and cultivating customer trust, which secures us a dominant competitive edge in China's fast-evolving digital healthcare integrated service industry. Our standout operational achievements are primarily powered by a trio of strengths: extensive medical resources, with our platform featuring connections to 44.6 thousand medical and healthcare institutions and over 902.4 thousand medical professionals cumulatively since our inception up to March 31, 2025, among which 46.2 thousand were registered physicians; a substantial individual user base, evidenced by 55.2 million registered users cumulatively since our inception up to March 31, 2025; and a well-recognized brand that solidifies our market position and fosters word-of-mouth referrals among our customers. These elements synergistically bolster our offerings, allowing us to provide a wide array of digital healthcare and wellness solutions. This positions us as a front-runner in meeting the dynamic needs of users and spearheading continued innovation and growth within the industry.

Historical Performance

Loss-Making Position

We have remained loss-making since inception, primarily due to the capital-intensive nature of the digital healthcare and wellness industry, ongoing strategic investments, and our evolving business model geared toward long-term growth. Although our revenue increased overall during the Track Record Period, we have not yet reached profitability, recording net losses of RMB120.1 million in 2022, RMB106.2 million in 2023, RMB108.2 million in 2024, RMB40.6 million in the first quarter of 2024 and RMB17.1 million in the same period of 2025. Such losses were primarily attributable to the high level of costs of sales and services relative to revenue, together with our substantial ongoing investments in sales and marketing, as well as research and development to connect more medical resources, expand operational scale and strengthen market position, which could not be immediately offset by revenue generated. Nevertheless, our efforts to improve profitability have been reflect in the reduction of our adjusted net loss (non-HKFRS measures) during the Track Record Period, demonstrating measurable progress toward financial sustainability. By adding back share-based payment expenses, listing expenses and net finance costs on redemption liabilities, our adjusted net loss (non-IFRS measures) amounted to RMB81.9 million, RMB35.7 million, RMB31.5 million, RMB18.8 million and RMB7.2 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. For details, see "Financial Information — Period-to-Period Comparison of Results of Operations."

Operating in a highly regulated, policy-sensitive, and technology-driven digital healthcare environment, we have made substantial upfront investments in technology infrastructure, regulatory compliance, and user acquisition during the early stages of our development. As a service provider in this sector, which relies heavily on user trust, sustained brand building, and broad operational scale to achieve meaningful profitability, it naturally takes time to establish a viable commercial model. These characteristics are common across the industry, and many of our peers have also taken prolonged periods to achieve break-even. Furthermore, industry-wide pricing pressures, such as the intensive competition among market players, have created additional structural challenges for profitability. According to Frost & Sullivan, it is not uncommon for industry participants, including our Group, to remain in a loss-making position for around 20 years.

To support long-term scalability, we have prioritized expanding our market presence and enriching our platform over short-term profit. Our continued investments in service innovation, platform upgrades, and talent acquisition have laid the foundation for sustainable growth.

Our business model has gone through several phases of refinement and expansion in response to evolving regulatory policies and industry trends. We began in 2006 by offering digital hospital solutions, followed by the launch of our *Jiuyitong* platform in 2009, which provided platform management services to medical and healthcare institutions. Building on this foundation, we introduced the *Healthcare 160 Platform* in 2010 to enable online appointment bookings for individual users. We further expanded our scope in 2014 by launching online advertising solutions for medical and healthcare institutions and offering online healthcare services to boost individual user engagement.

In 2016, we extended into the retail sale of pharmaceutical and healthcare products on our platform and added consumer healthcare packages in 2017, both aimed at attracting greater individual user traffic and increasing monetization potential. We entered the wholesale of pharmaceutical and healthcare products in 2018 to diversify our revenue streams. In 2019, we launched pharmacy marketplace services, leveraging our brand strength in pharmaceutical and healthcare product sales. More recently, in 2022, we upgraded *Jiuyitong* into the *160 Cloud*

Hospital, creating more flexible monetization models for medical and healthcare institutions. Alongside product and service expansion, we also extended our geographic reach to over 260 cities across China. These initiatives required considerable investment and operational ramp-up before generating meaningful revenue, contributing to ongoing losses during the development period.

In addition, we have continued to incur research and development and operating expenses to maintain system stability, comply with evolving healthcare regulations, and enhance user experience. These ongoing commitments have further weighed on profitability, particularly before achieving economies of scale.

Proven Growth in Revenue

We have experienced considerable growth through our business expansion and monetization mechanism. Our revenue increased by 19.6% from RMB525.6 million in 2022 to RMB628.6 million in 2023. Our revenue remained relatively stable at RMB628.6 million and RMB620.7 million in 2023 and 2024, respectively. Our revenue increased by 6.7% from RMB94.2 million for the three months ended March 31, 2024 to RMB100.5 million for the same period in 2025.

Historical Financial Position and Operating Cash Flow

As our business scale expanded, we incurred substantial purchases from suppliers and order fulfillment costs, which collectively contributed to a significant portion of our cost of sales and services. Our cost of sales and services amounted to RMB407.4 million, RMB491.3 million, RMB460.5 million, RMB69.7 million and RMB72.6 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Although we experienced sustained revenue growth from 2022 to 2023, the cost of sales and services rose at a more accelerated pace due to the aforesaid reasons, leading to a decline in our gross profit margin from 2022 to 2023. Despite our revenue remained relatively stable between 2023 and 2024, our gross profit margin increased over the same period, primarily attributable to our ongoing cost control initiatives and the enlarging portion of revenue generated from digital healthcare and wellness solutions, which carry higher gross profit margins. In addition, the Track Record Period witnessed significant operational expenditures. Efforts to expand our medical resources, grow our customer base, and boost our brand involved intensive selling and marketing activities across both online and offline channels, resulting in an increase in selling and marketing expenses from RMB97.4 million in 2022 to RMB101.8 million in 2023, and further to RMB117.3 million in 2024. We also incurred selling and marketing expenses of RMB27.4 million and RMB19.7 million for the three months ended March 31, 2024 and 2025, respectively. Concurrently, we invested in enhancing our search algorithms, platform infrastructure, and traffic management capabilities, incurring research and development expenses of RMB54.1 million, RMB41.7 million, RMB50.5 million, RMB11.9 million and RMB9.0 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and

2025, respectively. Administrative expenses also rose as we scaled operations, totaling RMB39.8 million, RMB89.7 million, RMB93.0 million, RMB26.1 million and RMB14.4 million for the same periods, respectively.

During the Track Record Period, we recorded net liabilities and net current liabilities. Our net liability and net current liability position as of December 31, 2022 was primarily due to redemption liabilities stemming from the issuance of ordinary shares with redemption rights related to our Pre-IPO Investments. We fully derecognized our redemption liabilities in 2023 after terminating all preferred rights with the relevant investors. This derecognition substantially improved our net liabilities and net current liabilities positions as of December 31, 2023. However, our net liabilities and net current liabilities increased as of December 31, 2024 and March 31, 2025, primarily due to the rise in short-term borrowings to support our business expansion. Nevertheless, we anticipate moving towards a net asset position, bolstered by improved operational outcomes, more strategic financing arrangements, focused revenue growth initiatives, increased shareholder contributions following the Global Offering, effective debt management, assets optimization, and enhanced working capital management.

We recorded net operating cash outflows of RMB42.4 million, RMB64.5 million, RMB56.0 million, RMB30.6 million and RMB13.3 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. These outflows primarily stemmed from operating costs and expenses paid surpassing the net cash generated from our operating activities, as we were in a phase of business expansion requiring significant investments in operational capacity, technology enhancement, and market presence scaling.

We have been implementing a focused strategy to turnaround our financial performance, concentrating on enhancing revenue growth, optimizing costs, and improving operational efficiency. Essential to this approach are efforts to broaden revenue sources by expanding customer bases and diversifying services, applying cost-saving initiatives, and using technology to boost efficiency. The plan includes refining monetization models, investing wisely in marketing and sales to attract more customers, and encouraging product development. We will also consider various financing options to support our growth, engage in strategic partnerships for market access, and manage our capital more efficiently.

As a result of these efforts, we have begun to observe staged improvements in our financial performance, particularly since 2023. Our operating performance showed signs of improvement, as the increase in operating loss narrowed to 5.1% in 2024 compared to 2023, representing a notable reduction from the 25.7% increase recorded in 2023 over 2022. Furthermore, our operating loss significantly narrowed by 59.8% from RMB39.1 million for the three months ended March 31, 2024 to RMB15.7 million for the same period in 2025. In addition, our loss before income tax from continuing operations have declined for three consecutive years/period since 2022, indicating a positive trend in our core profitability. Our adjusted net losses (non-IFRS measure) also recorded consecutive decreases since 2022, accompanied by a consistent narrowing of our adjusted net loss margin (non-IFRS measure), reflecting improved cost control and operating leverage across our key business lines.

From a cash flow perspective, our net operating cash outflows decreased by 13.2% in 2024 compared to 2023, and further declined by 56.6% for the three months ended March 31, 2025 compared to the same period in 2024, demonstrating our enhanced discipline in working capital and expense management. Gross profit margin also improved meaningfully, increasing by 4.0% in 2024 compared to 2023. This not only reversed the downward trend in gross margin seen in 2023, but also surpassed the level recorded in 2022. Our gross profit margin also increased by a further 1.7% for the three months ended March 31, 2025 compared to the same period in 2024. Notably, the improvement was primarily driven by our digital healthcare and wellness solutions, which recorded both higher gross profit and gross profit margin during the period, supported by product upgrades, economies of scale, and better pricing structures.

Path to Profitability and Sustainable Growth

Continuous growth in revenue and improvements in cost efficiency are pivotal to our path toward profitability. Our commitment to fostering sustainable and profitable development is demonstrated through efforts to enhance customer retention and acquisition, increase customer engagement, improve technological capabilities, and refine our monetization strategies to accelerate revenue growth. Simultaneously, we focus on effective cost and expense management by implementing standardization and automation, optimizing marketing efforts through data-driven strategies, prioritizing impactful R&D investments, and streamlining administrative processes for better efficiency. These strategies are designed to solidify our financial foundation, elevate operational excellence, and secure long-term growth and profitability within our strategic framework.

To complement these overarching initiatives, we have also formulated targeted business strategies for each of our core business lines, with a view to strengthening our revenue base and improving overall profitability. The following outlines our revenue growth strategies for both the sale of pharmaceutical and healthcare products and the provision of digital healthcare and wellness solutions.

Driving Revenue Growth

Our Overall Revenue Growth Strategies

We will continue to pursue a dual-engine growth strategy driven by our two core business lines: the sale of pharmaceutical and healthcare products and the provision of digital healthcare and wellness solutions.

- Sale of pharmaceutical and healthcare products

  With respect to the wholesale of our pharmaceutical and healthcare product sales, we anticipate that the product mix will increasingly shift toward non-pharmaceutical products in the foreseeable future, as was the case in 2024. This strategic realignment is driven by ongoing reforms in China's healthcare system, including the continued rollout of volume-based procurement policies across public hospitals, as well as rising market competition. While pharmaceutical products will remain part of our wholesale portfolio, we are diversifying into non-pharmaceutical products to better adapt to market conditions and mitigate the impact of policy-driven price pressures. This strategy is intended to support the stability of our wholesale revenue and enhance the resilience of our wholesale business over time.

To support revenue stability and gradual margin improvement in our wholesale business, we plan to (i) expand our offering of high-demand, fast-moving non-pharmaceutical products with competitive pricing; (ii) strengthen cooperation with upstream manufacturers and diversify our supplier base to secure more favorable procurement terms; and (iii) upgrade our digital supply chain and inventory management systems to improve operational efficiency and reduce distribution costs.

Although some of our top wholesale customers and suppliers during the Track Record Period had relatively short business relationships with us, we have maintained long-term partnerships with a broad base of wholesale customers. During the Track Record Period, we worked with 146 recurring suppliers, achieving an average three-year retention rate of 55.6%. In our wholesale business, the average customer retention rate was 30.0% during the same period, and repeat purchases accounted for approximately 63.2% of our total wholesale revenue. These figures reflect a solid degree of supplier stability and customer stickiness, which we believe support the long-term sustainability of our wholesale operations.

As for the retail model, we will remain focused on addressing the daily healthcare needs of the general public. We plan to maintain a mass-market strategy characterized by affordable pricing and high-volume sales. This will allow us to meet the broad needs of our platform users, strengthen customer loyalty, attract new users to our platform, and generate more cross-selling opportunities. Through these efforts, we aim to establish ourselves as an emerging and influential brand in the online retail market for pharmaceutical and healthcare products.

Our retail business experienced a decline during the Track Record Period, primarily due to the transition to a new brand, Hailiantang Pharmacy, following the resolution of legal proceedings involving 160 Medicine. The relaunch required time to rebuild user trust and brand recognition amid an increasingly competitive online retail environment. In response, we have implemented a range of measures to support business recovery, including improving product offerings, launching loyalty programs, and leveraging traffic from our broader digital healthcare network.

To further enhance monetization efficiency and improve gross margin in the retail segment, we intend to (i) optimize our product mix by prioritizing the promotion of third-party products with higher gross profit margins; (ii) implement dynamic pricing and product bundling strategies based on user segmentation and behavioral data; and (iii) refine our digital marketing and recommendation algorithms to increase purchase conversion rates and promote higher-margin products.

- Digital healthcare and wellness solutions

While we continue to achieve stable development in the sale of pharmaceutical and healthcare products, we expect our digital healthcare and wellness solutions to become the primary growth engine for both revenue and profit in the medium to long term. In particular, we will continue to invest in the promotion and expansion of our *160 Cloud Hospital*, with the goal of further broadening its coverage across medical and healthcare institutions. By leveraging the strong synergies among the various business lines within our digital healthcare and wellness solutions, we are able to cross-promote our platform services to medical and healthcare institutions within our network. This integrated approach not only enhances customer lifetime value but also drives the growth of other solution-based offerings. Our efforts to scale the *160 Cloud Hospital* have already yielded tangible results. Since its official launch in 2022, revenue from our online marketing solutions has demonstrated steady growth, increasing by 16.6% in 2023 compared to 2022, and by a further 20.3% in 2024 compared to 2023. This momentum has contributed to the sustained expansion of our overall digital healthcare and wellness solutions business, which achieved a CAGR of 17.4% from 2022 to 2024. Revenue from our online marketing solutions also increased by 10.3% in the first quarter of 2025 compared to the same period in 2024, reflecting improved performance in this business line.

Specific Measures for Driving Revenue Growth

To support our long-term growth strategy, we will implement a range of measures aimed at deepening customer engagement and improving monetisation efficiency. In particular, customer retention, active engagement, technological development, and optimized monetization mechanisms are pivotal for increasing customer willingness to pay and diversifying our revenue sources, setting the stage for sustainable revenue growth. We plan to adopt a series of measures designed to deepen our relationship with customers and customize our service offerings to better align with their preferences.

Customer Engagement and Expansion

Expanding our customer base is essential for driving revenue growth. We are dedicated to enhancing our relationships with existing customers while actively seeking new ones. This strategy capitalizes on our ability to enhance and diversify our services, improve customer satisfaction, and employ effective customer acquisition methods.

- Strategic enhancement and diversification of offerings

Since our inception, we have been committed to enhancing our digital healthcare and wellness solutions, evolving from offering basic online appointment services to a wider range of online healthcare services. This expansion includes services from pre-consultation to post-treatment, extending our offerings from essential medical care to consumer healthcare services. In addition to our solution diversification, we selectively augment our pharmaceutical and healthcare products range with widely used and popular items to meet our customers' varied needs. Our platform's user repurchase rate reached 84.6% for the three months ended March 31, 2025, with a conversion rate of 55.7% from registered users to ordering customers.

To further enhance customer engagement, we are set to enhance our digital healthcare and wellness solutions by introducing value-added services, including healthcare management, commercial insurance, and a range of consumer healthcare packages. For example, within our healthcare management services, we are introducing a Health Management Log, which is designed to empower individual users with the ability to efficiently manage their medical records and monitor their daily health status. To further enrich the medical resources on our platform, we actively encourage our partnered medical professionals to complete multi-site registrations in compliance with regulatory guidelines, empowering them to offer online prescription renewals. These initiatives are designed to broaden the array of online healthcare and wellness services available to individual users and attract new Platform Participants, fostering vibrant interactions within our online healthcare and wellness service platform and contributing to the growth and dynamism of the healthcare service network. Our well-rounded online healthcare and wellness services continue to attract individual users and increase their engagement. Cumulatively since our inception, our platform had boasted 55.2 million registered individual users as of March 31, 2025, representing a steady increasing trend over the years. In particular, our average MAUs recorded a notable increase in 2024 compared to 2023, and the first quarter of 2025 compared to the same period of 2024, reflecting enhanced user engagement and platform activity, while our average DAUs remained relatively stable. Our platform recorded average MAUs and DAUs of 3.3 million and 0.3 million, respectively, for the three months ended March 31, 2025. In addition, the average monthly paying users reached 1.1 million during this period, driving an increase in the average revenue per online order to RMB18.6. Our average revenue per online order also increased from RMB15.4 in 2023 to RMB17.5 in 2024.

In response to the needs of our connected medical and healthcare institutions, we have been broadening our online marketing solutions and enhancing our technological tools. Our platform now hosts a variety of marketing campaigns, including traffic optimization services and pharmacy marketplace services, along with a range of advertising opportunities designed to meet the dynamic marketing requirements of these institutions. Benefiting from this, our GMV for traffic optimization services increased from RMB113.6 million in 2023 to RMB128.4 million in 2024, and also increased from RMB23.2 million in the first quarter of 2024 to RMB25.8 million in the first quarter of 2025. Leveraging insights from our existing marketing activities and a deepened comprehension of the marketing needs within the medical and healthcare institutions, we are committed to further enhancing the marketing services offered on our platform.

Additionally, we have transitioned our online management platform from *Jiuyitong* to the more advanced *160 Cloud Hospital*, improving operational management for institutions with a suite of cloud-based services. These improvements, along with the substantial online traffic accumulated on our platform, have significantly bolstered the number of medical and healthcare institutions connected to us, with the number of connected medical and healthcare institutions growing from 28.9 thousand at the end of 2022 to 44.6 thousand as of March 31, 2025, cumulatively since our inception. Moreover, our advanced online management platform, combined with effective online marketing solutions and attentive customer services, has led to a noticeable increase in revenue from medical and healthcare institutions, as evidenced by the significant rise in the number of institutions paying for our online marketing solutions from 3,061 in 2022 to 3,462 in 2023, and further to 3,520 in 2024. It further increased from 1,193 in the first quarter of 2024 to 1,735 in the same period in 2025. Our average revenue per customer of online marketing solutions increased from RMB20.8 thousand in 2022 to RMB32.1 thousand in 2024. It remained relatively stable at RMB13.9 thousand in the first quarter of 2024 and RMB13.5 thousand in the same period in 2025. We are committed to enhancing our digital back-end system to provide superior support to medical and healthcare institutions, thereby expanding monetization opportunities. Our strategy involves the integration of database services, patient navigation and triage, and healthcare management into our existing array of service. Furthermore, in response to the growing popularity of the WeChat ecosystem, we are introducing management tools for WeChat Official Accounts on *160 Cloud Hospital*. These tools enable institutions to seamlessly create their own WeChat Official Accounts, featuring our curated interface and customized functions. For institutions already created their WeChat Official Accounts, our tools facilitate technological advancement and smooth integration with their hospital information systems and *160 Cloud Hospital*, allowing for unified management and enhanced engagement with users. These initiatives are anticipated to significantly improve the accessibility of our system and harmonize with our current modules, culminating in a more efficient back-end system tailored for medical and healthcare institutions.

Looking ahead, we also plan to enhance the functionality and scalability of *160 Cloud Hospital* through the integration of AI-powered tools and data analytics capabilities. These technologies will enable us to provide more intelligent, responsive, and personalized features, such as clinical decision support, patient engagement automation, and intelligent scheduling, to improve the operational efficiency of medical institutions and enrich the user experience on our platform. In particular, we intend to prioritize the development of lightweight, modular solutions that are accessible to smaller private institutions and community-level healthcare providers with limited digital infrastructure.

For medical professionals, we introduced the *160 Yihu app* to facilitate service delivery and patient management on our platform, contributing to a notable retention rate of 81.3% in 2023, 79.6% in 2024, 61.0% in the first quarter of 2024 and 61.5% for same period in 2025. We plan to facilitate data sharing between the *160 Yihu app* and the upcoming Health Management Log, aimed at enabling medical professionals to efficiently analyze patients' health statuses. This enhancement is expected to improve both the efficiency and quality of their services, thereby reinforcing their collaborations with us. We are actively encouraging medical professionals to broaden their service offerings on our platform, including online prescription renewals. This initiative fosters a more dynamic online healthcare experience, driving higher engagement from both professionals and individual users. In addition, the *160 Shanghu app* was launched for third-party merchants to efficiently manage their sales performance, resulting in a steady increase in the number of third-party merchants during the Track Record Period.

- Enhancement of customer satisfaction

For individual users, we emphasize enhancing user experience and satisfaction through the introduction of a rewards system and review mechanisms, designed to increase customer engagement and loyalty. We are committed to refining our user incentive mechanisms to further stimulate customer engagement. To achieve this, we plan to introduce a variety of customer incentive measures, such as loyalty programs, referral rewards, discount coupons for services, and exclusive access to premium healthcare content. These initiatives are designed to foster a more active and engaged user base, encouraging both new and existing customers to utilize our platform more frequently.

For medical and healthcare institutions and professionals, our approach includes offering multifaceted support for their operational activities on our platform. This is achieved by continuously updating our online management platform and deploying dedicated teams to deliver personalized and localized services. We have established regional operation centers to provide localized services primarily for medical and healthcare institutions, such as Beijing, Shanghai, and Guangzhou, significantly enriching our medical resources. Moving forward, we aim to expand into strategically selected regions across China to incorporate esteemed local medical and healthcare institutions and professionals, thereby boosting our brand recognition and reach. Our expansion targets include new tier-one cities like Wuhan, Suzhou, and Xi'an, as well as select tier-two cities such as Foshan, Shenyang, and Jinan. We believe this approach will enable us to connect more local medical and healthcare institutions and professionals with our platform, thereby offering them quality customer services.

- Effective customer acquisition methods

To expand our customer base, we have adopted a multifaceted strategy for customer acquisition through various channels. Our efforts to attract individual users include leveraging organic growth via online platforms and strategically placed offline materials in our collaborating medical and healthcare institutions. For acquiring medical and healthcare institutions, we employ proactive outreach through our dedicated sales team and leverage referrals from our existing partners. To further expand our institutional coverage, we are exploring ways to deepen our penetration into the primary care segment, including township hospitals, community health centers, and specialized clinics. We plan to develop feature sets and service packages specifically tailored to the operational needs of these institutions, and to adopt flexible pricing strategies to promote adoption at scale. These strategic customer acquisition approaches have resulted in a steady increase in our registered individual user base, from 43.3 million at the end of 2022 to 55.2 million as of March 31, 2025, cumulatively since our inception. Simultaneously, we have seen continued growth in our collaborations with medical and healthcare institutions and professionals, reaching 44.6 thousand and 902.4 thousand, respectively, cumulatively since our inception up to March 31, 2025.

We are committed to enhancing our traffic acquisition channels by maintaining and expanding our collaborations with mainstream traffic platforms, aiming to boost our visibility in relevant keyword searches. Additionally, our strategic partnerships with renowned hospital groups, local traffic platforms, and the Partner Company are poised to significantly increase our access to medical resources. Notably, our alliances with nationally recognized hospital groups are designed to draw more individuals to use our online appointment and healthcare services, with a focus on monetizing these relationships through a variety of online marketing strategies.

Since August 2023, we have observed a marked increase in both registered individual users and daily active users, attributed to the Partner Company's devices. As of the Latest Practicable Date, we had achieved an increase of over 2,419,300 registered individual users. The number of active users stemming from the Partner Company's devices were approximately 125,022 in August 2025. These strategic collaborations are expected to not only enhance online traffic and our brand visibility but also contribute to our revenue growth.

In addition, we are exploring popular and cost-effective acquisition methods to further broaden our customer base. This includes leveraging new media promotion campaigns and initiating customer referral programs. We plan to utilize targeted digital marketing techniques, including social media advertising, search engine optimization, and content marketing, to reach a wider audience with precision and relevance. The customer referral programs will be designed to incentivize existing customers to share their positive experiences with acquaintances, rewarding them with benefits such as discounts or exclusive access to new services.

Advancing Technological Capabilities

While investments in technological advancements do not always immediately yield financial returns and have contributed to our historical losses, we recognize that enhanced technological capabilities are crucial for achieving higher accuracy, efficiency, and a sustainable path to profitability. Our technology stack, incorporating various technologies and system functionalities like open appointment technology, advanced search and recommendation algorithms, and instant messaging technology, provides us with a competitive advantage. This allows us to stay at the forefront of industry innovations and effectively compete with our peers.

As a front-runner in technology-driven healthcare services, we are committed to further integrating AI technologies for auxiliary diagnosis, intelligent triage, and patient services. Our aim is to significantly enhance service efficiency and accuracy, thereby greatly improving customer satisfaction. Moreover, we plan to continue refining our search and recommendation algorithms. This will involve improving our user labeling and data modeling processes, enhancing the relational data of medical and healthcare knowledge, and upgrading our recommendation system. These efforts are aimed at significantly improving the overall user experience and operational efficiency. In addition, we will strengthen our data processing capabilities and enhance data security by upgrading our platform's technological infrastructure.

Monetization Strategy Enhancement

We are steadfast in our commitment to expanding our revenue streams by enhancing and diversifying our digital healthcare and wellness solutions. Building on the foundation of our established online appointment services, we have broadened our offerings to include a wide range of up-selling opportunities on our platform, such as online marketing, digital hospital solutions, and online healthcare services, as well as sale of pharmaceutical and healthcare products. We deliver a wide array of online healthcare and wellness services to individual users, covering the entire continuum from pre-consultation through to post-treatment. Our offerings encompass both essential medical care and consumer healthcare services, addressing the varied needs of our users. For medical and healthcare institutions, we provide a broad selection of online marketing and digital hospital solutions, enabling them to establish and enhance their online presence and operations with smooth, one-click activation while diversifying their revenue streams. In addition, our platform supports medical professionals in delivering their services online and cultivating their personal brands.

As we diversify our service portfolio, we are concurrently exploring a range of monetization strategies to maximize the benefits from our accumulated platform traffic and medical resources. To address the diverse services and the evolving requirements of our varied customer base, we strategically implement a range of flexible monetization strategies. These include fixed subscription fees and performance-based pricing models, tailored to optimize revenue generation while accommodating customer preferences and needs. See "— Our Business Model — Our Monetization Model."

Our approach not only involves refining the pricing models for specific services but also capitalizes on the growth potential across our various business lines to optimize revenue generation. In March 2022, we introduced the *160 Cloud Hospital*, actively exploring monetization strategies tailored to the needs of medical and healthcare institutions. We adopt a flexible pricing model for *160 Cloud Hospital* that aligns with the diverse needs of medical and healthcare institutions and supports our long-term monetization strategy. In particular, we primarily charge subscription fees to private medical and healthcare institutions, while offering a free basic version of the platform to public medical and healthcare institutions to support traffic acquisition. The free version provided to public institutions is distinct from the paid version offered to private institutions, and includes only core functionalities. During the Track Record Period, a substantial portion of our R&D investment in *160 Cloud Hospital* was directed toward features and modules developed for the paid version. Where public institutions request access to advanced or customized features, we charge additional fees based on actual demand.

The provision of a basic version to public institutions has not had a negative impact on the profitability of *160 Cloud Hospital*. On the contrary, it has helped us expand our institutional user base and attract additional traffic with monetization potential. Looking ahead, we intend to maintain this flexible pricing structure while developing new features tailored to the operational needs of public institutions, thereby broadening our revenue sources from such users in the future.

Moving forward, we anticipate refining the customization of our digital healthcare and wellness solutions to better meet the changing demands of our customers, employing a varied and effective monetization strategy. Our plan includes offering complimentary services to draw users to our platform, followed by an array of premium, chargeable services. For individual users, potential offerings include advanced personal healthcare management and specialized wellness programs. Meanwhile, medical and healthcare institutions and professionals may access enhanced operational tools, data analytics services, and exclusive insights into research and development. This layered strategy, supported by flexible pricing models for various service levels, subscription-based plans for premium features, dynamic pricing for sought-after services, and bundled packages at discounted rates, is designed to deepen platform engagement and drive sustainable growth.

Driven by our persistent efforts, we are confident in our ability to further expand our customer base, enhance our technological capabilities and refine our monetization strategy, thus ensuring sustained revenue growth. Through these concerted efforts, we aim to bolster our position in the digital healthcare integrated service industry in China, driving long-term profitability and value creation.

Optimizing Operational Efficiency and Profitability

As we persist in our efforts to diversify and fortify our revenue streams, a parallel focus is placed on enhancing our operational efficiency and boosting profitability for sustained growth. Our pathway to improved profitability will be marked by increasing automation of routine tasks to streamline workflows, refining research and development processes for maximum efficiency, and executing data-driven targeted marketing campaigns for elevated conversion rates. Specifically, we aim to bolster cost-effectiveness and manage expenses through the following strategies:

- *Increasing automation and service efficiency*. We are dedicated to improving cost-effectiveness by simplifying workflows, standardizing operations, and introducing automation to service delivery for enhanced efficiency. A series of internal procedures will be implemented to simplify routine tasks, elevating our operational productivity.

  For the contract signing process, we plan to establish detailed approval procedures tailored to different contract values, streamlining contract approval progress. Daily platform transactions will be managed with heightened automation, with our back-end system flagging abnormal transactions for manual review and intervention, ensuring smooth transaction processing. In high-volume services like online appointments, we employ open appointment technology. This facilitates real-time synchronization between our platform's appointment slots and those of medical and healthcare institutions, enhancing service accessibility and efficiency. Leveraging technological advancements, especially our open appointment technology, our platform processed a daily average of 123,000 online appointment orders, culminating in 44.9 million total online appointment orders for the year ended December 31, 2024, representing a 2.8% increase compared to 2023. The average revenue per online appointment order from private medical and healthcare institutions during the year was RMB4.85. Our platform also processed 9.7 million online appointment orders for the three months ended March 31, 2025, representing a 4.9% increase compared to the same period in 2024. In addition, our proprietary Scalper Cloud Shield technology automatically detects and blocks abnormal appointment activities, safeguarding the integrity of our appointment system.

To further elevate automation within our daily workflows, we are exploring the integration of AI-driven solutions across various facets of our operations. These include the deployment of intelligent chatbots to handle customer inquiries, automating administrative tasks with AI algorithms to reduce manual data entry, and employing machine learning techniques to analyze transaction patterns for improved fraud detection. By applying AI technology to our customer service system, we aim to significantly reduce the manpower costs associated with customer support and enhance the efficiency of our service offerings. Additionally, we are set to undertake a comprehensive upgrade of our search matching capabilities, moving from a semi-automated process of generating search results to a fully automated system. This transition is expected to markedly decrease the requirement for operational staff and related expenses.

- *Boosting selling and marketing efficiency*. By adopting innovative and targeted marketing strategies, we aim to significantly improve our marketing effectiveness while optimizing our selling and marketing expenses. Our approach has evolved from traditional methods, which heavily relied on offline promotions and direct interactions through sales personnel, to a strategy that blends online and offline activities. We intend to utilize new social media platforms to accurately target our desired demographics and execute focused marketing initiatives.

  To enhance customer engagement on our platform, we intend to employ a variety of effective incentive policies to motivate existing customers to recommend our platform to their networks. This strategy of leveraging word-of-mouth referrals is aimed at broadening our user base. We will upgrade our customer rewards system and review mechanisms, thereby fostering customer loyalty and stickiness. Furthermore, we will conduct periodic reviews of our marketing strategies, discontinuing those that yield lower returns to ensure the efficient allocation of our resources. Our continuous adaptation to emerging marketing trends and channels aims to refine and broaden our promotional strategies, maximizing marketing investment returns while aligning with our broader business objectives. Moreover, we intend to establish an intelligent customer resource management system. This advanced system will systematically manage customer information, leads, and customer ratings, thereby bolstering our endeavors to conduct more efficient marketing campaigns.

Furthermore, we aim to improve the cost-effectiveness of our selling and marketing expenses by regularly reviewing and adjusting our marketing strategies and evaluating the performance of our sales team. Since 2024, we have adjusted our promotional strategy by reducing promotion activities through hosting and sponsoring industry conferences, which resulted in a decrease of 9.1% in marketing and advertisement expenses as compared to 2023, and a decrease of 46.4% in marketing and advertisement expenses for the three months ended March 31, 2025 as compared to the same period in 2024. We have also implemented a performance evaluation policy that establishes systematic indicators to assess the sales team's contributions, to improve selling efficiency. This policy has proven effective, as evidenced by the higher growth rate of 27.6% in total sales for the year ended December 31, 2024, compared to 2023, at a faster pace than the increase of 7.5% in selling and marketing expenses (excluding non-operational share-based payment expenses) over the same year. Furthermore, our total sales for the three months ended March 31, 2025 increased by 6.7%, compared to the same period in 2024, while our selling and marketing expenses (excluding share-based payment expenses) decreased by 15.1% over the same period.

Our selling and marketing expense control measures have begun to show positive results. In 2024, although we increased headcount for the promotion of *160 Cloud Hospital*, which led to higher employee benefit expenses within our marketing spend, this investment also contributed to the revenue growth of *160 Cloud Hospital*. Meanwhile, by exercising strict control over other expense categories such as travel and entertainment, we were able to maintain our overall selling and marketing expenses at a stable level compared to 2023. Furthermore, for the three months ended March 31, 2025, our selling and marketing expenses decreased compared to the same period in 2024.

- *Optimizing research and development (R&D) efficiency*. In our pursuit to maximize the efficiency of our R&D efforts, we have refined the structure of our R&D team to ensure the most effective allocation of resources and expenditures. Our approach includes maintaining a streamlined and agile R&D team to minimize labor costs while maximizing productivity and innovation. While streamlining the team, we retained core personnel and selectively optimized junior engineers with lower efficiency and higher substitutability. This strategy enhances overall R&D efficiency and prevents unnecessary team expansion and redundancy. As of the Latest Practicable Date, the number of our R&D staff decreased by 16.4% compared to March 31, 2025. Furthermore, we will undertake strategic selection of R&D projects based on thorough feasibility analyses. These analyses take into account various factors, including the complexity of development, the alignment with business needs, industry acceptance and trends, and the expected return on investment. This methodical approach allows us to prioritize projects with the potential for high impact and alignment with our strategic goals, ensuring our R&D investments contribute directly to enhancing our digital healthcare and wellness solutions and maintaining our competitive edge in the industry.

For the three months ended March 31, 2025, our R&D team undertook three key R&D initiatives, namely, the customization of WeChat Official Accounts for hospitals, the development of a regional smart hospital project, and a data intelligence project. All of these projects were launched as of the Latest Practicable Date, achieving (i) the addition and maintenance of 55 million new user disease tags, (ii) an increase in the number of disease symptom tags from 47 to 410, and (iii) an enhancement of our platform's search and promotion functions, resulting in a 83% improvement in traffic utilization efficiency.

Our research and development expenses decreased by 24.7% in the first quarter of 2025 compared to the same period in 2024.

- *Improving general and administrative efficiency*. We strive to enhance the efficiency of our general and administrative functions by optimizing our organizational structure and focusing on roles that directly contribute to growth. Similar to the team structure optimization applied to our R&D team, we also streamlined our administrative team by retaining core personnel and reducing low-performing administrative staff. As of the Latest Practicable Date, the number of our administrative staff decreased by 5.8% compared to March 31, 2025. In addition, we aim to reduce unnecessary administrative expenses by adopting measures such as transitioning in-person meetings to online formats to curtail travel expenditures and advocating for a paperless office model to decrease paper consumption and associated costs. Furthermore, we plan to introduce more intelligent office software, such as smart communication tools and AI search utilities, to enhance our operational efficiency. These strategic adjustments are designed to improve operational efficiency and contribute to our long-term financial sustainability.

  Our administrative expenses decreased by 44.7% in the first quarter of 2025 compared to the same period in 2024.

We maintain a disciplined balance between cost efficiency and business expansion, ensuring that our operational optimization efforts, particularly in R&D and administrative functions, align with and support our long-term sustainable growth strategy.

Our optimization efforts primarily focus on performance-based structural adjustments. By retaining core personnel and streamlining lower-performing or non-essential roles, we have improved overall team efficiency while reducing headcount. This leaner yet more effective structure has contributed to enhanced productivity, as reflected in our revenue growth for the three months ended March 31, 2025.

At the same time, our expansion plans are guided by careful evaluations of market trends, customer demand, and technology development needs. New hiring is conducted on a highly selective basis, with additional roles added only where they directly serve defined technical or strategic objectives.

Cost and expense control continues to be an integral component of our growth strategy. As we scale our operations, we remain vigilant in managing expenditures, implementing efficiency measures to avoid redundancies and preserve organizational agility. This ensures that our expansion is financially sustainable and strategically sound.

In view of the above, our simultaneous emphasis on operational efficiency and focused expansion reflects a disciplined and balanced approach to long-term value creation.

Improving Cash Flow and Ability to Raise Funds

We believe our working capital position will improve and that we have sufficient capability to raise funds when necessary, based on the following considerations:

- *Increasing revenue and enhancing operational leverage*: We expect to improve our net operating cash outflow position through various initiatives, including (i) driving revenue growth by enhancing product and service performance and expanding their applications, and (ii) optimizing cost of sales and services and improving operational leverage.

- *Enhancing collection efforts:* We have strengthened, and will continue to strengthen, our trade receivables collection process. We have adopted a sales and collection policy that outlines our cash flow and liquidity management framework and provides specific procedures for receivables collection. Our finance team closely monitors bank accounts and regularly compiles trade receivables data, while our sales team maintains proactive communication with customers regarding outstanding payments. We conduct regular follow-ups on overdue receivables. With continued improvements in our products and services and growing brand recognition, we also plan to negotiate more favorable credit terms with customers, such as shorter credit periods and advance payments prior to delivery. For details, see "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade Receivables."

- *Prudent credit assessment:* We conduct ongoing credit evaluations of both new and existing customers. Prior to entering into any sales contracts, we assess the creditworthiness of prospective customers, taking into account their business operations and historical financial performance. For new customers, we collect background information and establish customer profiles as part of our onboarding and credit risk assessment procedures.

- *Strengthening supply management*: As our business continues to expand, we anticipate an increase in our procurement volume and intend to negotiate more favorable terms with suppliers. These efforts include (i) extending payment cycles and (ii) implementing more efficient logistics and inventory management practices, with a view to optimizing working capital and reducing day-to-day operational cash outflows.

- *Available financial resources*: Throughout the Track Record Period up to the Latest Practicable Date, we faced no challenges in securing loans or repaying debts, indicating a good credit history and current credit status. In particular, as of the Latest Practicable Date, we had available unutilized credit facilities amounting to RMB130.4 million. Consequently, we anticipate no significant obstacles in securing additional loans to finance our business expansion and enhance our working capital in the future. Furthermore, our Pre-IPO Investments and previous fundraising efforts demonstrate our capacity to attract funding from reputable investors to support our operations. See "History, Reorganization and Corporate Structure — Pre-IPO Investments." We believe that the Global Offering and other potential external financing sources, including those to which we will gain access after Listing, will provide additional funding for our business expansion operations.

Ameliorating Net Liabilities and Net Current Liabilities Positions

We had net liabilities and net current liabilities as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively, with fluctuations observed on these dates. In view of this, we have formulated a series of targeted measures to improve our net liability and net current liability position:

- *Optimizing our funding structure and reducing reliance on short-term borrowings*: We plan to gradually reduce our dependency on short-term financing by (i) converting a portion of our short-term borrowings into medium- to long-term facilities, and (ii) actively engaging with financial institutions to expand access to project-specific credit solutions that better align with the cash flow profile of our digital hospital projects.

- *Enhancing receivables management across business lines*: We will continue to strengthen our collection efforts for business lines with shorter payment cycles and evaluate opportunities to accelerate partial collections or milestone-based invoicing for digital hospital contracts where feasible. In addition, we are exploring the use of structured receivables financing and retention receivables factoring to bridge the cash flow gap caused by long retention periods.

- *Improving working capital discipline*: We will implement tighter controls over operating cash outflows, including the re-evaluation of procurement schedules, project execution pacing, and supplier payment terms, to better align with our collection cycle and alleviate short-term liquidity pressure.

- *Amortization of one-off and temporary liabilities*: A portion of our current liabilities, such as contract liabilities, litigation loss provisions and project-related accruals, reflect temporary balances arising from projects in progress or advance payments received. These are expected to normalize in the ordinary course of business as corresponding services are delivered or settled.

- *Strengthening operating cash generation*: We remain focused on improving gross margins and increasing the contribution of high-margin solution offerings. Over time, enhanced profitability is expected to support stronger operating cash flows and reduce the need for external debt financing.

Taken together, we believe that these measures will support a gradual improvement in our net liability and net current liability positions, while ensuring the continued development of our digital healthcare and wellness solutions and the long-term sustainability of our business operations.

We believe our growth strategy will set the foundation for our long-term sustainability in the market. With our front-runner advantage in embracing technological innovations and expanding our reach across China, we are well-positioned to transition from our current loss-making status towards achieving sustainable and profitable growth. Our focus on leveraging the latest technological advancements, coupled with our strategic initiatives to diversify our service offerings and refine our monetization strategies, underpins our pathway to not only overcoming our financial challenges but also securing a prominent position in the digital healthcare integrated service industry in China. As such, despite the net losses, net operating cash outflow, net current liabilities and net liabilities we recorded during the Track Record Period, our Directors are of the view that our business is sustainable. We anticipate that we will improve our operating cash outflow based on the combination of the abovementioned factors, including revenue growth, cost optimization, improved financial management, and enhanced brand presence.

Our average monthly cash burn decreased from RMB5.4 million in 2024 to RMB2.9 million for the three months ended March 31, 2025. Our management closely monitors cash flows based on market conditions, overall business performance, expansion plans, availability of banking facilities, and other relevant factors.

Based on current projections, our Directors estimate that, with the net proceeds from the IPO, our Group's existing financial resources will be sufficient to fund operations beyond December 31, 2027, assuming the following: (i) no material changes in management, organizational structure, or core business; (ii) stable relationships with customers and suppliers; (iii) continued access to new or renewed bank borrowings at levels consistent with the Track Record Period, with unutilized credit facilities of RMB139.3 million available as of July 31, 2025; (iv) continued credit terms, with estimated average turnover days for trade receivables and trade payables of 85 days and 79 days, respectively; (v) no material liability claims or adverse publicity affecting our brand; (vi) timely receipt of the net proceeds from the Global Offering. Under these assumptions, our Group expects to fund business development through a combination of cash reserves, operating cash flows and such proceeds.

In the event that the Global Offering does not proceed, our Directors estimate that our existing financial resources, together with cash reserves, operating cash flows and available bank borrowings, will be sufficient to fund our operations until December 31, 2027, on the basis of the same assumptions above, and expansion plans will be managed in a prudent manner.

Following thorough inquiries with the Company, examination of the Accountant's Report, and due diligence on the Group's business operations and historical financial data during the Track Record Period, the Joint Sponsors concur with the Directors' view that our Group's business is sustainable and our Company is suitable for Listing under Rule 8.04 of the Listing Rules.

Working Capital Sufficiency

Despite recording net losses, net operating cash outflow, net current liabilities and net liabilities during the Track Record Period, our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this prospectus, taking into account the cash generated from our operating activities, secured credit facilities, investments received from our Pre-IPO Investors, and the estimated net proceeds from this Global Offering.

However, it is important to note that these forward-looking capital projections are based on information currently available, and our financial position and operational results could be influenced by complex factors and uncertainties, many of which are beyond our control. For a detailed discussion of potential risks, please refer to the "Risk Factors" section.

NO MATERIAL ADVERSE IMPACT OF COVID-19

The outbreak of COVID-19 had a broad impact on China and the rest of the world beginning in early 2020. In response, various precautionary and control measures were implemented in regions affected by the pandemic. Our business operations were affected to varying degrees. A number of our collaborating offline medical and healthcare institutions were temporarily closed during the lock-down period, and their operations, along with the services we provided to them, were suspended for a period of time, resulting in a significant decrease in the volume of online transactions that required offline fulfillment. In addition, due to pandemic control measures, our Shenzhen headquarters implemented a work-from-home arrangement starting in March 2022. During this period, our business operations continued without interruption and therefore had no material impact on our business or financial performance.

Nevertheless, the COVID-19 pandemic also provided certain tailwinds to our pharmaceutical retail business. We recorded the highest number of pharmaceutical retail orders in 2022 during the Track Record Period.

Our corporate operations and our product and service offerings remained uninterrupted, and our revenue increased by 19.6% from RMB525.6 million in 2022 to RMB628.6 million in 2023. We did not experience any material adverse impact on our business operations during the Track Record Period as a result of the COVID-19 pandemic. Since December 2022, economic activity has steadily recovered and returned to normal nationwide from January 2023 onward.

Based on the foregoing, our Directors are of the view that the COVID-19 pandemic did not have, and is not expected to have, any material adverse impact on our business operations or financial performance during the Track Record Period and up to the Latest Practicable Date.

OVERVIEW

Upon Listing, our Board will consist of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The Board is responsible, and has the general authority, for the management and operation of our Company. Our Directors are appointed for a term of three years and are eligible for re-election.

Our senior management are responsible for the management of day-to-day operations of our Company.

Directors

The following table sets forth certain information regarding our Directors:

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities
Executive Directors					
Mr. LUO Ningzheng (羅寧政)	51	Chairman of the Board, executive Director and chief executive officer	February 2005	January 31, 2022	Formulating the overall strategy, overseeing the operation and management of our Group and overseeing the financial management supported by the accounting team (including Mr. Tang Shihua), internal control and compliance of our Group
Mr. JI Cuilin (冀翠琳)	44	Executive Director and vice president	October 2016	October 20, 2023	Overseeing the business operation of our Group and participating in the decision-making of overall operation and management of our Group
Mr. HUANG Lang (黃浪)	39	Executive Director and general manager of the intelligent medical center	August 2012	October 20, 2023	Overseeing the operation and management of the intelligent medical center of our Group

Name	Age	Position	Time of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. WANG Lifa (王立法)	35	Executive Director and director of the president office	March 2015	October 20, 2023	Overseeing the internal management and operation of our Group
Non-executive Directors					
Mr. ZHANG Ruxie (張如協).	56	Non-executive Director	June 2022	October 20, 2023	Providing strategic advice and making recommendations on financial management and business development to our Board
Ms. SUN Meng (孫萌).	34	Non-executive Director	March 2022	October 20, 2023	Providing strategic advice and making recommendations on financial management and business development to our Board
Independent non-executive Directors*(Note)*					
Mr. ZOU Jun (鄒鈞).	53	Independent non-executive Director	September 17, 2025	September 3, 2025	Providing independent opinion and judgement to our Board
Dr. XU Weiguo (徐衛國)	72	Independent non-executive Director	September 17, 2025	September 3, 2025	Providing independent opinion and judgement to our Board
Dr. FAN Ming (范明).	68	Independent non-executive Director	September 17, 2025	September 3, 2025	Providing independent opinion and judgement to our Board

Note: The appointment of each of Mr. Zou Jun, Dr. Xu Weiguo and Dr. Fan Ming as an independent non-executive Director will take effect from the Listing Date.

Senior Management

The following table sets forth certain information regarding our senior management:

Name	Age	Position	Time of joining our Group	Time of appointment as senior management	Roles and responsibilities
Mr. LUO Ningzheng (羅寧政)	51	Chairman of the Board, executive Director and chief executive officer	February 2005	February 2005	Formulating the overall strategy, overseeing the operation and management of our Group and overseeing the financial management, internal control and compliance of our Group
Mr. JI Cuilin (冀翠琳)	44	Executive Director and vice president	October 2016	January 2020	Overseeing the business operation of our Group and participating in the decision-making of overall operation and management of our Group
Mr. HUANG Lang (黃浪) . .	39	Executive Director and general manager of the intelligent medical center	August 2012	February 2019	Overseeing the operation and management of the intelligent medical center of our Group
Mr. WANG Lifa (王立法)	35	Executive Director and director of the president office	March 2015	March 2015	Overseeing the internal management and operation of our Group

Name	Age	Position	Time of joining our Group	Time of appointment as senior management	Roles and responsibilities
Mr. LUO Yong (羅勇)	51	Vice president and manager of the medical affairs division	January 2022	January 2022	Overseeing the management of our Group's hospital services and our operations in urban area
Mr. PENG Fang (彭訪)	40	Vice president	September 2013	January 2017	Overseeing the management and operation of the hospital solution business of our Group
Mr. TANG Shihua (唐世華)	48	Board secretary and joint company secretary	August 2021	August 2021	Overseeing the investment, capital operation of our Group and assisting Mr. Luo in overseeing the financial management of our Group

EXECUTIVE DIRECTORS

Mr. LUO Ningzheng (羅寧政), aged 51, is the founder of our Group, an executive Director, the chairman of the Board, and the chief executive officer of our Company. He was appointed as a Director of our Company on January 31, 2022 and was re-designated as our executive Director on October 20, 2023. He is primarily responsible for formulating the overall strategy, overseeing the operation and management of our Group and overseeing the financial management supported by the accounting team (including Mr. Tang Shihua), internal control and compliance of our Group.

Mr. Luo has over 25 years of industry experience. Mr. Luo has gained in-depth understanding of the industry where our Group operates and acquired rich management experience by managing our Group and developing our business. Prior to the foundation of our Group in February 2005, Mr. Luo was a teacher at Guilin Institute of Technology (桂林工學院) (currently known as Guilin University of Technology (桂林理工大學)) from July 1996 to April 1998. From December 1998 to March 2011, Mr. Luo was engaged in providing computer engineering service at Shenzhen Integrated Hospital of Traditional Chinese and Western Medicine (深圳市中西醫結合醫院), and from July 2005 to March 2011, Mr. Luo was concurrently serving as the deputy director of the healthcare information education department of Shenzhen Integrated Hospital of Traditional Chinese and Western Medicine. In February 2005, Mr. Luo established Shenzhen Ningyuan and has been serving as the chairman of the board and the general manager since then.

Mr. Luo obtained a bachelor's degree in computer engineering from National University of Defense Technology (國防科技大學) in July 1996.

Mr. JI Cuilin (冀翠琳), aged 44, is an executive Director and a vice president of our Group. Mr. Ji was appointed as an executive Director of our Company on October 20, 2023. He is primarily responsible for overseeing the business operation of our Group and participating in the decision-making of overall operations and management of our Group.

Mr. Ji has over 15 years of experience in business management. Mr. Ji has been with our Group for more than seven years, during which time he has gained industry knowledge and experience to effectively management the business of our Group. Mr. Ji joined our group in October 2016 as a product manager and has been a vice president since November 2020, where he has been responsible for the general management of the online business of the Group. Prior to joining our Group, Mr. Ji worked in Shenzhen Heri Fashion Limited (深圳市禾日時裝有限公司) and Shenzhen Maisui Fashion Culture Development Co., Ltd. (深圳市麥穗時尚文化發展有限公司), both specializing in clothing wholesaling, where he was primarily responsible for business branding and marketing from January 2008 to May 2008 and June 2009 to January 2012, respectively. From February 2012 to November 2014, Mr. Ji worked as the director of the strategic department and design department at Shenzhen Mogen Shitong Culture Investment Co., Ltd. (深圳市摩根世通文化投資有限公司), a company specializing in capital service, and was in charge of the strategic investment.

Mr. Ji obtained a bachelor's degree in art design from Tiangong University (天津工業大學) in July 2004.

Mr. HUANG Lang (黃浪), aged 39, is an executive Director and general manager of the intelligent medical center of our Group. Mr. Huang was appointed as an executive Director of our Company on October 20, 2023. He is primarily responsible for overseeing the operation and management of the intelligent medical center.

Mr. Huang has over 15 years of experience in product design and software engineering industry. Mr. Huang joined our Group in August 2012. From August 2012 to October 2022, he successively served as an engineer, manager of our research and development department, director of the customer service management division, project manager, consultant of the pre-sale solutions, manager of the B2C platform, director of product center of our platform division, director of the doctor division, and general manager of our hospital and medical division. Since October 2022, Mr. Huang has been promoted as the general manager of the intelligent medical center.

Prior to joining our Group, Mr. Huang served as a hypertext preprocessor engineer at Shenzhen Nuoyasi Information Technology Co., Ltd. (深圳諾亞思信息技術股份有限公司), a logistics information platform, from December 2007 to July 2008, primarily responsible for the website and client relationship management system development. He later served as a senior engineer at Shenzhen Xinlitian Internet Technology Co., Ltd. (深圳市新力天網絡技術有限公司), an e-commerce platform, from April 2009 to March 2010. From October 2010 to June 2012, he was a director of the development department at Shenzhen Zhiji Culture Co., Ltd. (深圳市知己文化傳播有限公司), a company specializing in social game development, where he was primarily responsible for the general and human resources management of the research department, and the technological support and development of products.

Mr. Huang obtained an associate degree in computer application technology at Xiangnan University (湘南學院) in June 2007. He was certified as a software engineer in May 2007 by the Hunan Provincial Department of Personnel (湖南省人事廳).

Mr. WANG Lifa (王立法), aged 35, is an executive Director and the director of the president office of our Group. Mr. Wang was appointed as an executive Director of our Company on October 20, 2023. Mr. Wang joined our Group in March 2015 as the director of the president office. He is primarily responsible for overseeing the internal management and operation of our Group.

Mr. Wang has over 15 years of experience in sales and marketing. Mr. Wang has been with our Group for more than eight years, during which time he has gained knowledge and experience to effectively management the business of our Group. Mr. Wang joined our group in March 2015 as the director of the president office, where he has been responsible for overall management of the legal, public relations and presidential secretarial department. Prior to joining the Group, he was the manager of Shenzhen Shidai Yingke Internet Co., Ltd. (深圳市時代贏客網絡有限公司), a company specializing in telecommunication, where he was primarily responsible for marketing from March 2009 to October 2009. From March 2012 to February 2013, he worked at Shenzhen Yishangwang Information Technology Co., Ltd. (深圳市移商網信息技術有限公司), an e-commerce platform, where he was responsible for regional resources management and marketing. Mr. Wang then worked as a vice president of Manli Life (Shenzhen) Brand Management Co., Ltd (曼酈生活(深圳)品牌管理有限公司) from September 2014 to January 2015 and was responsible for sales management.

Mr. Wang obtained professional diploma in refrigeration and low-temperature technology from Daqing Petroleum Advanced Technical School (大慶石油高級技工學校) (currently known as the DaQing Vocational College (大慶技術學院)) in June 2009. Mr. Wang then obtained a professional diploma in economic management from Southeast Forestry University (東北林業大學) in July 2017.

Non-executive Directors

Mr. ZHANG Ruxie (張如协), aged 56, joined our Group as a non-executive director of Shenzhen Ningyuan on June 29, 2022 and was appointed as our non-executive Director on October 20, 2023. Mr. Zhang is responsible for providing strategic advice and making recommendations on financial management and business development to our Board.

Mr. Zhang has over 15 years of experience in accounting and financial management. From April 2008 to February 2016, he had been the financial operation director at Publicis Group (陽獅集團). Since March 2016, he has joined Qifu Private Equity Fund Management Co., Ltd. (啟賦私募基金管理有限公司) as the financial director and a managing partner.

Mr. Zhang obtained a bachelor's degree in economics from Heilongjiang Institute of Commerce (黑龍江商學院) (currently known as Harbin University of Commerce (哈爾濱商業大學)), in July 1992. Mr. Zhang was accredited as an accountant by the Ministry of Finance of the PRC (中華人民共和國財政部) in May 1996.

Ms. SUN Meng (孫萌), aged 34, joined our Group as a supervisor in March 2022 and was appointed as our non-executive Director on October 20, 2023. Ms. Sun is responsible for providing strategic advice and making recommendations on financial management and business development to our Board.

Ms. Sun has approximately eight years of experience in accounting and financial management. From October 2015 to February 2018, she was a senior accountant of Deloitte Touche Tohmatsu Shenzhen Branch (德勤華永會計師事務所深圳分所). Since July 2018 and September 2023, Ms. Sun has worked as a senior manager and vice president, respectively, of Co-Stone Asset Management Co., Ltd. (基石資產管理股份有限公司) where she is primarily responsible for investment projects management.

Ms. Sun obtained a bachelor's degree in business management and finance from Zhongnan University of Economics and Laws (中南財經政法大學) in June 2013 and a master's degree in finance and management from University of Exeter in July 2014. She became a qualified member of The Chinese Institute of Certified Public Accountants in December 2019.

Independent Non-executive Directors

Mr. ZOU Jun (鄒鈞), aged 53, was appointed as our independent non-executive Director on September 3, 2025. He is primarily responsible for providing independent opinion and judgement to our Board.

Mr. Zou has over 24 years of experience in financial management and capital markets in the U.S., Europe and China. From 1999 to 2006, Mr. Zou served in progressive managerial roles in treasury, customer finance, strategic planning, and with his last position as global controller for the managed services business unit at Ericsson in the U.S. and Sweden. Mr. Zou then served as the chief financial officer of various companies from 2006 to 2022, including

Huawei Technologies Co., Ltd., Xunlei Limited (Nasdaq: XNET), Dangdang Inc. (NYSE: DANG, now privatized), iDreamSky Technology Ltd., Autohome Inc. (汽車之家) (SEHK: 2518 and NYSE: ATHM) and Shenzhen Suteng Innovation Technology Co., Ltd. (深圳速騰聚創科技有限公司). Mr. Zou worked as the chief financial officer of H World Group Limited (華住集團有限公司) (SEHK: 1179) from January 2, 2024 to September 4, 2024.

Mr. Zou obtained a bachelor's degree in international business and economics from Shanghai International Studies University (上海外國語大學) in July 1993 and a master's degree in business administration from University of Texas in January 1999. Mr. Zou was admitted as a Certified Practicing Accountant by CPA Australia in February 2016.

Dr. XU Weiguo (徐衛國), aged 72, was appointed as our independent non-executive Director on September 3, 2025. He is primarily responsible for providing independent opinion and judgement to our Board.

Dr. Xu has over 43 years of theoretical and clinical experience in the clinical medicine sector and hospital management. Since October 1980, Dr. Xu has been serving in the Ruijin Hospital (瑞金醫院) and Xinhua Hospital (新華醫院) Affiliated to Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院) (formerly known as the Shanghai Second Medical University (上海第二醫科大學)) as a doctor, chief physician and doctoral advisor. From November 2003 to August 2014, Dr. Xu was the dean of Xinhua Hospital Affiliated to Shanghai Jiao Tong University School of Medicine, where he was responsible for medical management, teaching and research management. From September 2020 to March 2023, he joined Parkway Shanghai Hospital (上海百匯醫院) as the dean and was in charge of the overall hospital management and operation.

Dr. Xu was awarded the "Xian Sheng Cup — Outstanding Dean of Hospitals in China" (中國醫院"先聲杯"優秀院長) by the Chinese Hospital Association (中國醫院協會) in 2010 and the "Hua Ren Cup 2011 — Dean of Best Leadership of Hospitals in China" ("華仁杯"2011最具領導力中國醫院院長) by the China Hospital CEO Magazine (中國醫院院長雜誌社) in 2011.

Dr. Xu obtained a bachelor's degree in clinical medicine from Harbin Medical University (哈爾濱醫科大學) in July 1980 and a master's degree in respiratory medicine from Shanghai Second Medical University in June 1993 through part-time course. He obtained his doctoral degree in management from Tongji University (同濟大學) in November 2004 through part-time course. Dr. Xu was qualified as a chief physician by Shanghai Jiao Tong University School of Medicine in 2000.

Since March 2021, Dr. Xu has served as an independent non-executive director of Town Health International Medical Group Limited (康健國際醫療集團有限公司) (SEHK: 3886) where he served as a member of the audit committee, remuneration committee and nomination committee.

Dr. FAN Ming (范明), aged 68, was appointed as our independent non-executive Director on September 3, 2025. He is primarily responsible for providing independent opinion and judgement to our Board.

Dr. Fan has more than 28 years of experience in education and management. From July 1995 to July 2002, he served as a professor at Jiangsu University of Technology (江蘇理工大學). Further, Dr. Fan concurrently served as the vice chancellor of Jiangsu University (江蘇大學) from August 2001 to December 2001. He moved to Yangzhou University (揚州大學) to serve as a professor from January 2002 to June 2008. Since July 2008, Dr. Fan returned to Jiangsu University to serve as a professor and subsequently as a level two professor since June 2010.

Dr. Fan has served as an independent director in a number of listed companies in various sectors:

(a) from February 2017 to February 2023, he was an independent director of Shanghai Hiuv New Materials Co., Ltd. (上海海優威新材料股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 688680);

(b) since November 2017, Dr. Fan has served as an independent director of Jiangsu SOPO Corporation (江蘇索普化工股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 600746);

(c) since April 2018, he has served as an independent director of AVIC BIAM New Materials Technology Engineering Co., Ltd. (中航百慕新材料技術工程股份有限公司), a company listed on the NEEQ (NEEQ: 430056);

(d) since November 2019, Dr. Fan has served as an independent director of Touchstone International Medical Science Co., Ltd. (天臣國際醫療科技股份有限公司), a company listed on the Shanghai Stock Exchange (SSE: 688013); and

(e) since May 2021, Dr. Fan has served as an independent director of Jiangsu Zhengdan Chemical Industry Co., Ltd. (江蘇正丹化學工業股份有限公司), a company listed on the Shenzhen Stock Exchange (SZSE: 300641).

Dr. Fan obtained a bachelor's degree in agricultural machinery engineering from Zhenjiang Agricultural Machinery College (鎮江農業機械學院) (currently known as Jiangsu University) in May 1982, a master's degree in marxism from Shanghai Jiao Tong University (上海交通大學) in July 1987 and a doctoral degree in technical economic and management from Hohai University (河海大學).

SENIOR MANAGEMENT

For biographical details of **Mr. LUO Ningzheng (羅寧政)**, **Mr. JI Cuilin (冀翠琳)**, **Mr. HUANG Lang (黃浪)** and **Mr. WANG Lifa (王立法)**, see "— Executive Directors" in this section.

Mr. LUO Yong (羅勇), aged 51, joined our Group and was appointed as the vice president of our Group and the manager of the medical affairs division of our Group in January 2022. Mr. Luo is primarily responsible for overseeing the management of our hospital services and our operations in urban area.

Mr. Luo has approximately 25 years of experience in the medical services sector. Prior to joining our Group, Mr. Luo was as an office manager from April 1998 to March 2001 and the general manager for domestic marketing from March 2001 to April 2002 at Hunan Siqi Biopharmaceutical Co., Ltd. (湖南斯奇生物製藥有限公司) (previously known as Hunan Jiuzhitang Siqi Biopharmaceutical Co., Ltd. (湖南九芝堂斯奇生物製藥有限公司)). He then served at Jiuzhitang Pharmaceutical Trading Co., Ltd. (九芝堂醫藥貿易有限公司) as the general manager of the Beijing division and governmental affairs from April 2002 to August 2006. From August 2006 to August 2010, he worked as the general manager of Beijing division of Nanchang Helioeast Pharmaceutical Co., Ltd. (南昌弘益藥業有限公司). In May 2010, he founded Beijing Nayong Technology Co., Ltd. (北京納湧科技有限公司) and has been serving as the chairman of board of directors, general manager and legal representative since then.

Mr. Luo obtained a bachelor's degree in economic management from Hunan Administration Institute (湖南行政學院) in December 2002. He was a member of the Dermatology Professional Committee of Chinese Non-government Medical Institutions Association (中國非公立醫療機構協會皮膚專業委員會) from September 2021 to September 2024.

Mr. PENG Fang (彭訪), aged 40, joined our Group in September 2013 and was appointed as the vice president of our Group on January 2017. Mr. Peng is primarily responsible for overseeing the management and operation of the hospital solution business of our Group.

Mr. Peng has approximately 13 years of experience in medical software research and development. Prior to joining our Group, Mr. Peng was a director of the digital hospital product department at Hunan Kaige Medical Information Technology Co., Ltd. (湖南凱歌醫療信息技術有限公司) from September 2010 to August 2013, where he was primarily responsible for the medical software development. Mr. Peng then joined our Group as a director of the engineering department in September 2013 and was appointed as a vice president since January 2017.

Mr. Peng obtained a bachelor's degree in software engineering from Fuzhou University (福州大學) in July 2006 and a master's degree in financial management from Brest Business School in September 2022 through part-time course. Mr. Peng is currently pursuing a doctoral degree in business administration in Brest Business School.

Mr. TANG Shihua (唐世華), aged 48, has been serving as the secretary to the Board since August 2021. Mr. Tang is primarily responsible for overseeing the investment, capital operation of our Group and assisting Mr. Luo in overseeing the financial management of our Group.

Mr. Tang has over 20 years of experience in accounting and corporate governance affairs. Prior to joining our Group, Mr. Tang worked as a manager of accounting project at Shenzhen Tongren Accountants (深圳同人會計師事務所) from July 1999 to July 2001. He later joined Shenzhen Pengcheng Accountants Co., Ltd. (深圳市鵬城會計師事務所有限公司) as an accounting manager from July 2001 to December 2007. From December 2007 to August 2021, he served as the chairman of board of supervisors, the financial director and the vice general manager at Shenzhen Hongtao Decorations Co., Ltd. (深圳市洪濤裝飾股份有限公司) (SZSE: 002325).

Mr. Tang obtained a bachelor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in June 1999.

JOINT COMPANY SECRETARIES

Mr. TANG Shihua (唐世華), was appointed as one of the joint company secretaries of our Company on October 20, 2023, which will take effect on the Listing Date. For biographical details of Mr. Tang Shihua, see "— Senior Management" in this section.

Ms. YU Wing Sze (余詠詩), was appointed as one of the joint company secretaries of our Company on October 20, 2023. Ms. Yu is a manager of TMF Hong Kong Limited. She has over 10 years of working experience in company secretarial profession. She is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom. Ms. Yu received a bachelor's degree of Business Administration from the Chinese University of Hong Kong.

BOARD COMMITTEES

Audit Committee

Our Company has established an Audit Committee, with effect from the Listing, with written terms of reference in compliance with the requirements under the Listing Rules. The Audit Committee consists of three members, being Mr. Zou Jun, Mr. Zhang Ruxie and Dr. Xu Weiguo. The chairperson of the Audit Committee is Mr. Zou Jun, who is the independent non-executive Director with the appropriate accounting and related financial management expertise. The primary duties of the Audit Committee include, among others:

- reviewing our compliance, accounting policies and financial reporting procedures;
- supervising the implementation of our internal audit system;

- advising on the appointment or replacement of external auditors;
- liaising between our internal audit department and external auditors; and
- other responsibilities as authorized by our Board.

Remuneration Committee

Our Company has established a Remuneration Committee, with effect from the Listing, with written terms of reference in compliance with the requirements under the Listing Rules. The Remuneration Committee consists of three members, being Dr. Xu Weiguo, Mr. Luo and Mr. Zou Jun. The chairperson of the Remuneration Committee is Dr. Xu Weiguo. The primary duties of the Remuneration Committee include, among others:

- making recommendations to the Board on our policy and structure concerning remuneration of our Directors and members of the senior management;
- making recommendations to the Board on the specific remuneration package of each Director and members of the senior management;
- reviewing and approving compensations payable to executive Directors and members of senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to dismissal or removal of any Director for his or her misconduct to ensure that such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate; and
- other responsibilities as authorized by our Board.

Nomination Committee

Our Company has established a Nomination Committee, with effect from the Listing, with written terms of reference in compliance with the requirements under the Listing Rules. The Nomination Committee consists of three members, being Mr. Luo, Dr. Fan Ming and Dr. Xu Weiguo. The chairperson of the Nomination Committee is Mr. Luo. The primary duties of the Nomination Committee include, among others:

- reviewing the structure, size and composition of the Board annually, and advising on any changes of the Board proposed in accordance with the strategies of our Company;

- identifying, selecting or making recommendations to our Board on the selection of individuals nominated for directorships;

- making recommendations to the Board on relevant matters relating to the appointment and re-appointment of our Directors;

- assessing the independence of independent non-executive Directors; and

- other responsibilities as authorized by our Board.

CORPORATE GOVERNANCE

Pursuant to code provision C.2.1 in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Luo is currently serving as the chairman of the Board as well as the chief executive officer of our Company. As Mr. Luo is the founder of our Group and has been managing our Group's business and overall strategic planning since its establishment, our Directors consider that vesting the roles of chairman and chief executive officer in Mr. Luo is beneficial to the business prospects and management of our Group by ensuring consistent leadership within our Group. Taking into account all the corporate governance measures that we are going to implement upon Listing, our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Accordingly, our Company had not segregated the roles of its chairman and chief executive officer. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at an appropriate time if necessary, taking into account the circumstances of our Group as a whole.

Saved as disclosed above, as of the Latest Practicable Date and to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, the Directors are not aware of any deviation from provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD DIVERSITY

We have adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity on our Board that would be conducive to our business growth. Selection of candidates will be based on a range of diversity considerations, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Appointment decisions will be based on merits and contribution that the selected candidates will bring to the Board with due regard to our board diversity policy.

Our Directors have a balanced mix of knowledge and skills, including corporate governance, business management, product design and software engineering, sales and marketing, accounting and financial management as well as education and medical service. They obtained degrees in various majors, including in computer engineering and application, business administration, economics and clinical medicine. We have also taken and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation to the Board and senior management levels. In particular, one of our Directors is a female. Taking into account our existing business models and specific needs as well as the different background of our Directors, we are of the view that the composition of our Board satisfies our board diversity policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board. After the Listing, our Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy on an annual basis.

DIRECTORS' INTEREST

Except as disclosed in this section, each of the Directors and members of the senior management (i) had no other relationship with any of the other Directors and senior management as of the Latest Practicable Date; and (ii) did not hold any other directorship in listed companies in the three years prior to the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, see "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Disclosure of interests — (a) Disclosure of interests — interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations."

Save as disclosed in this section and "Appendix IV — Statutory and General Information —C. Further Information about our Directors and Substantial Shareholders" in this prospectus, there are no other matters in respect of each of our Directors and the members of our senior management that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other material matters relating to our Directors and the members of our senior management that need to be brought to the attention of our Shareholders.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in October 2023, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his/her appointments.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management members receive compensation from our Company in the form of salaries, bonuses, and other benefits in kind such as contributions to pension plans.

The aggregate amounts of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Directors for the years ended December 31, 2022, 2023, 2024 and the three months ended March 31, 2025 were approximately RMB2.8 million, RMB18.6 million, RMB24.4 million and RMB4.6 million, respectively.

The five highest paid individuals for the years ended December 31, 2022, 2023, 2024 and the three months ended March 31, 2025 included one, two, two and three Directors, respectively, whose remunerations are included in the aggregate amount of remuneration set out above. For the years ended December 31, 2022, 2023, 2024 and the three months ended March 31, 2025, the aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) for the remaining four, three, three and two highest paid individuals who are not Directors were approximately RMB3.2 million, RMB21.6 million, RMB22.2 million and RMB2.5 million, respectively.

It is estimated that remuneration equivalent to approximately RMB34.37 million in aggregate will be paid to the Directors (inclusive of benefits in kind but exclusive of any discretionary bonuses) by our Company for the year ending December 31, 2025 based on the arrangements currently in force.

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Shenwan Hongyuan Capital (H.K.) Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable or connected transaction under the Listing Rules, is contemplated, including share issues and share repurchases;
- where our Company proposes to use the proceeds of the Global Offering in a manner that is different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecasts, estimates or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares or any other matters under Rule 13.10 of the Listing Rules.

The terms of the appointment of the compliance advisor will commence on the Listing Date and is expected to end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the Listing Date.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Mr. Luo, through his wholly-owned companies (LNZ Management Limited and Luo Holdings Limited), controlled approximately 33.99% of the voting power at general meetings of our Company; and (ii) pursuant to the Voting Deed, Mr. Luo controlled approximately 3.87% of the voting power at general meeting of our Company.

Immediately following the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme), Mr. Luo, through his wholly-owned companies (LNZ Management Limited and Luo Holdings Limited) and the Voting Deed, will be able to control an aggregate of approximately 34.08% of the issued share capital of our Company. Therefore, Mr. Luo together with LNZ Management Limited and Luo Holdings Limited will be considered as our Controlling Shareholders for the purpose of the Listing Rules.

Further, since the exercise of voting rights attached to the Shares held by the Controlling Shareholders has not been entrusted to Ming Holdings Limited and remains at the sole discretion of Mr. Luo, Ming Holdings Limited is not considered as a member of the group of Controlling Shareholders.

As of the Latest Practicable Date, neither our Controlling Shareholders nor any of our Directors, including their respective close associates, was interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our Controlling Shareholders and their respective close associates after Listing.

Operational Independence

Our Company makes business decisions independently. We have established our own organizational structure with independent departments, and each department is assigned to specific areas of responsibilities. We maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business. We have independent access to suppliers and customers and are not dependent on our Controlling Shareholders and their respective close associates with respect to supplies for our business operations. We are also in possession of all relevant licenses necessary to carry out and operate our business and we have sufficient operational capacity in terms of capital and employees to operate independently.

Although during the Track Record Period, there had been transactions between us and our related parties, details of which are set out in Note 39 in the Accountant's Report, our Directors have confirmed that these related party transactions, if trade related, were conducted on normal commercial terms or better to us. None of the historical related party transactions with the connected persons as defined in the Listing Rules are expected to continue after the Listing.

Accordingly, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their respective close associates.

Management Independence

The Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors. See "Directors and Senior Management" in this prospectus for more details of our Directors. Mr. Luo, our Chairman, the executive Director and the chief executive officer, is one of our Controlling Shareholders. All the other Directors and other members of our senior management are independent from our Controlling Shareholders. The daily operation of our Group is carried out by our experienced management team, and we have the capabilities and personnel to perform all essential administrative functions, including finance, accounting, human resources and business management on a standalone basis.

Each Director is aware of his or her fiduciary duties as a Director, which require, among other things, that he or she acts for the benefit and in the best interests of our Company and any conflict between his or her duties as a Director and his or her personal interests is not allowed. Further, we believe our independent non-executive Directors have the depth and breadth of experience which will enable them to bring independent judgment to the decision-making process of our Board. Our independent non-executive Directors have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of the Board are made only after due consideration of independent and impartial opinions. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions and shall not be counted in the quorum. See "— Corporate Governance" below for further details.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, is able to perform the managerial role in our Group independently.

Financial Independence

Our Group has established an independent financial department with a team of independent financial staff, as well as a sound and independent financial system and makes financial decisions according to our Group's own business needs. Our Group has adequate capital to operate our business independently, and has sufficient internal resources to support our daily operations.

During the Track Record Period, our Group had certain non-trade related amounts due to/from our Controlling Shareholders. Please see Note 39 to the Accountant's Report, the text of which is set out in Appendix I to this prospectus. All loans, advances and balances due to and from our Controlling Shareholders have been settled as of the Latest Practical Date.

During the Track Record Period, certain bank borrowings were guaranteed by and/or secured by the pledge of properties of our Controlling Shareholders and related parties. Please see Note 39 to the Accountant's Report, the text of which is set out in Appendix I to this prospectus. Such guarantees and/or pledges provided to our Group for bank borrowings will be released upon the Listing.

Save as disclosed herein, as of the Latest Practicable Date, there were no other outstanding loans, advances or non-trade balances due to or from our Controlling Shareholders or their close associates, nor were there any other outstanding pledges or guarantees provided for our benefit by our Controlling Shareholders or their respective close associates.

Our Group has sufficient capital to operate its business independently, and has adequate internal resources and a strong credit profile to support its daily operations. There will be no financial assistance, security and/or guarantee provided by our Controlling Shareholders or their respective close associates in favor of our Group or vice versa upon the Listing. We have engaged an independent internal control consultant to assist us in putting in place controls in relation to transactions with connected persons and their respective associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Having considered that our future operations are not expected to be financed by our Controlling Shareholders or their respective close associates, we believe our Group is financially independent from our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interest of our Shareholders. We would adopt the following corporate governance measures to manage potential conflicts of interest between our Group and the Controlling Shareholders and/or Directors:

(i) where a Shareholders' meeting is held for considering proposed transaction in which our Controlling Shareholders have a material interest, the Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;

(ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;

(iii) any transaction between (or proposed to be made between) our Group and the connected persons will be subject to the requirements under Chapter 14A of the Listing Rules, including, where applicable, the announcement, reporting, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements and with those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with relevant requirements under the Listing Rules;

(iv) in the event that our independent non-executive Directors are requested to review any conflicts of interest between our Group and the Controlling Shareholders and/or Directors, the Controlling Shareholders and/or Directors shall provide the independent non-executive Directors with all necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual report or by way of announcements to the public; and

(v) our Company has appointed Shenwan Hongyuan Capital (H.K.) Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors' duties and corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders and/or Directors to protect the minority Shareholders' rights after Listing.

We have entered into certain agreements and arrangements with certain individual and entities that will, upon Listing, become our connected persons (as defined under Chapter 14A of the Listing Rules). Following the Listing, the transactions contemplated under such agreements will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

The table below sets forth certain parties who will become our connected persons upon Listing and the nature of their relationship with our Group:

Connected persons	Connected relationships
Mr. Luo	our executive Director and our Controlling Shareholder
Jianchen Technology	a company owned as to 100% by Mr. Luo and therefore an associate of Mr. Luo

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Continuing connected transaction	Applicable Listing Rules	Waiver sought
Non-exempt continuing connected transactions		
Contractual Arrangements	Rule 14A.35-36 Rule 14A.49 Rule 14A.52-59 Rule 14A.105	Announcement, circular, independent Shareholders' approval, annual caps and term of agreements not exceeding three years

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Contractual Arrangements

Background

In light of the restrictions under current PRC laws and regulations, which the investment in certain areas of the industries in which we currently operate and may operate are subject to, and in order to control our Consolidated Affiliated Entities to prevent leakages of equity and values to the relevant Registered Shareholders of our Consolidated Affiliated Entities, except for our Group, and to obtain the maximum economic benefits from our Consolidated Affiliated Entities, on August 11, 2023 and October 20, 2023, we, through the WFOE, entered into the Contractual Arrangements with the Consolidated Affiliated Entities and their respective Registered Shareholders. The Contractual Arrangements enable us to (i) receive substantially all of the economic benefits from our Consolidated Affiliated Entities in consideration for the services provided by the WFOE to the Consolidated Affiliated Entities; (ii) exercise effective control over our Consolidated Affiliated Entities; and (iii) hold an exclusive option to purchase all or part of the equity interests in the Onshore Holdcos and the Operating Subsidiaries when and to the extent permitted by PRC laws and regulations.

See "Contractual Arrangements" in this prospectus for details of the key terms of the Contractual Arrangements.

Listing Rules implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon Listing as certain parties to the Contractual Arrangements, namely Mr. Luo and Jianchen Technology, are connected persons of our Company.

The highest applicable percentage ratio (other than the profit ratio) under the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements is expected to be, on an annual basis, more than 5%. As such, these transactions will be subject to the reporting, annual review, announcement, circular, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Our Directors (including the independent non-executive Directors) are of the view that (i) the Contractual Arrangements and the transactions contemplated thereunder are fundamental to the legal structure and business of our Group; and (ii) such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements related thereto or renewal of existing transactions, contracts and agreements to be entered into by, among others, our Consolidated Affiliated Entities and any member of our Group (the "**New Intergroup Agreements**") constitute continuing connected transactions under Chapter 14A of the Listing Rules after the Listing, our Directors consider that, given that the Contractual Arrangements are fundamental to our Group's legal structure and business operations, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, the announcement, circular and independent Shareholders' approval requirements.

WAIVER APPLICATIONS FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTION

Contractual Arrangements

In respect of the Contractual Arrangements, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement for setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement for limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange, subject however to the following conditions:

(a) No change without independent non-executive Directors' approval

Save as described below, no change to any of the agreements constituting the Contractual Arrangements will be made without the approval of our independent non-executive Directors.

(b) No change without independent Shareholders' approval

Save as described below, no change to any of the agreements constituting the Contractual Arrangements will be made without the independent Shareholders' approval. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company will, however, continue to be applicable.

(c) Economic benefits and flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group's option (if and when so allowed under the applicable PRC laws) to acquire all or part of the equity interests in the Consolidated Affiliated Entities at the minimum amount of consideration permitted by applicable PRC laws; (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOE by our Consolidated Affiliated Entities under the Contractual Arrangements; and (iii) our Group's right to control the management and operation of all of the voting rights of the Consolidated Affiliated Entities held by Registered Shareholders.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and our subsidiaries in which our Company has direct shareholding, on one hand, and our Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executives or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, however, be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to the relevant PRC laws, regulations and approvals.

(e) Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an on-going basis as follows:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;

- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report that for the relevant year (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entities are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of our Shareholders as a whole;

- our Company's auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have been approved by our Board, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person," our Consolidated Affiliated Entities will be treated as our Company's subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their respective associates will be treated as connected persons of our Company under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves), and therefore transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and

- our Consolidated Affiliated Entities will, for so long as our Shares are listed on the Stock Exchange, provide our Group's management and our Company's auditors with full access to their relevant records for the purpose of reporting on the connected transactions.

In addition, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (i) the announcement, circular and independent Shareholders' approval in respect of the transactions contemplated under any New Intergroup Agreements (as defined above) pursuant to Rule 14A.105 of the Listing Rules; (ii) setting an annual cap for the transactions contemplated under any New Intergroup Agreements under Rule 14A.53 of the Listing Rules; and (iii) limiting the term of any New Intergroup Agreements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange. The waiver is subject to the conditions that the Contractual Arrangements subsist and Consolidated Affiliated Entities will continue to be treated as our subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of Consolidated Affiliated Entities and their respective associates will be treated as connected persons of our Company (excluding for this purpose, Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including for this purpose, Consolidated Affiliated Entities), other than those under the Contractual Arrangements and the New Intergroup Agreements, will be subject to requirements under Chapter 14A of the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that the Contractual Arrangements have been entered into and will continue to be carried out in the ordinary and usual course of business of our Group and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including independent non-executive Directors) are also of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements, which are of a duration longer than three years, it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financial and operational policies of our Consolidated Affiliated Entities can be effectively controlled by our Company indirectly; (ii) our Company can indirectly obtain the economic benefits derived from our Consolidated Affiliated Entities; and (iii) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented, on an uninterrupted basis.

JOINT SPONSORS' CONFIRMATION

Having (i) reviewed the relevant documents and information provided by the Company in relation to the above Contractual Arrangements; (ii) obtained necessary representations and confirmations from the Company and the Directors; (iii) participated in the due diligence and discussions with the management of our Group and our PRC Legal Advisors; and (iv) reviewed the legal opinion of our PRC Legal Advisors on the Contractual Arrangements, the Joint Sponsors consider that the Contractual Arrangements (a) are fundamental to our Group's legal structure and business operations and (b) have been entered into and will continue to be carried out in the ordinary and usual course of business of our Group and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, the Joint Sponsors are of the view that it is a justifiable and normal business practice to ensure that (i) the financials and operation of our Consolidated Affiliated Entities can be effectively controlled by our Company indirectly; (ii) our Company can indirectly obtain the economic benefits derived from our Consolidated Affiliated Entities; and (iii) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the completion of the Share Subdivision and the Global Offering.

1. Share capital as of the date of this prospectus

(a) Authorized Share Capital

		Aggregate par value
5,000,000,000	Shares of US$0.00001 each	US$50,000

(b) Issued Share Capital

		Aggregate par value	% of the issued share capital
60,561,462	Shares in issue as of the date of this prospectus	US$605.61	100%

2. Share capital immediately after the completion of the Share Subdivision and the Global Offering

(a) Authorized Share Capital

		Aggregate par value
25,000,000,000	Shares of US$0.000002 each	US$50,000

(b) Issued Share Capital

		Aggregate par value	% of the issued share capital
302,807,310	Shares in issue as of the date of this prospectus	US$605.61	90%
33,645,500	Shares to be issued pursuant to the Global Offering	US$67.29	10%
		US$672.90	100%

ASSUMPTION

The above table assumes that the Global Offering has become unconditional. It takes no account of any Shares (i) which may be issued pursuant to the exercise of the Over-allotment Option; (ii) which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below or otherwise; or (iii) which may be issued upon the exercise of any outstanding options granted pursuant to the Pre-IPO Share Option Scheme.

RANKING

The Shares are ordinary shares in the share capital of our Company and rank *pari passu* in all respects with all Shares currently in issue or to be issued and, in particular, will rank in full for all dividends or other distributions declared, made or paid after the date of this prospectus.

PRE-IPO SHARE OPTION SCHEME

On August 31, 2023, we adopted the Pre-IPO Share Option Scheme. Please see "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme" in this prospectus for further details.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) divide its shares into several classes; (iv) subdivide its shares into shares of smaller amount; and (v) cancel any shares which have not been taken. In addition, our Company may reduce its share capital by special resolution. For more details, see "Appendix III — Summary of the Constitution of the Company and Cayman Companies Act" in this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares and to make or grant offers, agreements or options which might require such Shares to be allotted and issued or dealt with, and to resell treasury shares of the Company, at any time subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, and treasury shares to be resold, shall not exceed the sum of:

(i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Share Subdivision and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the exercise of outstanding options granted under the Pre-IPO Share Option Scheme and treasury shares of the Company (if any)); and

(ii) the nominal amount of our share capital repurchased by our Company (if any) pursuant to the repurchase mandate (as mentioned below).

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders. This mandate to issue Shares will remain in effect until the earliest of:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or

(iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting.

For further details of this general mandate, please see "Appendix IV — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on September 3, 2025" in this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our share capital in issue immediately following the Share Subdivision and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the exercise of outstanding options granted under the Pre-IPO Share Option Scheme and treasury shares of the Company (if any)).

This mandate relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose), and made in accordance with all applicable laws and regulations and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in "Appendix IV — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on September 3, 2025" in this prospectus.

This general mandate to repurchase Shares will remain in effect until the earliest of:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Articles of Association; or

(iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting.

For further details of this general mandate, please see "Appendix IV — Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries — 3. Resolutions in writing of all our Shareholders passed on September 3, 2025" in this prospectus.

So far as our Directors are aware, immediately following the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Option Scheme), the following persons are expected to have an interest and/or short positions in the Shares or the underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholders	Nature of interest	Number of Shares held immediately following the completion of the Share Subdivision and the Global Offering	Approximate percentage of shareholding in our Company immediately following the completion of the Share Subdivision and the Global Offering(1)
Mr. Luo(2)(3)	Interest in a controlled corporation	102,912,905	30.59%
	Interest of a party to an agreement regarding interest in the Company	11,726,665	3.49%
LNZ Management Limited(2)	Interest in a controlled corporation	102,912,905	30.59%
Luo Holdings Limited	Beneficial Interest	102,912,905	30.59%
Fu Zhekuan(4)(5)(6)(7)(9)	Interest in controlled corporations/Interest of spouse	51,701,065	15.37%
Lin Fangli(8)(9)	Interest in controlled corporations/Interest of spouse	51,701,065	15.37%
Qifu Private Equity Fund Management Co., Ltd. (啟賦私募基金管理有限公司)(6)	Interest in controlled corporations	43,688,810	12.99%
Zhang Wei(10)	Interest in controlled corporations	19,661,640	5.84%
QF CY(6)	Beneficial interest	17,899,010	5.32%

Notes:

(1) The calculation is based on the total number of 336,452,810 Shares in issue immediately following the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme).

(2) Luo Holdings Limited is wholly-owned by LNZ Management Limited, which is in turn wholly-owned by Mr. Luo. Therefore, each of Mr. Luo and LNZ Management Limited is deemed to be interested in the Shares directly held by Luo Holdings Limited.

(3) Pursuant to the Voting Deed, Mr. Luo has controlled approximately 3.49% of the voting power at general meeting of our Company, being the voting rights attached to all Shares directly held by Ming Holdings Limited. For details, see "History, Reorganization and Corporate Structure — Voting Deed."

(4) Fu Zhekuan is deemed to be interested in the shares directly held by QF FZK Limited, QF CY, QF ZSCY, QF HL, QF JR, QF HT, QF CXHL, YINKANG and LFL Limited.

(5) QF FZK Limited is wholly-owned by Mr. Fu Zhekuan. Therefore, Mr. Fu Zhekuan is deemed to be interested in the Shares directly held by QF FZK Limited.

(6) QF CY, QF ZSCY, QF HL, QF JR, QF HT and QF CXHL are wholly-owned by Shenzhen Fuling Corporate Management Consultation Partnership (Limited Partnership) (深圳市賦淩企業管理諮詢合夥企業(有限合夥)) ("**Shenzhen Fuling**"), Qifu Zhongsheng, Qifu Hulian, Qifu Jiarong, Qifu Hongtai and Qifu Honglian, respectively. The general partner of Shenzhen Fuling, Qifu Zhongsheng, Qifu Hulian, Qifu Jiarong, Qifu Hongtai and Qifu Honglian is Qifu Private Equity Fund Management Co., Ltd. (啟賦私募基金管理有限公司) ("**Qifu Fund**"), in which Fu Zhekuan is interested in more than one-third of the interests. Therefore, Fu Zhekuan is deemed to be interested in the Shares directly held by QF CY, QF ZSCY, QF HL, QF JR, QF HT and QF CXHL.

(7) YINKANG is a limited company established under the laws of BVI and wholly-owned by Zhongshan Fuying. The general partner of Zhongshan Fuying is Shenzhen Qianhai Dongfang Yinshi Asset Management Co., Ltd. (深圳前海東方銀石資產管理有限公司), which is ultimately controlled by Qifu Fund. Therefore, Mr. Fu Zhekuan is deemed to be interested in the Shares directly held by YINKANG.

(8) LFL Limited is wholly-owned by Lin Fangli. Therefore, Lin Fangli is deemed to be interested in the Shares directly held by LFL Limited.

(9) Lin Fangli is the spouse of Fu Zhekuan. As such, Fu Zhekuan is deemed to be interested in the Shares directly held by LFL Limited, and Lin Fangli is deeded to be interested in the Shares interested by Fu Zhekuan by virtue of the SFO.

(10) The general partner of Guangzhou Lingkang is Urumqi Phoenix Jishi Equity Investment Management Limited Partnership Corporation (烏魯木齊鳳凰基石股權投資管理有限合夥企業), which is in turn indirectly controlled by CoStone Capital. Further, the general partner of Wuhu Linghang is Beijing Xianfeng Jishi Equity Investment Management Partnership Corporation (Limited Partnership) (北京先鋒基石股權投資管理合夥企業(有限合夥)), which is also in turn indirectly controlled by CoStone Capital. Since CoStone Capital is ultimately controlled by Zhang Wei, Zhang Wei is therefore deemed to be interested in the shares directly held by Guangzhou Lingkang and Wuhu Linghang.

Save as disclosed above and in "Appendix IV — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders" in this prospectus, our Directors are not aware of any person who will, immediately following the completion of the Share Subdivision and the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme), have an interest or short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

We are not aware of any arrangement which may result in any change of control in our Company or our subsidiary at any subsequent date.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025 included in the Accountant's Report set out in Appendix I to this prospectus, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the section headed "Risk Factors" and "Business" in this prospectus.

OVERVIEW

We are an experienced pharmaceutical and healthcare product wholesaler and a leading digital healthcare integrated service provider in China. We provide customers with a wide selection of pharmaceutical and healthcare products, as well as comprehensive digital healthcare and wellness solutions. We offer a wide assortment of high-quality pharmaceutical and healthcare products under both wholesale and retail models, to address a spectrum of customer needs. In addition, through our online healthcare and wellness service platform, *Healthcare 160 Platform*, we also provide digital healthcare and wellness solutions, empowering Platform Participants throughout the healthcare value chain and driving the digital transformation of China's healthcare and wellness industry.

During the Track Record Period, we generated revenue from sale of pharmaceutical and healthcare products, as well as the provision of digital healthcare and wellness solutions. Our revenue increased by 19.6% from RMB525.6 million in 2022 to RMB628.6 million in 2023. Our revenue remained stable at RMB628.6 million and RMB620.7 million in 2023 and 2024, respectively. Our revenue increased by 6.7% from RMB94.2 million for the three months ended March 31, 2024 to RMB100.5 million for the same period in 2025.

BASIS OF PRESENTATION

Immediately prior to the Reorganization and during the Track Record Period, our digital healthcare and wellness solutions and sale of pharmaceutical and healthcare products (the "**Listing Businesses**") were primarily conducted through Shenzhen Ningyuan and its subsidiaries (the "**Operating Entities**"). Pursuant to the Reorganization, the Listing Businesses were transferred to and held by our Company. Our Company and companies newly incorporated pursuant to the Reorganization had not been involved in any business prior to the

Reorganization and do not meet the definition of a business. The Reorganization is merely a recapitalization of the Listing Businesses with no changes in management of the Listing Businesses, and the ultimate owners of the Listing Businesses remain substantially the same, except for two shareholders who collectively hold 2.28% equity interest of Shenzhen Ningyuan but had not yet agreed to a share swap or settlement plan with our Group as of completion of the Reorganization. Accordingly, our Group resulting from the completion of the Reorganization is regarded as a continuation of the Listing Businesses under the Operating Entities and, for the purpose of this prospectus, the historical financial information was prepared and presented on a consolidated basis, with the assets and liabilities of our Group recognized and measured at the carrying amounts in the financial statements of the Operating Entities for all periods presented.

Our historical financial information has been prepared in accordance with IFRS issued by the IASB. We have applied new and amended standards effective for the financial period beginning on January 1, 2024 consistently throughout the Track Record Period. Certain amendments to accounting standards have been published that are not mandatory and have not been early adopted by us during the Track Record Period. These amendments are not expected to have a material impact on the entity in the Track Record Period or future reporting periods and on foreseeable future transactions. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Growth of China's Healthcare and Wellness Industry

We operate in China's healthcare and wellness industry, specifically in the healthcare product distribution industry and the digital healthcare integrated service industry. Our results of operations and financial condition have been and are expected to continue to be driven by the development of the relevant industries and China's overall economic conditions. According to Frost & Sullivan, the total healthcare expenditure in China increased from RMB5.3 trillion in 2017 to RMB9.1 trillion in 2023, at a CAGR of 9.6% from 2017 to 2023, and is expected to reach RMB14.5 trillion in 2030, at a CAGR of 6.9% from 2023 to 2030. There are various general factors affecting the overall healthcare and wellness industry in China, which are beyond our control, such as the development of China's healthcare reform, the progress of digitalization in healthcare, and government policies and regulations that could affect our operations. We have benefited from some favorable policies and regulations recently promulgated, such as the *Notice of the "14th Five-Year Plan" National Health Plan (《國務院辦公廳關於印發"十四五"國民健康規劃的通知》)* issued by the State Council in 2022 that promote the digitization of healthcare services and the electronic storage of healthcare records. For details, see "Industry Overview — the Healthcare Product Distribution Industry in China" and "Industry Overview — the Healthcare and Wellness Service Industry in China — the Digital Healthcare Integrated Service Industry in China." We believe that the implementation of these policies and regulations positions us well to capture the tremendous opportunities brought by the positive industry trends. Nevertheless, any changes in policies and regulations or any deterioration of industry conditions could impact the demand for our products and services and adversely affect our results of operations.

Our Ability to Expand Product Offerings and Enhance Supply Chain Resources

Our operational success of pharmaceutical and healthcare products sales hinges on our ability to diversify and enhance our products to meet the increasingly complex health needs of our customers. In our wholesale business, we provide a wide range of pharmaceutical and healthcare products to business customers, primarily focusing on the latest popular and widely-used items. Our retail business offers an extensive selection, including prescription and OTC drugs, healthcare products, and other items, catering to the evolving needs of individual users. This diverse supply under both wholesale and retail models drives our revenue growth. During the Track Record Period, the majority of our revenue was derived from the sale of pharmaceutical and healthcare products, mainly through our wholesale model. As our business expands, we aim to further enrich our product offerings by expanding our portfolio and enhancing synergies among our offerings, thereby providing more value-added services to our customers.

We leverage our extensive supplier network of pharmaceutical and medical device manufacturers and distributors to identify products that are competitive in quality and pricing. Our ability to effectively leverage and enhance our supply chain resources is crucial to our daily operations and financial performance of such business. Our profitability is significantly influenced by our capacity to manage supplier relationships and secure favorable terms, including pricing and credit terms.

We believe collaborations with upstream suppliers allow us to gain insights into customer pain points from our sales results, enabling us to identify products that better suit customer needs. This, in turn, improves our procurement process and ensures our inventories stay current with market demands. As our business grows, our ability to further leverage our supply chain resources will continue to impact our operational results and financial performance.

Our Ability to Maintain and Expand Medical Resources

The availability of medical resources on our platform serves as the foundation of our digital healthcare and wellness solutions. Our broad network of reputable medical resources facilitates the trust cultivation of individual users, attracts more traffic to our platform, and promotes our brand awareness, therefore enabling us to seize more monetization opportunities. As such, we are committed to maintaining and continually expanding the medical resources on our platform. Cumulatively since our inception up to March 31, 2025, we had collaborated with over 14,400 hospitals and over 30,200 primary healthcare institutions and established cooperative relationships with over 902,300 medical professionals, among which approximately 46,200 were registered physicians. The medical and healthcare institutions, along with the medical professionals attracted by our services, all contributed to the synergistic effects on our platform.

In addition to the synergies contributed by medical and healthcare institutions and medical professionals, we also generated revenue from medical and healthcare institutions by offering them digital healthcare and wellness solutions, which had significantly higher gross profit margin than that of sale of pharmaceutical and healthcare products during the Track Record Period. Underpinned by our deep industry insights and continuous technology innovation, we believe we will be able to maintain and expand our collaborations with medical and healthcare institutions by offering them a wide range of digital healthcare and wellness solutions, which will, in turn, boost our revenue and enhance our profitability.

Moreover, medical professionals play a critical role in supporting our online healthcare services and attracting individual user traffic to our platform. We charge registered physicians commission fees based on a pre-agreed percentage of the service fees paid by individual users for online healthcare services. Maintaining a large and diverse pool of medical professionals in our network allows us to retain and attract users to our platform and increase our revenue.

Our Ability to Retain and Attract Individual Users

Our substantial individual user base contributes to our business growth. During the Track Record Period, individual users directly contributed to our revenue by purchasing our products. On our platform, individual users can also make appointments or purchase consumer healthcare packages provided by medical and healthcare institutions and access online healthcare services provided by medical professionals, through which we also generated revenue from such institutions and professionals, respectively. Cumulatively since our inception, the number of registered individual users we served reached 43.3 million, 46.6 million, 54.1 million and 55.2 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. Our platform processed 1.4 million, 1.9 million, 1.7 million, 0.3 million and 0.3 million online healthcare service orders placed by individual users in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

The retention and growth of individual users, along with their spending, can be affected by various factors, primarily including (i) the availability of medical resources on our platform, (ii) the variety of online healthcare services offered, (iii) the consultation fees set by registered physicians, and (iv) the pharmaceutical and healthcare product offerings.

Furthermore, the substantial individual user base attracts more medical and healthcare institutions and professionals to collaborate with us, driving them to acquire additional solutions from us. As such, our ability to retain and attract individual users does not only directly affect our revenue but also significantly affects the dynamics among other Platform Participants within our online healthcare and wellness service platform, which, in turn, could affect our results of operations and financial results.

Our Ability to Manage Our Mix of Product and Service Offerings

Our profitability, especially our gross profit margin, is influenced by the composition of our product and service offerings. Our digital healthcare and wellness solutions generally exhibit significantly higher gross profit margin compared to that of sale of pharmaceutical and healthcare products, given the different business nature and cost structures of the two business lines. As a result, during the Track Record Period, even though a substantial portion of our revenue came from sale of pharmaceutical and healthcare products, digital healthcare and wellness solutions contributed the majority of our gross profit.

We plan to further diversify our revenue sources by developing businesses with higher profitability, such as digital hospital solutions. Changes in the mix of revenue from different business lines could have a significant impact on our profitability. Therefore, we are determined to optimize the mix of our product and service offerings to improve our overall profitability.

Our Ability to Control Our Costs

During the Track Record Period, the cost of inventory and technical service fees represented the major components of our cost of sales and services. Our cost of inventory amounted to RMB364.8 million, RMB440.8 million, RMB419.4 million, RMB61.1 million and RMB66.2 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively, representing 89.5%, 89.7%, 91.1%, 87.8% and 91.1% of our cost of sales and services for the corresponding periods, respectively. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, our technical service fees amounted to RMB21.6 million, RMB28.4 million, RMB17.5 million, RMB3.5 million and RMB1.6 million, respectively, representing 5.3%, 5.8%, 3.8%, 5.0% and 2.2% of our cost of sales and services for the corresponding periods, respectively.

Going forward, we expect that cost of inventory will continue to be a significant part of our total cost of sales and services. The changes in the procurement price of pharmaceutical and healthcare products have affected and will continue to affect our total cost of sales and services and our gross profit margin. If we are unable to control such costs, it may significantly affect our profitability.

Our Ability to Control Our Operating Expenses

Research and development expenses and selling and marketing expenses were two major components of our operating expenses during the Track Record Period. Our research and development expenses amounted to RMB54.1 million, RMB41.7 million, RMB50.5 million, RMB11.9 million and RMB9.0 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, representing 10.3%, 6.6%, 8.1%, 12.7% and 8.9% of our total revenue for the corresponding periods, respectively. Our research and development expenses were mainly used for strengthening our IT capabilities, including the development of *160 Cloud Hospital*. On the other hand, our selling and marketing expenses amounted to RMB97.4 million, RMB101.8 million, RMB117.3 million, RMB27.4 million and RMB19.7 million for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively, representing 18.5%, 16.2%, 18.9%, 29.1% and 19.6% of our total revenue for the corresponding periods, respectively. Our selling and marketing expenses were mainly used for promoting our brand awareness as well as our digital healthcare and wellness solutions. Given the intense competition in our markets, it is crucial for us to retain and attract customers through continuous investments in our technology infrastructure and promotion of our brand. We have invested and will continue to invest in our IT infrastructure to provide satisfactory customer experience and in sales and marketing efforts to promote our brand awareness.

In addition to these two types of operating expenses, we also anticipate that our administrative expenses will remain substantial in absolute amounts in the future, as we continue to expand our business.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that we consider significant in the preparation of our consolidated financial statements. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and the exercise of management's judgment in applying our accounting policies. The areas involving a higher degree of judgment or complexity, as well as areas where assumptions and estimates are significant to our historical financial information, are disclosed in Note 4 to the Accountant's Report in Appendix I to this prospectus.

The estimates and associated assumptions are based on our historical experience and various relevant factors that we believe are reasonable given the circumstances. These form the basis for making judgments about matters that may not be readily apparent from other sources. When reviewing our financial results, it is important to consider the following: (i) our selection of critical accounting policies, (ii) the judgment and uncertainties involved in applying these policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. Determining these items requires management to exercise judgment based on the information and financial data that may change in future periods. Therefore, actual results may differ from the estimates.

Revenue Recognition

Sale of Pharmaceutical and Healthcare Products

We sell pharmaceutical and healthcare products under a combination of wholesale and retail models. Under our wholesale model, product sales revenue is recognized upon completion of delivery, which signifies the transfer of control of the products to the business customers. We recognize revenue based on the price specified in the sales orders (excluding VAT), net of discounts and return allowances. Under our retail model, we recognize the product sales revenue based on the price specified in the sales orders (excluding VAT), net of any applicable discounts and return allowances. Product sales revenue is recognized at the time when the pharmaceutical and healthcare products are accepted by customers.

Digital Healthcare and Wellness Solutions

Our digital healthcare and wellness solutions encompass various components, including online marketing solutions for medical and healthcare institutions and third-party merchants, digital hospital solutions for medical and healthcare institutions, and online healthcare services for individual users.

Online Marketing Solutions

We provide a full range of customer-oriented online marketing solutions to medical and healthcare institutions and third-party merchants, with the aim of enhancing their brand awareness and attracting more patients or individual users.

- Marketplace Services

  – Platform Management Solutions

    We provide platform management solutions to medical and healthcare institutions and charge them fixed platform subscription fees when they connect to our platform. We recognize revenue ratably over the service contract period.

  – Traffic Optimization Services

    We offer value-added traffic optimization services to medical and healthcare institutions, which include the provision of online appointment services and promotion of consumer healthcare packages through our platform. Upon completion of the healthcare services, we charge medical and healthcare institutions commission fees based on the transaction amount of the consumer healthcare packages purchased on our platform and completed offline. Revenue from traffic optimization services is recognized upon completion of service each time.

  – Pharmacy Marketplace Services

    We offer third-party merchants online pharmacy marketplace services, through which third-party merchants sell their products, including pharmaceuticals and medical equipment, on our platform or our online stores on third-party e-commerce platforms. We charge third-party merchants commission fees based on the transaction amount generated through our platform or our online stores on third-party e-commerce platforms. Revenue from pharmacy marketplace services is recognized upon completion of service each time.

- Online Advertising Solutions

  We provide various online advertising options for medical and healthcare institutions to display their advertisements within our mobile apps or website. The revenue generated from these services is recognized when the related performance obligation is satisfied.

Digital Hospital Solutions

We offer proprietary hospital management systems to medical and healthcare institutions to support their digital transformation in terms of in-hospital disease prevention and management and build up full-process systems to streamline the in-hospital medical process.

Generally, contracts for the sales of software related to hospital management systems require us to provide after-sales maintenance services for a specific period (mainly ranging from one to three years). These contracts, which bundle the sales of software and after-sale maintenance services, consist of two distinct performance obligations. The first obligation involves the transfer of software, and the follow-up obligation involves the provision of after-sale services, which are separately identifiable.

Therefore, revenue related to software sales is recognized at the point in time when the software is delivered to and accepted by the customers, as control of the software is transferred to the customers at that time. By contrast, revenue from the provision of maintenance services is recognized over the period during which the maintenance service is provided.

Online Healthcare Services

We provide registered physicians with access to conduct online medical consultations for individual users through our platform. We charge registered physicians a pre-agreed percentage of the service fees paid by individual users as commission fees for online healthcare services. For the commissions charged on service fees paid by times, the revenue is recognized upon completion of each service.

Others

We also provide other services to medical and healthcare institutions and individual users, including technical services, such as marketing toolkit services, and individual membership services. Revenue is recognized upon the completion of the services or ratably over the service period, subject to the relevant contract terms and conditions as well as the control transfer model.

Redemption Liabilities

A contract that contains an obligation to purchase our Group's equity instruments for cash or other financial assets give rise to a financial liability for the present value of the redemption amount, even if our obligation to purchase is conditional on the counterparty's exercise of redemption rights.

We had issued ordinary shares with redemption rights to investors in certain rounds of investments. The obligation to redeem these ordinary shares under certain circumstances is accounted for as redemption liabilities. The redemption liabilities are initially and subsequently recognized at present value of the redemption amount, which is determined by our management in accordance with the terms under the pertinent investment agreements and involves the use of significant accounting estimates and judgments. Subsequent changes in the carrying amount are charged to finance costs.

We derecognize financial liabilities when, and only when, our obligations are discharged, canceled, or have expired. The carrying amount of the financial instruments derecognized is credited into equity if the redemption liabilities expire without exercise.

Impairment of Non-financial Assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Investments and Other Financial Assets

We classify our financial assets in those to be measured (i) subsequently at fair value (either through other comprehensive income ("**OCI**") or through profit or loss), and (ii) at amortized cost. The classification depends on our business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether we have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("**FVOCI**"). We reclassify debt investments when and only when our business model for managing those assets changes.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognized on the trade date, the date on which we commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and we have transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, we measure a financial asset at its fair value plus, in the case of financial assets at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Impairment

We assess on a forward-looking basis the expected credit losses associated with our debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, we apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of the receivables.

Impairment of other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in the credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Current and Deferred Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where our Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for, if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary difference. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where our Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Share-Based Payments

We operate an equity-settled share-based payment plan in which we receive services from employees in exchange for our equity instruments. The expense related to the fair value of the employee services received is recognized in the consolidated statements of profit or loss and other comprehensive income. The total expense is determined based on the fair value of the equity instruments granted, taking into account any market performance conditions and the impact of non-vesting conditions but excluding non-market performance vesting conditions.

At the end of each year, we revise our estimate of the expected number of options that are expected to vest based on service conditions. The impact of any revisions to the original estimates is recognized in the profit or loss, with a corresponding adjustment to equity.

Furthermore, our Shareholders transfer shares to employees and other parties for a cash consideration that is lower than the fair value of the shares transferred, which are treated as share-based payment transactions in substance. The difference between the fair value of the shares on the transfer date and the actual transaction amount is recognized as share-based payment expenses, with a corresponding increase in equity in the consolidated financial statements. For details relating to the share incentive arrangement, see Note 28 to the Accountant's Report in Appendix I to this prospectus.

Items that may Subsequently Reclassified to Profit or Loss

Currency Translation Differences

The currency translation differences arise from the translation of the financial statements of subsidiaries with a functional currency different from our Group's presentation currency. These currency translation differences may be reclassified to profit or loss upon the disposal of the relevant subsidiaries.

DESCRIPTION OF KEY CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS

The table below sets forth our consolidated statements of profit or loss and other comprehensive income for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Revenue	525,646	628,606	620,682	94,165	100,475
Cost of sales and services	(407,359)	(491,279)	(460,495)	(69,668)	(72,608)
Gross profit	**118,287**	**137,327**	**160,187**	**24,497**	**27,867**
Selling and marketing expenses	(97,424)	(101,824)	(117,269)	(27,372)	(19,675)
Research and development expenses	(54,057)	(41,697)	(50,513)	(11,932)	(8,986)
Administrative expenses	(39,826)	(89,659)	(92,986)	(26,061)	(14,402)
Net (provision)/reversal of impairment losses on financial assets	(1,022)	(7,333)	(8,284)	600	(288)
Other income	7,181	4,427	3,828	1,166	244
Other (losses)/gains, net	(12,323)	(761)	411	9	(481)
Operating loss	**(79,184)**	**(99,520)**	**(104,626)**	**(39,093)**	**(15,721)**
Finance cost, net	(39,773)	(11,156)	(2,330)	(745)	(972)
Loss before income tax from continuing operations	**(118,957)**	**(110,676)**	**(106,956)**	**(39,838)**	**(16,693)**
Income tax expenses	–	(547)	(1,290)	(725)	(435)
Loss from continuing operations	**(118,957)**	**(111,223)**	**(108,246)**	**(40,563)**	**(17,128)**
(Loss)/profit from discontinued operation	(1,108)	5,024	–	–	–
Loss for the year/period	**(120,065)**	**(106,199)**	**(108,246)**	**(40,563)**	**(17,128)**
Other comprehensive income:					
Items that may subsequently reclassified to profit or loss					
Currency translation differences	–	–	317	317	–
Total comprehensive loss for the year/period	**(120,065)**	**(106,199)**	**(107,929)**	**(40,246)**	**(17,128)**
Total comprehensive (loss)/profit for the year/period attributable to:					
Owners of the Company	(111,305)	(108,816)	(107,370)	(38,170)	(15,496)
Non-controlling interests	(8,760)	2,617	(559)	(2,076)	(1,632)
	(120,065)	**(106,199)**	**(107,929)**	**(40,246)**	**(17,128)**

Non-IFRS Measures

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) as additional financial measures, which is not required by, or presented in accordance with IFRS. We believe that this non-IFRS measure (i) facilitates comparisons of operating performance from period to period by eliminating potential impacts of non-cash, non-recurring or non-operating items, and (ii) provides useful information to investors in understanding and evaluating our results of operations in the same manner as it helps our management. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net loss (non-IFRS measure) as loss from continuing operations by adding back shared-based payment expenses, listing expenses, and net finance costs on redemption liabilities.

Share-based payment expenses are non-cash expenses arising from vesting share options to selected employees and transferring shares from our Shareholders to employees and other parties. Further, we also eliminated the potential impact of the listing expenses in connection with the Global Offering. Net finance costs on redemption liabilities refer to the expenses we incur related to the liabilities we have assumed for the redemption of these ordinary shares.

The following table reconciles our adjusted net losses (non-IFRS measure) and adjusted net loss margin (non-IFRS measure) for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	(RMB'000, except for percentages)				
				(Unaudited)	
Reconciliation of net loss to adjusted net loss (non-IFRS measure)					
Loss from continuing operations	**(118,957)**	**(111,223)**	**(108,246)**	**(40,563)**	**(17,128)**
Add:					
Share-based payment expenses	–	46,424	59,983	18,506	7,809
Listing expenses	–	20,037	16,789	3,208	2,156
Net finance costs on redemption liabilities	37,012	9,069	–	–	–
Adjusted net loss (non-IFRS measures) (unaudited)	**(81,945)**	**(35,693)**	**(31,474)**	**(18,849)**	**(7,163)**
Adjusted net loss margin (non-IFRS measures)	**(15.6%)**	**(5.7%)**	**(5.1%)**	**(20.0%)**	**(7.1%)**

Revenue

During the Track Record Period, we generated revenue from (i) sale of pharmaceutical and healthcare products and (ii) the provision of digital healthcare and wellness solutions. See "Business — Our Business Model — Our Monetization Model." The following table sets forth a breakdown of our revenue by business lines for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Sale of pharmaceutical and healthcare products	384,718	73.2%	451,044	71.7%	426,525	68.7%	62,698	66.6%	67,201	66.9%
Digital healthcare and wellness solutions	140,928	26.8%	177,562	28.3%	194,157	31.3%	31,467	33.4%	33,274	33.1%
Total	**525,646**	**100.0%**	**628,606**	**100.0%**	**620,682**	**100.0%**	**94,165**	**100.0%**	**100,475**	**100.0%**

Sale of Pharmaceutical and Healthcare Products

We engage in the sale of pharmaceutical and healthcare products under wholesale and retail models. Our revenue under the retail model is generated online, whereas the wholesale model primarily generates revenue from business customers offline. Our products primarily include pharmaceuticals, health and wellness products, as well as medical supplies and devices. See "Business — Our Product and Service Offerings — Sale of Pharmaceutical and Healthcare Products" for details. The following table sets forth a breakdown of our revenue from sale of pharmaceutical and healthcare products by sales model for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Wholesale model	303,951	79.0%	415,589	92.1%	402,920	94.5%	56,299	89.8%	64,552	96.1%
Retail model	80,767	21.0%	35,455	7.9%	23,605	5.5%	6,399	10.2%	2,649	3.9%
Total	**384,718**	**100.0%**	**451,044**	**100.0%**	**426,525**	**100.0%**	**62,698**	**100.0%**	**67,201**	**100.0%**

During the Track Record Period, revenue from sale of pharmaceutical and healthcare products accounted for a significant portion of our overall revenue with substantially all of such revenue generated under our wholesale model. Our wholesale model generally involves larger sales amounts and facilitates the sales of a greater number of products in a single transaction compared to our retail model. Revenue generated from the sale of pharmaceutical and healthcare products increased significantly from 2022 to 2023, primarily driven by the substantial growth of our wholesale model. However, revenue generated from this business line slightly decreased from 2023 to 2024, primarily due to declines in both the wholesale and retail models, which were adversely impacted by changes in market conditions and intensified competition during this period, such as the continued expansion of volume-based procurement policies. Our revenue from sale of pharmaceutical and healthcare products increased by 7.2% from RMB62.7 million for the three months ended March 31, 2024 to RMB67.2 million for the same period in 2025, primarily due to the increase in revenue generated from wholesale model, which was partially offset by the decrease in revenue generated from retail model.

The following table sets forth a breakdown of our revenue generated from wholesale of pharmaceutical and healthcare products by product types for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Pharmaceuticals	228,200	75.1%	292,837	70.5%	156,838	38.9%	17,608	31.3%	25,005	38.7%
Non-pharmaceuticals	75,751	24.9%	122,752	29.5%	246,082	61.1%	38,691	68.7%	39,547	61.3%
Total	**303,951**	**100.0%**	**415,589**	**100.0%**	**402,920**	**100.0%**	**56,299**	**100.0%**	**64,552**	**100.0%**

Prior to 2024, we generated a substantial portion of our revenue from pharmaceutical sales under the wholesale model. In 2024, we experienced a significant decline in the wholesale of pharmaceuticals, primarily due to our strategic adjustment in the product mix in response to changes in market demand and conditions during this year. For the three months ended March 31, 2025, non-pharmaceuticals continued to contribute a substantial portion of our wholesale model. See "Business — Our Product and Service Offerings — Sale of Pharmaceutical and Healthcare Products — Wholesale Model."

Our revenue from retail model decreased significantly from 2022 to 2023, mainly due to the temporary adverse effect brought by a legal proceeding involving our subsidiary, 160 Medicine, which primarily engaged in the retail of pharmaceutical and healthcare products. For details, see "Business — Compliance and Legal Proceedings — Legal Proceedings." The bank account of 160 Medicine had been restricted since November 2022, which was implemented as a litigation protective measure. The restricted bank account was 160 Medicine's principal bank account used in its daily operations. As a result of such restriction, 160 Medicine could neither purchase pharmaceutical and healthcare products from its suppliers nor can it receive any payment from its customers. To mitigate such adverse impact and resume the ordinary operations of our retail business, we acquired Hailiantang Pharmacy in late 2022, which possesses a retail pharmacy license (藥品零售資質), to carry out our retail of pharmaceutical and healthcare products. Nevertheless, as Hailiantang Pharmacy completed all requisite administrative procedures in March 2023 and it took some time to ramp-up, it had not yet achieved financial results in 2023 fully comparable to the historical financial performance of 160 Medicine.

We had settled the abovementioned legal proceeding with the plaintiff in December 2023, following which the bank account of 160 Medicine was released on December 11, 2023. As of the Latest Practicable Date, this legal proceeding was conclusively resolved as our settlement payment had been duly made. In addition, Hailiantang Pharmacy has been actively expanding its retail of pharmaceutical and healthcare products and has achieved stable operations since its commencement of operations. In light of the above, our Directors believe that the legal proceeding involving 160 Medicine would not have any material adverse impact on our overall business operation and financial performance.

Our revenue from retail model decreased by 33.4% from RMB35.5 million for the year ended December 31, 2023 to RMB23.6 million in 2024, and further declined by 58.6% from RMB6.4 million in the three months ended March 31, 2024 to RMB2.6 million in the same period in 2025. The decline was primarily due to the increasingly intense competition in the industry beginning in 2024. Major e-commerce platforms began allowing merchants to join and commence retail of pharmaceutical and healthcare products in late 2023, bringing competition pressure on companies engaged in similar businesses, and in turn reducing their sales.

Digital Healthcare and Wellness Solutions

Our digital healthcare and wellness solutions encompass a range of services aimed at different customer types, mainly including (i) online marketing solutions for medical and healthcare institutions and third-party merchants, (ii) digital hospital solutions for medical and healthcare institutions, and (iii) online healthcare services for individual users. The table below sets forth a breakdown of our revenue from digital healthcare and wellness solutions by service types for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Online marketing solutions	84,424	59.9%	98,480	55.5%	118,507	61.0%	22,318	70.9%	23,482	70.6%
Digital hospital solutions	50,081	35.5%	72,018	40.6%	69,289	35.7%	7,724	24.5%	7,860	23.6%
Online healthcare services	3,335	2.4%	3,614	2.0%	3,128	1.6%	810	2.6%	628	1.9%
Others[(1)]	3,088	2.2%	3,450	1.9%	3,233	1.7%	615	2.0%	1,304	3.9%
Total	**140,928**	**100.0%**	**177,562**	**100.0%**	**194,157**	**100.0%**	**31,467**	**100.0%**	**33,274**	**100.0%**

Note:

(1) Others mainly comprise customized technical services provided to medical and healthcare institutions and membership programs provided to individual users.

During the Track Record Period, a significant portion of our revenue from digital healthcare and wellness solutions was derived from online marketing solutions, which comprise marketplace solutions and online advertising solutions. By providing marketplace solutions, we earned fixed subscription fees and performance-based commission fees from medical and healthcare institutions, as well as marketplace commission fees from third-party merchants. Through providing online advertising solutions, we primarily charged medical and healthcare institutions fixed advertising fees. Furthermore, we also earned from digital hospital solutions by charging medical and healthcare institutions software purchase fees and technical service fees. To a lesser extent, we generated revenue from online healthcare services by charging registered physicians pre-agreed rate commission fees. See "Business — Our Business Model — Our Monetization Model" for more details.

Our revenue from providing digital healthcare and wellness solutions increased by 26.0% from RMB140.9 million in 2022 to RMB177.6 million in 2023, primarily driven by the expansion of our digital hospital solution business. The growth in revenue from our digital hospital solutions was primarily due to more sales and delivery of digital hospital solutions in 2023, mainly attributable to our enhanced sales and marketing activities. Our revenue from digital healthcare and wellness solutions saw an increase of 9.3%, rising from RMB177.6 million in 2023, to RMB194.2 million in 2024. This increase was primarily attributable to an increase in online marketing solutions, which resulted from our strategic shift in this business line, focusing on the promotion of *160 Cloud Hospital* during this period. The number of subscribing medical and healthcare institutions increased from 1,294 as of December 31, 2023 to 1,330 as of December 31, 2024. Our revenue from digital healthcare and wellness solutions increased by 5.7% from RMB31.5 million for the three months ended March 31, 2024 to RMB33.3 million for the same period in 2025. This growth was primarily driven by higher revenue from online marketing solutions, attributable to (a) an increase in the number of paying institutions from 1,193 to 1,735, resulting from our continued promotion of *160 Cloud Hospital*, and (b) a rise in the average contract value from RMB58.8 thousand to RMB61.4 thousand over the same period.

Cost of Sales and Services

Cost of Sales and Services Breakdown by Nature

Our cost of sales and services mainly consists of cost of inventory, technical service fees, employee benefit expenses, and logistic fees. The following table sets forth a breakdown of our cost of sales and services by nature for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Cost of inventory	364,779	89.5%	440,765	89.7%	419,442	91.1%	61,134	87.8%	66,165	91.1%
Technical service fees	21,618	5.3%	28,405	5.8%	17,497	3.8%	3,491	5.0%	1,634	2.2%
Employee benefit expenses	11,702	2.9%	14,542	3.0%	16,406	3.6%	3,860	5.6%	3,765	5.2%
Logistic fees	2,095	0.5%	964	0.2%	706	0.1%	175	0.3%	57	0.1%
Others(1)	7,165	1.8%	6,603	1.3%	6,444	1.4%	1,008	1.3%	987	1.4%
Total	**407,359**	**100.0%**	**491,279**	**100.0%**	**460,495**	**100.0%**	**69,668**	**100.0%**	**72,608**	**100.0%**

Note:

(1) Others mainly include traveling expenses, taxes, provision for impairment of inventories and depreciation costs.

Our cost of inventory represents costs incurred for products purchased from third-party suppliers, including pharmaceuticals, healthcare and wellness products, and medical supplies and devices, which contributed to 89.5%, 89.7%, 91.1%, 87.8% and 91.1% of our total cost of sales and services in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Movements in our cost of inventory were broadly aligned with the sales performance of pharmaceutical and healthcare products during the Track Record Period.

Our technical service fees mainly represent technical development outsourcing fees paid to third-party suppliers for our digital healthcare and wellness solutions. For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, our technical service fees amounted to RMB21.6 million, RMB28.4 million, RMB17.5 million, RMB3.5 million and RMB1.6 million, respectively, representing 5.3%, 5.8%, 3.8%, 5.0% and 2.2% of our cost of sales and services for the corresponding periods, respectively. The increase in technical service fees from 2022 to 2023 primarily correlated with the increase in revenue from online marketing solutions, which incurred expenses associated with technical support or marketing channels provided by third parties. The decrease in technical service fees from 2023 to 2024 was primarily attributable to reduced demand for third-party technical services, which was in line with the decline in revenue from digital hospital solutions during the same period. The decrease in technical service fees for the three months ended March 31, 2025 as compared with those for the same period in 2024 was primarily attributable to (i) reduced promotional activities via SMS for our online advertising solutions, and (ii) lower demand for outsourced technical services for digital hospital solutions, as we acquired certain in-house capabilities following improvements in our R&D capacity.

Our logistic fees mainly represent the costs incurred for delivery of our pharmaceutical and healthcare products, particularly under retail model. Our logistic fees amounted to RMB2.1 million, RMB1.0 million, RMB0.7 million, RMB0.2 million and RMB57.0 thousand for the years ended December 31, 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. Our logistic fees decreased during the Track Record Period, in terms of both absolute amount and percentage, mainly because we engaged a new logistic service provider for product delivery offering more competitive pricing and settlement terms in late 2021 as part of our efforts to enhance cost control.

Cost of Sales and Services Breakdown by Business Line

The following table sets forth a breakdown of our cost of sales and services by business line for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Sale of pharmaceutical and healthcare products	369,068	90.6%	442,292	90.0%	420,372	91.3%	61,321	88.0%	66,261	91.3%
Digital healthcare and wellness solutions	38,291	9.4%	48,987	10.0%	40,123	8.7%	8,347	12.0%	6,347	8.7%
Total	**407,359**	**100.0%**	**491,279**	**100.0%**	**460,495**	**100.0%**	**69,668**	**100.0%**	**72,608**	**100.0%**

During the Track Record Period, fluctuations in our cost of sales and services generally corresponded with changes in revenue from the sale of pharmaceutical and healthcare products.

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit and gross profit margin by business lines for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000, except for percentages)									
							(Unaudited)			
Sale of pharmaceutical and healthcare products	15,650	4.1%	8,752	1.9%	6,153	1.4%	1,377	2.2%	939	1.4%
Digital healthcare and wellness solutions . .	102,637	72.8%	128,575	72.4%	154,034	79.3%	23,120	73.5%	26,928	80.9%
Total	**118,287**	**22.5%**	**137,327**	**21.8%**	**160,187**	**25.8%**	**24,497**	**26.0%**	**27,867**	**27.7%**

During the Track Record Period, our gross profit margin fluctuated primarily due to changes in our revenue mix and the difference in the gross profit margins of different business lines. In general, the gross profit margin of sale of pharmaceutical and healthcare products is significantly lower than that of our digital healthcare and wellness solutions due to their different business nature and cost structures. Our gross profit margin slightly decreased from 22.5% in 2022 to 21.8% in 2023. This decline occurred despite our revenue growth from 2022 to 2023 and was primarily due to an enlarging proportion of our revenue derived from sale of pharmaceutical and healthcare products, especially those from the wholesale model that accounted for 57.8% and 66.1% of our total revenue during the corresponding years, respectively. Our gross profit margin increased from 21.8% in 2023 to 25.8% in 2024, primarily attributable to (i) a shift in revenue mix toward our higher-margin solution business, the revenue contribution of which increased from 28.3% in 2023 to 31.3% in 2024; and (ii) an improvement in the gross profit margin of our solution business, which rose from 72.4% in 2023 to 79.3% in 2024. Our gross profit margin increased from 26.0% for the three months ended March 31, 2024 to 27.7% for the same period in 2025, primarily due to the increase in gross profit margin of digital healthcare and wellness solutions as discussed below.

Sale of Pharmaceutical and Healthcare Products

The gross profit margin of our sale of pharmaceutical and healthcare products was 4.1%, 1.9%, 1.4%, 2.2% and 1.4% in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. The following table sets forth the gross profit and gross profit margin of sale of pharmaceutical and healthcare products by sales model for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000, except for percentage)									
							(Unaudited)			
Wholesale model	9,140	3.0%	4,260	1.0%	3,622	0.9%	317	0.6%	368	0.6%
Retail model	6,510	8.1%	4,492	12.7%	2,531	10.7%	1,060	16.6%	571	21.5%
Total	**15,650**	**4.1%**	**8,752**	**1.9%**	**6,153**	**1.4%**	**1,377**	**2.2%**	**939**	**1.4%**

Except in 2022 when we sold under wholesale model a larger quantity of certain medical devices for surgery use, which had a relatively higher gross profit margin, the gross profit margin of our sale of pharmaceutical and healthcare products was generally lower when we generated higher proportion of revenue under wholesale model, and *vice versa*. Compared to retail model, the wholesale model is characterized by lower gross profit margin but larger purchase quantity in each order, which is in line with the industry norm as confirmed by Frost & Sullivan. The gross profit margin of retail model fluctuated from 2022 to 2024 primarily due to the strategic adjustment in product selection and promotional campaigns held over the periods. The gross profit margin of retail model increased from 16.6% for the three months ended March 31, 2024 to 21.5% for the same period in 2025, primarily due to strategic adjustments in product mix, concentrating on selling products with higher gross profit margin.

Digital Healthcare and Wellness Solutions

During the Track Record Period, digital healthcare and wellness solutions made up the majority of our total gross profit, consistently maintaining a gross profit margin of over 70.0%.

The following table sets forth the gross profit and gross profit margin of digital healthcare and wellness solutions by sub-business lines for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	(RMB'000, except for percentage)									
							(Unaudited)			
Digital hospital solutions	26,243	52.4%	38,740	53.8%	41,667	60.1%	3,082	39.9%	3,591	45.7%
Platform-related business[1]	76,394	84.1%	89,835	85.1%	112,367	90.0%	20,038	84.4%	23,337	91.8%
Total	**102,637**	**72.8%**	**128,575**	**72.4%**	**154,034**	**79.3%**	**23,120**	**73.5%**	**26,928**	**80.9%**

Note:

(1) Platform-related business encompasses online marketing solutions, online healthcare services and other services provided on the *Healthcare 160 Platform*, which adopts a centralized and integrated operational framework and shared cost structure.

During the Track Record Period, platform-related business contributed the majority of gross profit of digital healthcare and wellness solutions, consistently achieving a gross profit margin of over 80.0%.

The gross profit margin of digital healthcare and wellness solutions remained relatively stable at 72.8% and 72.4% in 2022 and 2023, respectively.

The gross profit margin for our digital healthcare and wellness solutions increased from 72.4% in 2023, to 79.3% in 2024. This improvement was primarily driven by higher gross profit margins in both digital hospital solutions and platform-related business, resulting from (i) increased revenue from platform-related services due to a growing number of subscribing medical and healthcare institutions on *160 Cloud Hospital*, (ii) relatively stable platform maintenance costs, and (iii) a reduction in technical service fees for digital hospital solutions, reflecting evolving project demands.

The gross profit margin for our digital healthcare and wellness solutions increased from 73.5% for the three months ended March 31, 2024 to 80.9% for the same period in 2025. This improvement was primarily attributable to higher gross margins across both our digital hospital solutions and platform-related services, driven by: (i) lower technical service expenses for digital hospital solutions and online advertising solutions; and (ii) the enlarging portion of revenue generated from high-margin platform-related business.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) employee benefit expenses, (ii) marketing and advertisement expenses, representing expenses paid to third-party marketing channels mainly for the promotion of our digital healthcare and wellness solutions, (iii) depreciation and amortization expenses, (iv) business development and travel expenses, (v) selling expenses for pharmaceutical and healthcare products, representing platform usage fees paid to third-party e-commerce platforms and warehousing fees paid to third-party supply chain companies for warehousing services, and (vi) office expenses. The table below sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Employee benefit expenses	58,704	60.3%	72,098	70.8%	88,779	75.7%	22,902	83.7%	15,285	77.7%
Marketing and advertisement expenses	18,966	19.5%	10,265	10.1%	9,332	8.0%	1,245	4.5%	667	3.4%
Depreciation and amortization expenses	4,188	4.3%	5,492	5.4%	4,250	3.6%	268	1.0%	1,172	6.0%
Business development and travel expenses	5,062	5.2%	5,402	5.3%	5,016	4.3%	922	3.4%	1,722	8.8%
Selling expenses for pharmaceutical and healthcare products	4,602	4.7%	3,049	3.0%	2,886	2.5%	214	0.8%	397	2.0%
Office expenses	945	1.0%	702	0.7%	1,214	1.0%	135	0.5%	146	0.7%
Others[(1)]	4,957	5.0%	4,816	4.7%	5,792	4.9%	1,686	6.1%	286	1.4%
Total	**97,424**	**100.0%**	**101,824**	**100.0%**	**117,269**	**100.0%**	**27,372**	**100.0%**	**19,675**	**100.0%**

Note:

(1) Others mainly include conference expenses, transportation fees and other miscellaneous expenses.

From 2022 to 2023, our selling and marketing expenses increased from RMB97.4 million in 2022 to RMB101.8 million in 2023, primarily driven by increasing employee benefit expenses. The increase in employee benefit expenses from 2022 to 2023 was primarily related to share-based payment expenses, stemming from share incentives awarded to some sales and marketing employees under the Pre-IPO Share Option Scheme. Our selling and marketing expenses increased by 15.2% from RMB101.8 million in 2023 to RMB117.3 million in 2024, primarily driven by an increase in employee benefit expenses of RMB16.7 million, mainly due to (i) share-based payment expenses of RMB32.2 million for share incentives awarded to certain sales and marketing staff under the Pre-IPO Share Option Scheme, and (ii) the expansion of our sales and marketing team. For details of share-based payment expenses, see Note 28 to the Accountant's Report in Appendix I to this prospectus. Our selling and marketing expenses decreased by 28.1% from RMB27.4 million for the three months ended March 31, 2024 to RMB19.7 million for the same period in 2025, primarily due to (i) a decrease of RMB7.6 million in employee benefit expenses, reflecting the effects of our streamlined sales team; and (ii) a decrease of RMB1.4 million in others, particularly conference expenses, as a result of strengthened expense control measures. Such decrease was partially offset by (i) an increase of RMB0.9 million in depreciation and amortization expenses. While the early termination of certain lease contracts in the first quarter of 2025 led to a reduction in overall amortization, the effect was outweighed by a higher allocation to the selling and marketing function, as the proportion of our marketing personnel rose relative to total headcount compared with the same period in 2024; and (ii) an increase of RMB0.8 million in business development and travel expenses, as we strengthened our business development efforts by attending more industry conferences in the first quarter of 2025.

Research and Development Expenses

Our research and development expenses primarily consist of employee benefit expenses and depreciation and amortization expenses in relation to our R&D equipment. The table below sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Employee benefit expenses	47,852	88.6%	38,697	92.8%	46,990	93.0%	11,351	95.1%	7,990	88.9%
Depreciation and amortization expenses	3,045	5.6%	1,519	3.6%	2,378	4.7%	201	1.7%	517	5.8%
Others[(1)]	3,160	5.8%	1,481	3.6%	1,145	2.3%	380	3.2%	479	5.3%
Total	**54,057**	**100.0%**	**41,697**	**100.0%**	**50,513**	**100.0%**	**11,932**	**100.0%**	**8,986**	**100.0%**

Note:

(1) Others mainly include technical service fees and office expenses for our R&D department.

We have been continuously investing in research and development. Our research and development expenses decreased by 22.9% from RMB54.1 million in 2022 to RMB41.7 million in 2023, primarily due to a decrease in our employee benefit expenses of RMB9.2 million, resulting from the structure adjustment of our R&D team since the end of 2022. As we had completed the development of *160 Cloud Hospital* with standardized functions by the end of 2022, we laid off certain R&D workforce focusing on this development. However, we do not expect this adjustment to affect the ongoing service maintenance or operational efficiency of *160 Cloud Hospital*, as we retained a dedicated team of R&D staff to handle its maintenance, updates, and feature enhancements. Our research and development expenses increased by 21.1% from RMB41.7 million in 2023 to RMB50.5 million in 2024, primarily due to the increasing employee benefit expenses as a result of (i) the share-based payment expenses for share incentives awarded to certain R&D staff under the Pre-IPO Share Option Scheme, and (ii) the expansion of our R&D team to support the development of new features on the *Healthcare 160 Platform*. Our research and development expenses decreased by 24.7% from RMB11.9 million for the three months ended March 31, 2024 to RMB9.0 million for the same period in 2025, primarily due to a RMB3.4 million reduction in employee benefit expenses, which reflected the streamlining of our R&D team.

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses, (ii) share-based payment expenses, mainly representing the difference between the fair value of shares transferred among certain shareholders on the transaction date and the corresponding cash consideration, (iii) listing expenses, (iv) business development and travel expenses, (v) professional service fees, representing expenses incurred for third-party professional services in relation to Pre-IPO Investments, (vi) office expenses, and (vii) depreciation and amortization expenses. The table below sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Employee benefit expenses	21,943	55.1%	24,164	27.0%	28,751	30.9%	7,217	27.7%	6,478	45.0%
Share-based payment expenses	–	–	21,224	23.7%	23,888	25.7%	7,203	27.6%	2,676	18.6%
Listing expenses	–	–	20,037	22.3%	16,789	18.0%	3,208	12.3%	2,156	15.0%
Business development and travel expenses	5,529	13.9%	8,871	9.9%	6,566	7.1%	2,574	9.9%	850	5.9%
Professional service fees	2,624	6.6%	4,766	5.3%	6,163	6.6%	817	3.1%	891	6.2%

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
Office expenses	4,465	11.2%	4,504	5.0%	3,803	4.1%	881	3.4%	505	3.5%
Depreciation and amortization expenses	2,363	5.9%	2,520	2.8%	3,047	3.3%	3,153	12.1%	628	4.4%
Others[(1)]	2,902	7.3%	3,573	4.0%	3,979	4.3%	1,008	3.9%	218	1.4%
Total	**39,826**	**100.0%**	**89,659**	**100.0%**	**92,986**	**100.0%**	**26,061**	**100.0%**	**14,402**	**100.0%**

Note:

(1) Others mainly include short-term conference room rentals, miscellaneous conference expenses, tolls and vehicle costs.

Our administrative expenses significantly increased from RMB39.8 million in 2022 to RMB89.7 million in 2023, which was primarily attributed to (i) share-based payment expenses amounting to RMB21.2 million, stemming from share incentives granted to our administrative team under the Pre-IPO Share Option Scheme in 2023, and (ii) listing expenses of RMB20.0 million associated with the Global Offering. Our administrative expenses remained relatively stable at RMB89.7 million in 2023 and RMB93.0 million in 2024. The decrease in administrative expenses from RMB26.1 million for the three months ended March 31, 2024 to RMB14.4 million for the corresponding period in 2025 was primarily due to (i) a RMB4.5 million reduction in share-based payment expenses, (ii) a RMB2.5 million decrease in depreciation and amortization expenses, primarily due to the early termination of a lease contract, which reduced the allocation of right-of-use asset amortization compared with the same period in 2024, and (iii) a RMB1.7 million decrease in business development and travel expenses, mainly attributable to the implementation of streamlined travel policies to curb non-essential business trips.

Net (Provision)/Reversal of Impairment Losses on Financial Assets

We assess the expected credit losses associated with our debt instruments carried at amortized cost on a forward-looking basis. For trade receivables, we apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. Impairment on deposits and other receivables is measured either as 12-month expected credit losses or lifetime expected credit losses, depending on the increase in credit risk since their initial recognition. If there has been a significant increase in the credit risk of deposits or other receivables since their initial recognition, their impairment is measured as lifetime expected credit losses.

Our net (provision)/reversal of impairment losses on financial assets mainly refer to (i) provisions for or reversal of impairment losses on trade receivables and (ii) provisions for impairment losses on deposits and other receivables (excluding prepayments), based on expected credit losses. The following table sets forth a breakdown of our net provision/reversal of impairment losses on financial assets for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	**2023**	**2024**	**2024**	**2025**
			(RMB'000)		
				(Unaudited)	
Net (provision)/reversal of impairment losses on trade receivables	(770)	(7,325)	(8,186)	689	(197)
Net (provision) of impairment losses on deposits and other receivables	(252)	(8)	(98)	(89)	(91)
Total	**(1,022)**	**(7,333)**	**(8,284)**	**600**	**(288)**

During the Track Record Period, our net impairment losses on financial assets were primarily provisions for expected credit loss ("**ECL**") on our trade receivables in the ordinary course of business, with subsequent recoveries of amounts previously written off credited as reversal on trade receivables. Our net impairment losses significantly increased from RMB1.0 million in 2022 to RMB7.3 million in 2023, primarily due to (i) an increase in the gross carrying amounts of trade receivables as of December 31, 2023, in line with our revenue growth, and (ii) the rise in ECL rate as of December 31, 2023, attributable to accounting for forward-looking macroeconomic factors and the non-recovery of trade receivables due from certain customers. Our net impairment losses increased by 13.0% from RMB7.3 million in 2023 to RMB8.3 million in 2024, primarily due to (i) an increase in the gross carrying amounts of trade receivables as of December 31, 2024, and (ii) a lengthening of the aging profile of receivables from certain customers of digital hospital solutions. Based on a prudent assessment of the credit risk of these customers, we made additional impairment provisions during the year. We recorded a reversal of impairment losses on financial assets of RMB0.6 million for the three months ended March 31, 2024, while recorded net impairment losses of RMB0.3 million for the same period in 2025, primarily due to a reversal of impairment losses on trade receivables of RMB0.7 million in the three months ended March 31, 2024, as we recovered certain trade receivables that had been previously provided for credit-impaired.

Other Income

Our other income comprises (i) value-added tax ("**VAT**") refund and VAT deduction, mainly for the software components incorporated into our digital hospital solutions, and (ii) government grants, mainly representing discretionary research and development subsidies awarded by local governments to us, either based on specific R&D projects or the High and New Technology Enterprise ("**HNTE**") statuses of some of our subsidiaries. The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,						Three months ended March 31,			
	2022		2023		2024		2024		2025	
	(RMB'000, except for percentages)									
							(Unaudited)			
VAT refund and VAT deduction	3,958	55.1%	3,078	69.5%	2,421	63.2%	4	0.3%	1	0.4%
Government grants	3,223	44.9%	1,349	30.5%	1,407	36.8%	1,162	99.7%	243	99.6%
Total	**7,181**	**100.0%**	**4,427**	**100.0%**	**3,828**	**100.0%**	**1,166**	**100.0%**	**244**	**100.0%**

During the Track Record Period, the decrease in VAT refund and VAT deduction was primarily due to the decrease in the amount of VAT payable for the software components incorporated into our digital hospital solutions, which were eligible for refund and deduction immediately after payment of VAT (VAT即徵即退) pursuant to favorable government policies. The fluctuation in government grants was primarily attributable to the number of projects or subsidiaries eligible for such grants in each period, which was determined at the discretion of local governments.

Other (Losses)/Gains, Net

Our net other losses/gains comprise (i) provision for litigation loss, (ii) net losses on disposal of property and equipment, representing gains or losses we recorded when disposing of certain office equipment, (iii) net exchange losses/gains, resulting from the depreciation or appreciation of proceeds denominated in U.S. dollars from Pre-IPO Investment, (iv) net gains or losses on termination of right-of-use assets, representing gains from rent concessions and losses from early termination of leased properties, and (v) others. The following table sets forth a breakdown of our net other losses/gains for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Provision for litigation loss	(12,400)	(385)	–	–	–
Net losses on disposal of property and equipment	(2)	(26)	(9)	–	(12)
Net exchange (losses)/gains	–	(330)	418	–	–
Net gains/(losses) on early termination of leases	16	–	(2)	–	(520)
Others[1]	63	(20)	4	9	51
Total	**(12,323)**	**(761)**	**411**	**9**	**(481)**

Note:

(1) Others mainly include losses from closure of pharmacies and losses due to suppliers' defaults in delivering products ordered and paid.

In 2022 and 2023, provision for litigation loss accounted for most of our other losses, stemming from a legal proceeding relating to 160 Medicine. For details, see "Business — Compliance and Legal Proceedings — Legal Proceedings" and Note 31(ii) to the Accountant's Report set out in Appendix I to this prospectus. We fully settled the legal proceeding involving 160 Medicine with the plaintiff and ceased to make provision for litigation loss in 2024. We recorded net other losses in the three months ended March 31, 2025, primarily due to the net losses on early termination of leases, mainly as a result of our early termination of a leased office in the first quarter of 2025.

Finance Cost, Net

Our net finance cost mainly represents our interest income on bank deposits and others and interest income on loans to related parties, offset by (i) interest expenses on redemption liabilities, (ii) interest expenses on bank and other borrowings, and (iii) interest expenses on lease liabilities. The following table sets forth a breakdown of our net finance costs for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Finance income					
Interest income on bank deposits	371	210	42	20	2
Interest income on loans to related parties	–	–	1,284	–	419
Total finance income	**371**	**210**	**1,326**	**20**	**421**
Finance cost					
Interest expenses on redemption liabilities	(37,012)	(9,069)	–	–	–
Interest expenses on bank and other borrowings	(2,065)	(1,463)	(2,200)	(374)	(1,060)
Interest expenses on lease liabilities	(1,067)	(834)	(1,456)	(391)	(333)
Total finance cost	**(40,144)**	**(11,366)**	**(3,656)**	**(765)**	**(1,393)**
Finance cost, net	**(39,773)**	**(11,156)**	**(2,330)**	**(745)**	**(972)**

Our net finance cost decreased significantly from RMB39.8 million in 2022 to RMB11.2 million in 2023, and further to RMB2.3 million in 2024. The decrease was primarily due to the decline in our interest expenses on redemption liabilities during the Track Record Period, which accounted for 92.2%, 79.8% and nil of our total finance costs for the years ended December 31, 2022, 2023 and 2024, respectively. Redemption liabilities represent the ordinary shares of our Group with redemption rights held by certain investors and are initially measured at the present value of the amount expected to be paid to the investors upon redemption, with subsequent changes in the carrying amount charged to finance costs. Accordingly, our interest expenses on redemption liabilities reflect the accrual of interests on the original investment principal in a year plus changes in the carrying amount of redemption liabilities at the end of each reporting year. For details, see Notes 3.3 and 32 to the Accountant's Report in Appendix I to this prospectus. Our net finance cost increased from RMB0.7 million for the three months ended March 31, 2024 to RMB1.0 million for the same period in 2025, primarily due to the increase in interest expenses on bank and other borrowings of RMB0.7 million, as a result of our increased bank borrowings obtained in the first quarter of 2025.

Income Tax Expenses

For the year ended December 31, 2022, we recorded nil income tax expenses, as we recorded loss before income tax from continuing operations for the same year. For the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025, we incurred income tax expenses of RMB0.5 million, RMB1.3 million, RMB0.7 million and RMB0.4 million, respectively, primarily due to taxable income recorded by our subsidiary, Blue Dragonfly Internet, which provides digital hospital solutions.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are domiciled and operate. The following summarizes the major factors affecting our applicable tax rates in the Cayman Islands, BVI, Mainland China and Hong Kong.

Cayman Islands and BVI

Pursuant to the laws and regulations of the Cayman Islands, we are not subject to any income tax in the Cayman Islands. Furthermore, our group entities incorporated or registered under the Business Companies Act of BVI are exempted from BVI income tax pursuant to the current laws of the BVI.

Mainland China

Pursuant to the PRC Corporate Income Tax Law, 160 Medicine was subject to corporate income tax rate of 25%. Ruiwentai Medicine and Chongqing Pengyu were recognized as small-scale entities and entitled to a preferential income tax of 2.5% in 2022, and were subject to the normal income tax rate of 25% starting from 2023. In addition, Shenzhen Ningyuan was recognized as a HNTE and was entitled to a preferential income tax rate of 15% during the Track Record Period. Furthermore, Blue Dragonfly Internet met the requirements of certain PRC laws and regulations as a software enterprise, thereby eligible for a tax exemption in 2021 and a preferential income tax rate of 12.5% from 2022 to 2024, subject to renewal in 2025. Blue Dragonfly was recognized as a HNTE and was entitled to a preferential income tax rate of 15% from 2025. 160 Internet and Zhejiang Renren'ai qualified as a small-scale entity with a preferential income tax rate of 2.5% in 2022 and 5% in 2023 but transitioned to the standard 25% tax rate in 2024. Weikang Zhiyuan was subject to a preferential income tax rate of 2.5% in 2022 and 5% in 2023 as a small-scale taxpayer, became eligible for a preferential income tax rate of 15% as a HNTE.

Except for entities mentioned above, all other subsidiaries of our Group in the PRC were granted certain tax concessions for small scale entities by tax authorities in the PRC and enjoyed reduced tax rates ranging from 2.5% to 10.0% during the Track Record Period.

Hong Kong

Under the two-tiered profits tax rates regime, the qualifying group entities' first HK$2 million of profits will be taxed at 8.25%, while profits exceeding HK$2 million will be taxed at 16.5%. Non-qualifying group entities will continue to be taxed at a flat rate of 16.5%. Accordingly, our subsidiaries incorporated in Hong Kong were subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the relevant periods. No Hong Kong profit tax was provided as there was no estimated assessable profit in Hong Kong during the Track Record Period.

Loss from Continuing Operations

As a result of the foregoing, we recorded loss from continuing operations of RMB119.0 million, RMB111.2 million, RMB108.2 million, RMB40.6 million and RMB17.1 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

Loss from Discontinued Operation

An increase in online marketing solutions, which resulted from our strategic shift in this business line, focusing on the promotion of *160 Cloud Hospital* during this period. The number of subscribing medical and healthcare institutions increased from 1,294 as of December 31, 2023 to 1,330 as of December 31, 2024. On January 13, 2023, we transferred all our equity interest in Jiangsu Huiyi to an Independent Third Party in order to focus our resources on core business. See "History, Reorganization and Corporate Structure — Corporate Reorganization — Onshore Reorganization — 6. Disposal of Jiangsu Huiyi."

Loss from discontinued operations represents the net loss that we recorded for the operation of Jiangsu Huiyi during the Track Record Period. For the year ended December 31, 2022, our loss from discontinued operations was RMB1.1 million. We recorded profit from the discontinued operation of RMB5.0 million in 2023, which was gain on disposal of Jiangsu Huiyi in January 2023. Following such disposal, we did not record any profit or loss from discontinued operation for the year ended December 31, 2024 and the three months ended March 31, 2024 and 2025, respectively. For further financial information on the disposed subsidiary, see Note 15 to the Accountant's Report in Appendix I to this prospectus.

Loss for the Period

As a result of the foregoing, we recorded loss for the period of RMB120.1 million, RMB106.2 million, RMB108.2 million, RMB40.6 million and RMB17.1 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2025

Revenue

Our revenue increased by 6.7% from RMB94.2 million for the three months ended March 31, 2024 to RMB100.5 million for the same period in 2025. This growth was primarily driven by the positive performance of both our digital healthcare and wellness solutions and sale of pharmaceutical and healthcare products.

Revenue generated from our sale of pharmaceutical and healthcare products increased by 7.2% from RMB62.7 million for the three months ended March 31, 2024 to RMB67.2 million for the same period in 2025. This growth was primarily driven by an increase of RMB8.3 million in revenue generated from wholesale model, where non-pharmaceuticals continued to contribute a substantial portion. This growth was partially offset by a decrease of RMB3.7 million in revenue generated from retail model, primarily due to the increasingly intense competition in the industry beginning in 2024. Major e-commerce platforms began allowing merchants to join and commence retail of pharmaceutical and healthcare products in late 2023, bringing competition pressure on companies engaged in similar businesses, and in turn reducing their sales.

Revenue generated from our digital healthcare and wellness solutions increased by 5.7% from RMB31.5 million for the three months ended March 31, 2024 to RMB33.3 million for the same period in 2025. This growth was primarily driven by higher revenue from online marketing solutions, attributable to (a) an increase in the number of paying institutions from 1,193 to 1,735 resulting from our continued promotion of *160 Cloud Hospital*, and (b) a rise in the average contract value from RMB58.8 thousand to RMB61.4 thousand over the same period.

Cost of Sales and Services

Our cost of sales and services increased by 4.2% from RMB69.7 million for the three months ended March 31, 2024 to RMB72.6 million for the same period in 2025, generally in line with the growth in our revenue.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, our gross profit increased from RMB24.5 million for the three months ended March 31, 2024 to RMB27.9 million for the same period in 2025. Our gross profit margin increased from 26.0% for the three months ended March 31, 2024 to 27.7% for the same period in 2025, primarily attributable to the increase in gross profit margin of digital healthcare and wellness solutions as discussed below.

Sale of Pharmaceutical and Healthcare Products

The gross profit margin of sale of pharmaceutical and healthcare products decreased from 2.2% for the three months ended March 31, 2024 to 1.4% for the same period in 2025, primarily due to a higher revenue contribution from the wholesale model, which carries a significantly lower gross profit margin compared to the retail model. Revenue from the wholesale model increased from 89.8% to 96.1% of total sales over the same periods, with its gross profit margin remaining relatively stable at 0.6% and 0.6%, respectively.

By contrast, the gross profit margin of retail model increased from 16.6% for the three months ended March 31, 2024 to 21.5% for the same period in 2025, primarily due to strategic adjustments in product mix, concentrating on selling products with higher gross profit margin. However, given its relatively small share of total revenue, the improvement in gross profit margin of retail model had limited impact on the overall gross profit margin of this business line.

Digital Healthcare and Wellness Solutions

The gross profit margin for our digital healthcare and wellness solutions increased from 73.5% for the three months ended March 31, 2024 to 80.9% for the same period in 2025. This improvement was primarily attributable to higher gross margins across both our digital hospital solutions and platform-related services, driven by: (i) lower technical service expenses (a) in online advertising solutions due to reduced SMS-based promotional activities, and (b) in digital hospital solutions as we brought certain technical functions in-house following the enhancement of our R&D capabilities; and (ii) the enlarging portion of revenue generated from high-margin platform-related business.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 28.1% from RMB27.4 million for the three months ended March 31, 2024 to RMB19.7 million for the same period in 2025, primarily due to (i) the decrease of RMB7.6 million in employee benefit expenses, reflecting the effects of our streamlined sales team; and (ii) the decrease of RMB1.4 million in others, particularly conference expenses, as a result of our strengthened expense control measures. Such decrease was partially offset by (i) an increase of RMB0.9 million in depreciation and amortization expenses. While the early termination of certain lease contracts in the first quarter of 2025 led to a reduction in overall amortization, the effect was outweighed by a higher allocation to the selling and marketing function, as the proportion of our marketing personnel rose relative to total headcount compared with the same period in 2024; and (ii) an increase of RMB0.8 million in business development and travel expenses, as we strengthened our business development efforts by attending more industry conferences in the first quarter of 2025.

Research and Development Expenses

Our research and development expenses decreased by 24.7% from RMB11.9 million for the three months ended March 31, 2024 to RMB9.0 million for the same period in 2025, primarily due to a RMB3.4 million reduction in employee benefit expenses, which reflected the streamlining of our R&D team.

Administrative Expenses

Our administrative expenses decreased by 44.7% from RMB26.1 million for the three months ended March 31, 2024 to RMB14.4 million for the same period in 2025, primarily due to (i) a RMB4.5 million reduction in share-based payment expenses, (ii) a RMB2.5 million decrease in depreciation and amortization expenses, primarily due to the early termination of a lease contract, which reduced the allocation of right-of-use asset amortization compared with the same period in 2024, and (iii) a RMB1.7 million decrease in business development and travel expenses, mainly attributable to the implementation of streamlined travel policies to curb non-essential business trips.

Other Income

Our other income decreased by 79.1% from RMB1.2 million for the three months ended March 31, 2024 to RMB0.2 million for the same period in 2025, primarily due to the decrease in government grant of RMB0.9 million as the one-off government grant related to industrial innovation received in the first quarter of 2024 did not continue in the first quarter of 2025.

Other (Losses)/Gains, Net

Our recorded net other gains of RMB9.0 thousand for the three months ended March 31, 2024 while recorded net other losses of RMB0.5 million for the same period in 2025, primarily due to the net losses on early termination of leases of RMB0.5 million, as a result of our early termination of a leased office in the first quarter of 2025.

Net Finance Cost

Our net finance cost increased by 30.5% from RMB0.7 million for the three months ended March 31, 2024 to RMB1.0 million for the same period in 2025, primarily due to the increase in interest expenses on bank and other borrowings of RMB0.7 million as a result of our increased bank borrowings obtained in the first quarter of 2025.

Income Tax Expense

Our income tax expenses decreased by 40.0% from RMB0.7 million for the three months ended March 31, 2024 to RMB0.4 million for the same period in 2025, primarily due to the decrease in the taxable income recorded by our subsidiary, Blue Dragonfly Internet, which provides digital hospital solutions.

Loss for the Period

As a result of the foregoing, our loss for the period narrowed by 57.8% from RMB40.6 million for the three months ended March 31, 2024 to RMB17.1 million for the same period in 2025.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2024

Revenue

Our revenue remained relatively stable at RMB628.6 million and RMB620.7 million in 2023 and 2024, respectively.

Revenue generated from our sale of pharmaceutical and healthcare products decreased by 5.4% from RMB451.0 million in 2023 to RMB426.5 million in 2024, primarily due to declines in both the wholesale and retail models, which were adversely affected by changing market conditions and intensified competition during the year. Revenue from our wholesale model declined in 2024, primarily as a result of ongoing structural changes in China's healthcare product distribution industry, including the continued expansion of volume-based procurement policies. As we operate as a pharmaceutical distributor rather than supplying products directly to hospitals, the deepening of volume-based procurement has shifted more procurement activities to direct transactions between public hospitals and manufacturers, thereby reducing the revenue opportunities and pricing flexibility for intermediaries such as us. Consequently, the number of purchase orders under our wholesale model decreased from 4,001 in 2023 to 1,949 in 2024. In addition, the average unit price of products sold under our wholesale model decreased from RMB52.4 in 2023 to RMB48.9 in 2024. Furthermore, our revenue from retail model also declined in 2024, as sales from our digital retail pharmacies were negatively impacted by heightened competition across major e-commerce platforms, which placed pressure on traffic acquisition and product pricing.

Revenue generated from our digital healthcare and wellness solutions increased by 9.3% from RMB177.6 million in 2023 to RMB194.2 million in 2024, primarily driven by the increase in revenue from online marketing solutions, as we prioritized this business line, focusing on the promotion of *160 Cloud Hospital* during this year. The number of subscribing medical and healthcare institutions increased from 1,294 as of December 31, 2023 to 1,330 as of December 31, 2024.

Cost of Sales and Services

Our cost of sales and services decreased slightly by 6.3% from RMB491.3 million in 2023 to RMB460.5 million in 2024, primarily due to a decrease of RMB21.3 million in cost of inventory. This decrease was largely attributable to, and consistent with, the decline in the wholesale of pharmaceutical and healthcare products.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, our gross profit increased from RMB137.3 million in 2023 to RMB160.2 million in 2024. Our gross profit margin increased from 21.8% in 2023 to 25.8% in 2024, primarily attributable to (i) an increase in the proportion of revenue from digital healthcare and wellness solutions, which rose from 28.3% in 2023 to 31.3% in 2024, the gross profit margin of which is higher compared to that of sale of pharmaceutical and healthcare products due to their business nature and cost structure; and (ii) an improvement in the gross profit margin of our digital healthcare and wellness solutions, which rose from 72.4% in 2023 to 79.3% in 2024 as discussed below.

Sale of Pharmaceutical and Healthcare Products

The gross profit margin of our sale of pharmaceutical and healthcare products decreased from 1.9% in 2023 to 1.4% in 2024, primarily driven by the reduced gross profit margin for retail of these products. The decrease was caused by less revenue generated from our digital retail pharmacies as affected by the increasingly intense market competition on major e-commerce platforms, while we continued to incur fixed operational costs despite the reduced revenue.

Digital Healthcare and Wellness Solutions

The gross profit margin of our digital healthcare and wellness solutions increased from 72.4% in 2023 to 79.3% in 2024, primarily driven by higher gross profit margins in both our digital hospital solutions and platform-related business, resulting from (i) increased revenue from platform-related services due to a growing number of subscribing medical and healthcare institutions on *160 Cloud Hospital*, (ii) relatively stable platform maintenance costs, and (iii) a reduction in technical service fees for digital hospital solutions, reflecting evolving project demands.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 15.2% from RMB101.8 million in 2023 to RMB117.3 million in 2024, primarily driven by an increase in employee benefit expenses of RMB16.7 million, mainly due to (i) share-based payment expenses of RMB32.2 million primarily representing share incentives awarded to certain sales and marketing staff under the Pre-IPO Share Option Scheme, and (ii) the expansion of sales and marketing team.

Research and Development Expenses

Our research and development expenses increased by 21.1% from RMB41.7 million in 2023 to RMB50.5 million in 2024, primarily due to the increasing employee benefit expenses as a result of (i) the share-based payment expenses for share incentives awarded to certain R&D staff under the Pre-IPO Share Option Scheme, and (ii) the expansion of our R&D team to support the development of new features on the *Healthcare 160 Platform*.

Administrative Expenses

Our administrative expenses remained relatively stable at RMB89.7 million in 2023 and RMB93.0 million in 2024, respectively.

Other Income

Our other income decreased by 13.5% from RMB4.4 million in 2023 to RMB3.8 million in 2024, primarily due to a decrease of RMB0.7 million in VAT refund and VAT deduction, which was attributable to (i) a prolonged VAT refund process by the relevant governmental authorities and (ii) a reduction in revenue eligible for VAT deduction.

Other (Losses)/Gains, Net

We recorded net other gains of RMB0.4 million in 2024, as compared to net other losses of RMB0.8 million in 2023, primarily as (i) we fully settled the legal proceeding involving 160 Medicine with the plaintiff and ceased to make provision for litigation loss in 2024, and (ii) we recorded net exchange gains of RMB0.4 million, resulting from the appreciation of proceeds denominated in U.S. dollars from Pre-IPO Investment.

Net Finance Cost

Our net finance cost decreased by 79.1% from RMB11.2 million in 2023 to RMB2.3 million in 2024, primarily due to a decrease in interest expenses on redemption liabilities. As we had fully derecognized all redemption liabilities as of December 31, 2023, we did not incur any interest expenses on redemption liabilities in 2024.

Income Tax Expense

Despite the loss before income tax from continuing operations we recorded, we recorded income tax expenses of RMB0.5 million and RMB1.3 million in 2023 and 2024, respectively, primarily due to the taxable income recorded by our subsidiary, Blue Dragonfly Internet, which provides digital hospital solutions.

Loss for the Year

As a result of the foregoing, our loss for the year remained relatively stable at RMB106.2 million in 2023 and RMB108.2 million in 2024, respectively.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue experienced a 19.6% increase, rising from RMB525.6 million in 2022, to RMB628.6 million in 2023. This growth was primarily driven by the positive performance of both our digital healthcare and wellness solutions and sale of pharmaceutical and healthcare products.

Revenue generated from our sale of pharmaceutical and healthcare products increased by 17.2% from RMB384.7 million in 2022 to RMB451.0 million in 2023. This growth was mainly driven by a significant RMB111.6 million increase in revenue from our wholesale model, primarily attributable to the substantial increase in the average unit price of chemical preparations sold under wholesale model from approximately RMB18.6 in 2022 to RMB34.7 in 2023, in line with market price change. However, this growth was partially offset by a decrease in revenue generated under retail model of RMB45.3 million due to the temporary adverse effect brought by the legal proceeding involving 160 Medicine. For details, see "Business — Compliance and Legal Proceedings — Legal Proceedings," "— Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Revenue — Sale of Pharmaceutical and Healthcare Products" and "— Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Other (Losses)/Gains, Net."

Revenue generated from our digital healthcare and wellness solutions increased by 26.0% from RMB140.9 million in 2022 to RMB177.6 million in 2023, primarily driven by a RMB21.9 million increase in our digital hospital solutions. The growth in revenue from our digital hospital solutions was primarily due to more sales and delivery of digital hospital solutions in 2023, mainly attributable to our enhanced sales and marketing activities. Further contributing to this year's revenue growth was a RMB14.1 million increase from our online marketing solutions, as more medical and healthcare institutions used our online marketing services in 2023.

Cost of Sales and Services

Our cost of sales and services increased by 20.6% from RMB407.4 million in 2022 to RMB491.3 million in 2023, generally in line with the growth in our revenue.

Gross Profit and Gross Profit Margin

As a result of the aforementioned factors, our gross profit increased from RMB118.3 million in 2022 to RMB137.3 million in 2023. However, our gross profit margin saw a slight reduction from 22.5% in 2022 to 21.8% in 2023. Our decreased gross profit margin was primarily due to the lower gross profit margin for and more revenue contribution by wholesale of pharmaceutical and healthcare products.

Sale of Pharmaceutical and Healthcare Products

The gross profit margin for our sale of pharmaceutical and healthcare products experienced a notable decline from 4.1% in 2022 to 1.9% in 2023, primarily due to the lower gross profit margin for and more revenue contribution by wholesale of pharmaceutical and healthcare products. The gross profit margin of wholesale of pharmaceutical and healthcare products decreased from 3.0% in 2022 to 1.0% in 2023. This decline was primarily attributable to a reduction in the gross profit margins of certain chemical preparations and medical devices in the increasingly competitive market. However, the gross profit margin of retail of pharmaceutical and healthcare products increased from 8.1% in 2022 to 12.7% in 2023, primarily due to strategic product optimization, concentrating on selling products with higher gross profit margin.

Digital Healthcare and Wellness Solutions

The gross profit margin of digital healthcare and wellness solutions remained relatively stable at 72.8% and 72.4% in 2022 and 2023, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 4.5% from RMB97.4 million in 2022 to RMB101.8 million in 2023 primarily due to an increase in employee benefit expenses of RMB13.4 million as a result of share-based payment expenses, stemming from the share incentives awarded to our sales and marketing personnel under the Pre-IPO Share Option Scheme in 2023. However, the increase was partially offset by a decrease in marketing and advertisement expenses of RMB8.7 million during the same year. We adopted a strategic shift towards cost-effective interactions with our registered individual users via patient community construction on our platform and other popular social media platforms to achieve high user repurchase rate and conversion rate from registered individual users to ordering customers.

Research and Development Expenses

Our research and development expenses decreased by 22.9% from RMB54.1 million in 2022 to RMB41.7 million in 2023 primarily due to a decrease in employee benefit expenses of RMB9.2 million, which resulted from the structure adjustment of our R&D team since the end of 2022. As we had completed the development of *160 Cloud Hospital* with standardized functions by the end of 2022, we laid off certain R&D workforce focusing on this development.

Administrative Expenses

Our administrative expenses increased significantly by 125.1% from RMB39.8 million in 2022 to RMB89.7 million in 2023, primarily due to (i) share-based payment expenses amounting to RMB21.2 million, resulting from share incentives granted to our administrative team under the Pre-IPO Share Option Scheme in 2023, and (ii) listing expenses of RMB20.0 million related to the Global Offering. For details of share-based payment expenses, see Note 28 to the Accountant's Report in Appendix I to this prospectus.

Other Income

Our other income decreased by 38.4% from RMB7.2 million in 2022 to RMB4.4 million in 2023, primarily due to a decrease in government grant of RMB1.9 million.

Other Losses, Net

Our net other losses decreased significantly from RMB12.3 million in 2022 to RMB0.8 million in 2023, mainly attributable to the decrease in provision for litigation loss of RMB12.0 million, resulting from the legal proceeding involving 160 Medicine. For details, see "Business — Compliance and Legal Proceedings — Legal Proceedings" and "— Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Other (Losses)/Gains, Net."

Net Finance Cost

Our net finance cost decreased by 72.0% from RMB39.8 million in 2022 to RMB11.2 million in 2023, primarily due to a decrease in interest expenses on redemption liabilities of RMB27.9 million as we had less redemption liabilities recognized in 2023. For details, see Note 32(f) to the Accountant's Report set out in Appendix I to this prospectus.

Income Tax Expense

We incurred nil income tax expenses in 2022, as we recorded loss before income tax from continuing operations for this year. However, despite the loss before income tax from continuing operations we recorded, we recorded income tax expenses of RMB0.5 million in 2023, primarily due to taxable income recorded by our subsidiary, Blue Dragonfly Internet, which provides digital hospital solutions.

Loss for the Year

As a result of the foregoing, our loss for the year narrowed by 11.5% from RMB120.1 million in 2022 to RMB106.2 million in 2023.

DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
		(RMB'000)		
Non-Current Assets:				
Property and equipment	5,899	5,237	3,265	3,497
Right-of-use assets	13,505	21,875	17,660	10,551
Intangible assets	2,795	2,324	1,838	1,717
Restricted cash	582	122	222	154
Deferred income tax assets	–	826	1,206	1,406
Total non-current assets	**22,781**	**30,384**	**24,191**	**17,325**
Current Assets:				
Inventories	10,312	4,451	2,030	1,216
Trade receivables	63,592	117,824	170,669	167,837
Prepayments, deposits and other receivables	25,049	25,460	34,836	44,111
Restricted cash	4,025	494	7,781	7,176
Cash and cash equivalents	37,748	57,555	58,266	68,447
	140,726	**205,784**	**273,582**	**288,787**
Assets classified as held for sale	15,416	–	–	–
Total current assets	**156,142**	**205,784**	**273,582**	**288,787**
Total assets	**178,923**	**236,168**	**297,773**	**306,112**
Current liabilities				
Lease liabilities	8,249	5,649	7,123	7,106
Trade and bill payables	56,159	96,375	102,627	90,809
Borrowings	19,558	9,514	89,393	114,506
Contract liabilities	36,395	39,728	41,446	54,601
Accruals and other payables	106,433	101,869	130,262	126,457
Current income tax liabilities	–	116	405	498
Redemption liabilities	294,183	–	–	–
	520,977	**253,251**	**371,256**	**393,977**
Liabilities directly associated with assets classified as held for sale	23,126	–	–	–
Total current liabilities	**544,103**	**253,251**	**371,256**	**393,977**

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Non-current liabilities				
Contract liabilities	19,733	5,974	1,863	1,425
Lease liabilities	6,021	17,013	11,879	6,979
Borrowings	1,500	486	1,277	1,552
Total non-current liabilities	**27,254**	**23,473**	**15,019**	**9,956**
Total liabilities	**571,357**	**276,724**	**386,275**	**403,933**
Net liabilities	**392,434**	**40,556**	**88,502**	**97,821**

Property and Equipment

Our property and equipment comprised electronic equipment, office equipment, machinery and equipment, vehicles and leasehold improvement during the Track Record Period.

Our property and equipment slightly decreased by 11.2% from RMB5.9 million as of December 31, 2022 to RMB5.2 million as of December 31, 2023, followed by an additional 37.7% decrease to RMB3.3 million as of December 31, 2024. This ongoing reduction was primarily due to the continuing depreciation of our property and equipment. Our property and equipment remained relatively stable at RMB3.3 million as of December 31, 2024 and RMB3.5 million as of March 31, 2025.

Right-of-Use Assets

Our right-of-use assets represent our entitlement to use leased properties, primarily office premises utilized for our operations. These assets are recognized at the commencement date of the respective leases.

Our right-of-use assets significantly increased by 62.0% from RMB13.5 million as of December 31, 2022 to RMB21.9 million as of the same date in 2023, primarily as we re-signed one lease agreement in 2023 and re-evaluated our leased assets in accordance with the applicable accounting policy.

Our right-of-use assets slightly decreased by 19.3% from RMB21.9 million as of December 31, 2023 to RMB17.7 million as of December 31, 2024, primarily due to the depreciation of our leased properties over time.

Our right-of-use assets decreased by 40.3% from RMB17.7 million as of December 31, 2024 to RMB10.6 million as of March 31, 2025, primarily due to the early termination of a leased office in the first quarter of 2025.

Intangible Assets

Our intangible assets primarily comprise office software, licenses and goodwill, which was acquired from a business combination. The following table sets forth the breakdown of our intangible assets by nature as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Office Software	62	60	43	39
License	2,634	2,165	1,696	1,579
Goodwill	99	99	99	99
Total	**2,795**	**2,324**	**1,838**	**1,717**

Our intangible assets other than goodwill have a limited useful life, amortized over one to five years on a straight-line basis. Office software is stated at cost less accumulated amortization and impairment losses (if any). Separately acquired licenses are shown at historical cost, subsequently carried at cost less accumulated amortization and impairment losses (if any). We may revise the amortization charges where useful lives are different from those previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore amortization expense in future periods. On the other hand, our goodwill is not subject to amortization but tested for periodic impairment, which allocates goodwill to cash-generating units or groups of cash-generating units that are expected to benefit from the underlying business combination. We recorded goodwill arising from the acquisition of Hailiantang Pharmacy in late 2022, which was measured at the excess of the fair value of total consideration payable by our Company as of the acquisition date over the fair value of the net identifiable assets acquired as of the same date. For details, see Notes 20 and 38 to the Accountant's Report in Appendix I to this prospectus.

Our intangible assets then slightly decreased by 16.9% from RMB2.8 million as of December 31, 2022 to RMB2.3 million as of December 31, 2023, and further decreased by 20.9% to RMB1.8 million as of December 31, 2024, primarily due to normal amortization of the aforementioned licenses. Our intangible assets remained relatively stable at RMB1.8 million and RMB1.7 million as of December 31, 2024 and March 31, 2025, respectively.

Inventories

Our inventories primarily consist of pharmaceutical and healthcare products. To a much lesser extent, we had consumables and packaging materials in our inventories. Inventories are stated at the lower of cost and net realizable value. Cost is determined using specific identification method, while net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Our inventories decreased by 56.8% from RMB10.3 million as of December 31, 2022 to RMB4.5 million as of December 31, 2023, and further decreased by 54.4% to RMB2.0 million as of December 31, 2024, and further decreased to RMB1.2 million as of March 31, 2025. We optimized our SKU inventory policy and focused on stocking pharmaceutical and healthcare products with high demand and proven sales performance.

We regularly monitor our inventories and endeavor to keep an optimal inventory level in line with the expected usages and sales in the near term. The following table sets forth the aging analysis of our inventories (purchased goods before the adjustment of provision for impairment) as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	RMB'000			
Within one year	9,288	3,788	1,753	1,035
One to two years	772	549	143	55
Over two years	252	114	134	126
Total	**10,312**	**4,451**	**2,030**	**1,216**

We have a strict inventory management and control system that monitors each stage of the warehousing process, including procurement, storage, distribution, exchange, return, and disposal. During the Track Record Period, we collaborated with third-party pharmaceutical supply chain companies to handle pharmaceutical warehousing and logistics services. We carry out regular checks with the third-party pharmaceutical supply chain companies to ensure consistency between the physical inventories and the records. For details on our inventory management policies, see "Business — Inventory Management."

In addition, we follow stringent pharmaceutical storage requirements and periodically assess the impairment of our inventories. We review our inventories as of the end of each accounting period and record impairment losses on inventories that we estimate could not be utilized before the end of the validity period of such inventory. In 2022, we recorded provision for impairment of inventories of RMB1.3 million. We did not record any provision or reversal for impairment of inventories in 2023 and 2024 and the first quarter of 2025. All impairment charges and reversals of impairment have been included in "cost of sales and services" in the consolidated statements of profit or loss and other comprehensive income.

The following table sets forth the turnover days of our inventories for the years indicated:

	Year ended December 31,			Three months ended March 31,
	2022	**2023**	**2024**	**2025**
Inventory turnover days[(1)] . .	10	5	3	2

Note:

(1) Inventory turnover days for the period equal the average of the opening and closing inventory balances of the period divided by the cost of sales and services for the relevant period and multiplied by 365 days for a year and 90 days for three months.

Our inventory turnover days were ten days, five days, three days and two days in 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. The decrease in our inventory turnover days throughout the Track Record Period was primarily attributable to our continued efforts to optimize our SKU structure by focusing on stocking pharmaceutical and healthcare products with strong demand and proven sale performance.

As of the Latest Practicable Date, RMB1.2 million or 100.0% of the inventories as of March 31, 2025 had been subsequently utilized.

Trade Receivables

Trade receivables mainly represent the balances due from customers for goods sold or services performed in the ordinary course of business. The following table sets forth our trade receivables and impairment amount as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(RMB'000)			
Trade receivables.	73,053	134,610	195,641	193,006
Less: allowance for impairment.	(9,461)	(16,786)	(24,972)	(25,169)
Trade receivables, net	**63,592**	**117,824**	**170,669**	**167,837**

Compared to the ending balance as of December 31, 2022, our net trade receivables increased significantly by 85.3% to RMB117.8 million as of December 31, 2023, mainly driven by our continuous expansion of sale of pharmaceutical and healthcare products under wholesale model during this period. Our net trade receivables further increased by 44.9% from RMB117.8 million as of December 31, 2023 to RMB170.7 million as of December 31, 2024, primarily due to our wholesale of pharmaceutical and healthcare products, as well as digital hospital solutions during this period. Our net trade receivables remained relatively stable at RMB170.7 million and RMB167.8 million as of December 31, 2024 and March 31, 2025, respectively.

We provide customers of our digital healthcare and wellness solutions with credit terms of up to 90 days, which vary based on the nature of the transaction and the customer's credit history. However, for after-sale maintenance services of our digital hospital solutions, we generally demand payment at the end of the warranty period, which typically ranges from one to three years after the initial payment for sales of software. In contrast, wholesale of pharmaceutical and healthcare products often do not have a specific credit period provided in the sales contracts with customers. However, business customers generally settle their trade receivables within one to three months. Regardless of whether a credit period is specified or not, trade receivables are generally settled in accordance with the terms outlined in the respective contracts.

The following table sets forth an aging analysis of trade receivables, based on invoice dates as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(RMB'000)			
Within 90 days	40,417	87,734	108,810	75,863
90 days to one year	16,037	28,253	52,208	84,213
One to two years	8,501	8,118	20,685	17,364
Two to three years	4,460	4,415	5,780	6,576
Over three years	3,638	6,090	8,158	8,990
Total	**73,053**	**134,610**	**195,641**	**193,006**

Our trade receivables aging over one year increased from RMB16.6 million as of December 31, 2022 to RMB18.6 million as of December 31, 2023, and reached RMB34.6 million as of December 31, 2024, mainly attributable to the digital hospital solutions offered to medical and healthcare institutions, for which we generally offer customers longer credit terms ranging from one to three years for after-sale maintenance services. Our trade receivables aged over three years increased from RMB3.6 million as of December 31, 2022 to RMB6.1 million as of December 31, 2023, and further to RMB8.2 million as of December 31, 2024, primarily due to unrecovered amount due from certain hospitals for our digital hospital solutions provided and the prolonged settlement period for the project performance guarantees related to digital hospital solutions. Our trade receivables aged over three years remained relatively stable at RMB8.2 million and RMB9.0 million as of December 31, 2024 and March 31, 2025, respectively.

The number of digital hospital solution customers with trade receivables aged over three years was 45, 66, 66 and 72 as of December 31, 2022, 2023, and 2024 and March 31, 2025, respectively, with 18, 19, 33 and 21 of these customers having receivables tied to project performance guarantees. These solutions were implemented in medical and healthcare institutions, with the background of customers varying by project due to specific collaboration arrangements, primarily involving public and private medical and healthcare institutions, technology companies, and banks. Technology companies, acting as general contractors for the informatization of medical and healthcare institutions, procure digital hospital solutions from us to facilitate system development and implementation for their clients. Banks, on the other hand, procure our digital hospital solutions to enhance their settlement services and attract collaborations with medical and healthcare institutions requiring such solutions. During the Track Record Period, the typical settlement period for project performance guarantees ranged from one year to five years, with the maximum remaining term for outstanding guarantees being 16 months. As confirmed by our Directors, no bad debts arising from digital hospital solutions procured by technology companies or banks were recognized during the Track Record Period.

The following table sets forth the turnover days of our trade receivables for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	**2023**	**2024**	**2024**	**2025**
Trade receivables turnover days[(1)] . . .	52	53	85	101	153

Note:

(1) Trade receivables turnover days for the period equal the average of the opening and closing balances of net trade receivables of the period divided by revenue for the relevant period and multiplied by 365 days for a year and 90 days for three months.

Our trade receivables turnover days remained relatively stable at 52 days and 53 days in 2022 and 2023, respectively. Our trade receivables turnover days significantly increased to 85 days in 2024, primarily due to an increase in the average trade receivables balance despite a slight decrease in revenue during the same period. The increase in trade receivables was mainly attributable to (i) the extended credit terms of up to 90 days granted to certain customers under our digital hospital solutions, and (ii) the prolonged settlement period of one to three years for the project performance guarantees related to digital hospital solutions. Our trade receivables turnover days were 101 days and 153 days for the three months ended March 31, 2024 and 2025, respectively, both of which were significantly longer than the full-year figures. This reflects seasonal fluctuations in the healthcare industry, particularly during the Spring Festival period, which Frost & Sullivan has confirmed as an industry norm. The smaller revenue base in the first quarter inflated the receivables-to-revenue ratio, thereby amplifying the turnover days and rendering them less directly comparable with annualized figures. The longer turnover days observed in the first quarter of 2024 already demonstrated this seasonal effect, which is consistent with the factors underlying the increase in the first quarter of 2025. In addition to seasonality, the year-on-year increase in turnover days in the first quarter of 2025 compared with the same period in 2024 was further attributable to the extended credit period from 30 days to 90 days granted to certain digital hospital solution projects since late 2024. The extension was primarily to strengthen customer relationships, taking into account factors such as the history of cooperation with these customers, their sound credit profiles, and their strong track record of subsequent repayments. These projects remained within their contractual settlement terms as of March 31, 2025, thereby further contributing to the increase in turnover days. Accordingly, the increase in receivable turnover days in early 2025 does not indicate a deterioration in receivable quality, but reflects the combined effect of industry seasonality and specific project credit arrangements.

The increase in our trade receivable turnover days during the Track Record Period resulted in higher working capital requirements and temporary pressure on our cash flows. However, this did not lead to any material defaults or disruption to our business operations. To mitigate the impact, we have strengthened our credit management by tightening credit controls, stepping up collection efforts, and adjusting credit terms for certain customers. We have also enhanced monitoring of customer payment performance and maintained sufficient banking facilities to support liquidity. Our Directors believe that these measures are effective in managing the impact of longer turnover days and that such impact has not been material to our overall financial condition or operating performance.

To assess the anticipated credit losses, we have categorized trade receivables into groups based on shared credit risk characteristics and the aging of the receivables. The expected loss rates are determined by referencing historical credit losses. However, these historical loss rates are modified to account for current and future insights into macroeconomic factors that can impact customers' ability to settle their receivables. Among the various factors considered, we have identified the consumer price index of the PRC as the most relevant. We adjust the historical loss rates based on the anticipated changes in these factors. For details of our impairment policy related to trade receivables and credit risk disclosure, see Note 3.1.2 to the Accountant's Report in Appendix I to this prospectus. We made provision for impairment of our trade receivables of RMB9.5 million, RMB16.8 million, RMB25.0 million and RMB25.2 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. These provisions were made based on a detailed review of each account, including an assessment of credit risk and aging, and are considered sufficient by our Directors.

To minimize potential credit risks, we have enhanced our internal control policies and procedures concerning trade receivables, including among others, (i) establishing a dedicated team tasked with the ongoing monitoring and collection of outstanding trade receivables, and (ii) implementing customer credit ratings and management processes. Specifically, we maintain detailed customer credit profiles, routinely review trade receivables, and continually assess our customers' creditworthiness. Depending on the situation, we may engage in proactive communication with our customers, issue payment reminders, or initiate legal proceedings. We generally commence the collection process by negotiating with customers to secure a payment commitment, particularly for outstanding amounts that are relatively small and aged less than one year. For accounts receivable overdue by more than 10 days, formal demand letters will be issued. If the overdue period exceeds 45 days, we reserve the right to initiate legal proceedings or file a formal report. As of the Latest Practicable Date, we had no pending litigation or disputes concerning the outstanding trade receivable balances. The adoption of stringent credit control procedures enables us to effectively oversee the balance and collection progress of our trade receivables. Moving forward, we aim to further improve our management of trade receivables and enhance our collection rates.

As of the Latest Practicable Date, RMB131.4 million, or 68.1% of the trade receivables as of March 31, 2025, had been settled. The majority of customers with outstanding balances have either commenced repayment or expressed a willingness to settle as soon as possible. Based on ongoing communications with these customers and historical progress in the subsequent settlements, we believe that, except for potential impairments, the outstanding balances of trade receivable will be settled eventually. As such, we do not foresee any material recoverability issue for our trade receivables.

Prepayments, Deposits and Other Receivables

Prepayments, deposits, and other receivables mainly consist of (i) rental and other deposits, (ii) advance to staff, representing the amount of petty cash for business purpose that had not been utilized by and reimbursed to employees at the end of each period, (iii) amounts due from related parties, representing the carrying balance at fair values of the amounts due from Mr. Luo and other related parties at the end of each period, which were unsecured, interest-free and of a non-trade nature, (iv) prepayment for purchased goods, (v) prepaid expenses, mainly including prepayments made to technical service providers for our digital healthcare and wellness solutions, as well as prepaid expenses for financial services, printing services, professional services, and other commercial services for our financing activities, and

(vi) deferred listing expenses in relation to the Global Offering. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Deposit and other receivables				
Rental and other deposits	4,108	5,411	6,227	6,038
Advance to staff	1,364	1,445	1,964	2,263
Amounts due from related parties	2,182	–	5,077	5,496
Others[(1)]	1,634	2,486	2,090	3,661
Sub-total	**9,288**	**9,342**	**15,358**	**17,458**
Prepayments				
Prepayment for purchased goods	5,743	2,837	3,009	4,062
Prepaid expenses	10,589	10,685	13,426	19,400
Deferred listing expenses	–	3,175	3,720	3,959
Sub-total	**16,332**	**16,697**	**20,155**	**27,421**
Less: provision for impairment	(571)	(579)	(677)	(768)
Net	**25,049**	**25,460**	**34,836**	**44,111**

Note:

(1) Others mainly include (i) commission fees based on individual users' payments for services and/or products purchased through our platform, subject to settlement with medical and healthcare institutions and/or third-party merchants, and (ii) contribution to social insurance or housing provident funds to be collected from our employees.

Our net prepayments, deposits and other receivables remained relatively stable at RMB25.0 million and RMB25.5 million as of December 31, 2022 and 2023, respectively.

Our net prepayments, deposits and other receivables increased by 36.8% from RMB25.5 million as of December 31, 2023 to RMB34.8 million as of December 31, 2024, primarily due to (i) an increase of RMB5.1 million in amounts due from related parties, stemming from a loan agreement entered between one of our Shareholders and Shenzhen Ningyuan in January 2024. For details of amounts due from related parties, see "— Related Party Transactions — Amounts due from Related Parties — Amounts due from Other Related Parties;" and (ii) an increase in prepaid expenses of RMB2.7 million related to professional consulting fees in connection with the Global Offering, as well as technical development outsourcing fees and expenses for our digital healthcare and wellness solutions.

Our net prepayments, deposits and other receivables increased by 26.6% from RMB34.8 million as of December 31, 2024 to RMB44.1 million as of March 31, 2025, primarily due to an increase of RMB6.0 million in prepaid expenses related to pharmaceuticals procurement, in line with the expansion of sale of pharmaceutical and healthcare products.

As of the Latest Practicable Date, RMB22.3 million, or 50.6% of the prepayments, deposits and other receivables as of March 31, 2025 had been settled.

Restricted Cash

Our restricted cash represents bank deposits pledged to banks as (i) guarantee deposits, which were guarantee deposits for issuance of bank acceptance notes to a supplier of pharmaceutical and healthcare products, (ii) restricted assets due to legal disputes, (iii) project performance guarantees for certain work-in-progress projects at the end of each financial period, which would be released upon the completion of inspections for such projects, and (iv) restricted bank deposits, which represent cash generated from our platform-related business and held in an escrow account for subsequent settlement with medical and healthcare institution and professionals in accordance with relevant rules and regulations on handling fund clearing through platforms. For details of platform fund clearing arrangement, see "Business — Our Product and Service Offerings — Digital Healthcare and Wellness Solutions — Online Marketing Solutions — Marketplace Solutions — Pharmacy Marketplace Services" and "Business — Our Product and Service Offerings — Digital Healthcare and Wellness Solutions — Online Healthcare Services." The following table sets forth a breakdown of our restricted cash as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Restricted cash				
Guarantee deposits	4,000	–	–	–
Restricted assets due to legal disputes[(1)]	385	–	3,847	4,485
Project performance guarantees	222	222	222	154
Restricted bank deposits	–	394	3,934	2,691
Total	**4,607**	**616**	**8,003**	**7,330**

Note:

(1) Bank deposits of RMB0.39 million as of December 31, 2022 was restricted by Shenzhen People's Court due to the legal proceeding involving 160 Medicine. For details, see "Business — Compliance and Legal Proceedings — Legal Proceedings" and "— Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Other (Losses)/Gains, Net." Bank deposits of RMB3.85 million as of December 31, 2024 was restricted due to a legal dispute with a third-party merchant regarding transaction settlements on our platform, and such dispute was subsequently settled on January 7, 2025. As of March 31, 2025, bank deposits of RMB4.49 million were restricted due to several legal disputes. Of this amount, RMB4.26 million related to supplier disputes over pharmaceutical procurements, which had been fully settled as of the Latest Practicable Date. The remaining RMB0.23 million related to a labor dispute with a former employee. Both the initial arbitration and the first-instance judgment in the labor-related dispute had been concluded, and the matter was pending final resolution as of the Latest Practicable Date.

Our restricted cash dropped significantly by 86.6% from RMB4.6 million as of December 31, 2022 to RMB0.6 million as of December 31, 2023, mainly because we had released all guarantee deposits by December 31, 2023.

Our restricted cash significantly increased by 1,199.2% from RMB0.6 million as of December 31, 2023 to RMB8.0 million as of December 31, 2024, primarily due to (i) an increase of RMB3.5 million in restricted bank deposits as we began depositing cash generated from our platform-related business, involving subsequent settlement with medical and healthcare institutions and professionals, into an escrow account in 2024, in compliance with relevant rules and regulations, and (ii) an increase of RMB3.8 million in restricted assets due to legal disputes with a third-party merchant regarding transaction settlements on our platform which was subsequently settled on January 7, 2025.

Our restricted cash remained relatively stable at RMB8.0 million and RMB7.3 million as of December 31, 2024 and March 31, 2025, respectively.

Cash and Cash Equivalents

Our cash and cash equivalents (less restricted cash) comprise cash at bank and cash in hand.

Our cash and cash equivalents increased by 52.5% from RMB37.7 million as of December 31, 2022 to RMB57.6 million as of the same date in 2023, primarily attributable to capital injections from two Pre-IPO Investors pursuant to investment agreements in January and May 2023. For details, see "History, Reorganization and Corporate Structure — Pre-IPO Investments."

Our cash and cash equivalents remained relatively stable at RMB57.6 million as of December 31, 2023 and RMB58.3 million as of December 31, 2024.

Our cash and cash equivalents increased by 17.5% from RMB58.3 million as of December 31, 2024 to RMB68.4 million as of March 31, 2025, primarily attributable to (i) an increase in bank borrowings during the first quarter of 2025, which resulted in higher cash inflows from financing activities, and (ii) improved operating cash flow management, which led to reduced cash outflows in relation to our day-to-day operations.

Trade and Bill Payables

Our trade and bill payables primarily represent outstanding amounts due to our suppliers of pharmaceutical and healthcare products and technical services. Our suppliers of pharmaceutical and healthcare products typically grant us credit terms ranging from one to three months. Suppliers of technical services for our digital healthcare and wellness solutions generally grant us credit terms of 90 days or less, and in some cases, accept milestone payments. During the Track Record Period, our bill payables represented the bank acceptance notes issued for purchases of pharmaceutical and healthcare products. The following table sets for a breakdown of our trade and bill payables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
	(RMB'000)			
Trade payables	52,159	96,375	102,627	90,809
Bill payables	4,000	–	–	–
Total	**56,159**	**96,375**	**102,627**	**90,809**

Our trade and bill payables increased significantly by 71.6% from RMB56.2 million as of December 31, 2022 to RMB96.4 million as of December 31, 2023, mainly due to the continuous expansion of our sale of pharmaceutical and healthcare products under wholesale model during this period. Our trade and bill payables further increased by 6.5% from RMB96.4 million as of December 31, 2023 to RMB102.6 million as of December 31, 2024, mainly due to purchases of pharmaceutical and healthcare products under wholesale model. Our trade and bill payables decreased by 11.5% from RMB102.6 million as of December 31, 2024 to RMB90.8 million as of March 31, 2025, mainly due to our settlement with pharmaceutical suppliers.

As of the Latest Practicable Date, RMB62.7 million or 69.0% of the trade and bill payables as of March 31, 2025 had been settled.

The following table sets forth an aging analysis of our trade and bill payables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Within 90 days	39,718	79,970	77,212	58,367
90 days to one year	12,033	9,007	10,742	19,094
Over one year	4,408	7,398	14,673	13,348
Total	**56,159**	**96,375**	**102,627**	**90,809**

Trade and bill payables aged over one year accounted for 7.8%, 7.7%, 14.3% and 14.7% of all trade and bill payables as of December 31, 2022, 2023 and 2024 and for the three months ended March 31, 2025, respectively. Trade and bill payables aged over one year were mainly due to the installment payment arrangements with suppliers for our *Hospital Full-Process System*, which generally spans project life cycles over one year. Our trade and bill payables aged between 90 days to one year decreased from RMB12.0 million as of December 31, 2022 to RMB9.0 million as of December 31, 2023 primarily due to the settlement of bill payables of RMB4.0 million with suppliers in 2023. Our trade and bill payables aged between 90 days to one year increased to RMB10.7 million as of December 31, 2024, compared to those as of December 31, 2023, primarily due to better utilization of credit terms granted by our suppliers. Our trade and bill payables aged between 90 days to one year increased to RMB19.1 million as of March 31, 2025, primarily due to the extended credit terms granted by our suppliers.

The following table sets forth the turnover days of our trade and bill payables for the periods indicated:

	Year ended December 31,			Three months ended March 31,
	2022	2023	2024	2025
Trade and bill payables turnover days[1]	58	57	79	120

Note:

(1) Trade and bill payables turnover days for the period equal the average of the opening and closing balances of trade and bill payables of the period divided by the cost of sales and services for the relevant period and multiplied by 365 days for a year and 90 days for three months.

Our trade and bill payables turnover days remained relatively stable at 58 days in 2022 and 57 days in 2023. Our trade and bill payables turnover days significantly increased to 79 days in 2024, primarily as (i) newly incurred procurements of pharmaceutical and healthcare products under wholesale model were still within their credit terms and had not yet become due as of the respective reporting dates, and (ii) suppliers granted us extended credit terms for certain historical purchases, which collectively lengthened the average settlement cycle. Our trade and bill payables turnover days significantly increased to 120 days for the three months ended March 31, 2025. This was primarily attributable to (i) the extension of credit terms granted by our suppliers in connection with the pharmaceutical wholesale business, which lengthened from 70 days to 90 days; and (ii) the seasonal nature of our procurement and settlement cycle. Supplier payments are typically concentrated in the second half of the year, while procurement volume is lower and fewer settlements are made in the first quarter. This timing effect resulted in a higher payables-to-purchases ratio in the first quarter, thereby increasing turnover days compared with full-year figures.

Our Directors confirm that we had no material defaults in our trade and bill payables during the Track Record Period and up to the Latest Practicable Date.

Contract Liabilities

	As of December 31,			As of March 31,
	2022	**2023**	**2024**	**2025**
		(RMB'000)		
Current portion	36,395	39,728	41,446	54,601
Non-current portion	19,733	5,974	1,863	1,425
Total	**56,128**	**45,702**	**43,309**	**56,026**

Our contract liabilities mainly arise from the advance payments made by customers while the underlying services have not yet been provided. Contract liabilities are recognized as revenue when we perform our obligations pursuant to the underlying contracts. These contract liabilities are commonly incurred in our digital hospital solutions, online marketing solutions and wholesale of pharmaceutical and healthcare products. Our contract liabilities decreased by 18.6% from RMB56.1 million as of December 31, 2022 to RMB45.7 million as of December 31, 2023, in line with our delivery progress of digital hospital solutions in 2023. Our contract liabilities further decreased by 5.2% to RMB43.3 million as of December 31, 2024, primarily due to the decrease in advance payments made by digital hospital solution customers. Our contract liabilities increased by 29.4% to RMB56.0 million as of March 31, 2025, primarily due to the increased prepayments made by medical and healthcare institutions for online marketing solutions.

As of the Latest Practicable Date, RMB27.3 million, or 48.7% of contract liabilities as of March 31, 2025 had been subsequently recognized as revenue.

Accruals and Other Payables

Our accruals and other payables mainly include (i) payables to physicians and medical and healthcare institutions, representing the amount received from individual users and to be paid to medical and healthcare institutions and medical professionals for our performance-based online marketing solutions and online healthcare services, respectively, subject to the deduction of incurred advertising costs and our pre-agreed commission; (ii) VAT and other taxes payables; (iii) provision for the legal proceeding/payable for settlement compensation, which reflected the compensation amounts payable to the plaintiff pursuant to a court judgment or the settlement agreement. For details, see "— Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items — Other (Losses)/Gains, Net;" (iv) payroll and welfare payable; (v) payables for listing expenses; and (vi) trading deposits received, representing deposits or guarantees received from medical and healthcare institutions for our online marketing solutions. The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,			As of March 31,
	2022	2023	2024	2025
	(RMB'000)			
Payables to physicians and medical and healthcare institutions	42,488	50,071	63,377	65,937
VAT and other taxes payables	17,949	12,233	21,841	18,640
Provision for the legal proceeding/payable for settlement compensation	13,000	11,000	–	–
Payroll and welfare payable	22,809	11,004	27,034	27,059
Payables for listing expenses	–	9,605	11,135	6,896
Trading deposits received	3,372	3,703	3,643	4,184
Others[(1)]	6,815	4,253	3,232	3,741
Total	**106,433**	**101,869**	**130,262**	**126,457**

Note:

(1) Others mainly consist of quality guarantee deposits received from suppliers and employees' reimbursement claims to be paid.

Our accruals and other payables decreased from RMB106.4 million as of December 31, 2022 to RMB101.9 million as of the same date in 2023, mainly due to the decrease in payroll and welfare payable of RMB11.8 million as a result of bonus paid to employees in 2023, partially offset by payables for listing expenses of RMB9.6 million in relation to the Global Offering.

Our accruals and other payables increased by 27.9% from RMB101.9 million as of December 31, 2023 to RMB130.3 million as of December 31, 2024, mainly due to (i) an increase in payroll and welfare payable of RMB16.0 million as a result of increased headcount and higher performance-based compensation, and (ii) an increase in payables to physicians and medical and healthcare institutions of RMB13.3 million, in line with the expansion of our platform-related services.

Our accruals and other payables remained relatively stable at RMB130.3 million and RMB126.5 million as of December 31, 2024 and March 31, 2025, respectively.

As of the Latest Practicable Date, RMB54.2 million, or 67.2% of accruals and other payables as of March 31, 2025 had been settled.

Assets and Liabilities of a Discontinued Operation Classified as Held for Sale

On December 22, 2022, our Board passed a resolution that approved the transfer of all equity interests of our Group in Jiangsu Huiyi to an Independent Third Party. Such disposal was completed on January 13, 2023. In light of the anticipated sale, all assets of Jiangsu Huiyi as of December 31, 2022 were recorded as assets classified as held for sale of RMB15.4 million, which mainly included prepayments, deposits and other receivables of RMB13.9 million, cash and cash equivalent of RMB1.3 million, and right-of-use assets of RMB0.2 million, while all liabilities of the same entity as of the same date were recorded as liabilities directly associated with assets classified as held for sale of RMB23.1 million, which comprised accruals and other payables of RMB20.0 million, trade and bill payables of RMB3.0 million, and lease liabilities of RMB0.1 million.

LIQUIDITY AND CAPITAL RESOURCES

Our business operations and expansion plans require a significant amount of capital, including cash and cash equivalents and other working capital. Historically, we financed our capital expenditure and working capital requirements mainly through cash generated from operations, bank and other borrowing, and Pre-IPO Investments. We had cash and cash equivalents of RMB37.7 million, RMB57.6 million, RMB58.3 million and RMB68.4 million as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
			(RMB'000)		
				(Unaudited)	
Operating loss before working capital changes	(53,965)	(33,391)	(25,522)	(17,375)	(4,578)
Changes in working capital	11,198	(31,073)	(29,186)	(13,148)	(8,164)
Interest received	376	210	42	20	2
Income tax paid	–	(272)	(1,381)	(133)	(542)
Net cash used in operating activities	(42,391)	(64,526)	(56,047)	(30,636)	(13,282)
Net cash generated from/(used in) investing activities	3,271	2,694	(12,826)	(6,395)	(123)
Net cash (used in)/generated from financing activities	(11,231)	80,629	69,584	27,475	23,586
Net increase/(decrease) in cash and cash equivalent	(50,351)	18,797	711	(9,556)	10,181
Effects of foreign exchange rate on cash and cash equivalents	–	(330)	–	–	–
Cash and cash equivalents at the beginning of the period	89,439	39,088	57,555	57,555	58,266
Cash and cash equivalents at the end of the period	**39,088**	**57,555**	**58,266**	**47,999**	**68,447**

Net Cash Used in Operating Activities

Our cash generated from or used in operating activities consist of loss before income tax adjusted for certain non-cash or non-operating activities-related items and changes in working capital.

We recorded net operating cash outflows of RMB42.4 million, RMB64.5 million, RMB56.0 million, RMB30.6 million and RMB13.3 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. We are implementing a strategic plan to improve our net cash flows from operating activities. This includes expanding our business to increase revenue and operational profits, enhancing cash inflows through diligent monitoring and collection of trade receivables, and improving customer payment schedules, supported by dedicated teams and monthly review meetings. Concurrently, we are managing cash outflows through stringent budget planning and approval processes, and by establishing strategic supplier relationships for cost efficiencies.

For the three months ended March 31, 2025, we recorded net cash used in operating activities of RMB13.3 million, primarily attributable to our loss before income tax of RMB16.7 million as adjusted for non-cash and non-operating items, which primarily included (i) share-based payment expenses of RMB7.8 million, and (ii) depreciation of right-of-use assets of RMB1.8 million. Changes in wording capital primarily included (i) increase in contract liabilities of RMB12.7 million, mainly due to the increased prepayments made by medical and healthcare institutions for online marketing solutions; (ii) decrease in trade and bill payables of RMB11.8 million, mainly due to our settlement with pharmaceutical suppliers; and (iii) increase in prepayments, deposits and other receivables of RMB8.7 million, mainly due to the increased prepaid expenses related to pharmaceuticals procurement.

In 2024, we recorded net cash used in operating activities of RMB56.0 million, primarily attributable to our loss before income tax of RMB107.0 million as adjusted for non-cash and non-operating items, which primarily included (i) share-based payment expenses of RMB60.0 million, (ii) net impairment losses on financial assets of RMB8.3 million, mainly due to an increase in net impairment losses on trade receivables, mainly resulting from the increase in the gross carrying amounts of trade receivables and a re-evaluation of impairment provisions for certain customers with long-aged balances, and (iii) depreciation of right-of-use assets of RMB7.4 million. Changes in working capital primarily included (i) increase in trade receivables of RMB61.0 million mainly attributable to our wholesale of pharmaceutical and healthcare products, as well as digital hospital solutions, and (ii) increase in accruals and other payables of RMB28.4 million, mainly due to the increase in payroll and welfare payable and payables to physicians and medical and healthcare institutions.

In 2023, we recorded net cash used in operating activities of RMB64.5 million, primarily attributable to our loss before income tax of RMB105.7 million as adjusted for non-cash and non-operating items, which primarily included (i) share-based payment expenses of RMB46.4 million, (ii) net finance cost of RMB11.2 million mainly consisting of interest expenses on redemption liabilities, (iii) depreciation of right-of-use assets of RMB7.7 million, and (iv) net impairment losses on financial assets of RMB7.3 million, mainly on trade receivables. Changes in working capital primarily included (i) an increase in trade receivables of RMB62.9 million mainly attributable to the continuous expansion of our wholesale of pharmaceutical and healthcare products, and (ii) an increase in trade and bill payables of RMB40.1 million, mainly due to increasing procurement of pharmaceutical and healthcare products.

In 2022, we recorded net cash used in operating activities of RMB42.4 million, primarily attributable to our loss before income tax of RMB120.1 million as adjusted for non-cash and non-operating items, which primarily included net finance cost of RMB39.8 million and provision for litigation loss of RMB12.4 million. Changes in working capital primarily included (i) a decrease in trade receivables of RMB21.7 million as most trade receivables carried from 2021 were settled in 2022, (ii) a decrease in trade and bill payables of RMB14.7

million attributable to less procurement of pharmaceutical and healthcare products near the end of 2022, and (iii) an increase in contract liabilities of RMB11.1 million due to increases in advance payments received from customers for our digital hospital solutions in 2022.

Net Cash Generated from/(Used in) Investing Activities

Our cash generated from/(used in) investing activities during the Track Record Period mainly reflected our loans advanced to related parties, proceeds from settlement of loans to related parties, purchase of financial assets at fair value through profit or loss, proceeds from disposal of financial assets at fair value through profit or loss, and restricted cash placed or withdrawn.

Our net cash used in investing activities was RMB0.1 million for the three months ended March 31, 2025, primarily due to loans advanced to related parties of RMB107.1 million, which was partially offset by proceeds from settlement of loans to related parties of RMB107.1 million.

Our net cash used in investing activities was RMB12.8 million in 2024, primarily due to (i) loans advanced to related parties of RMB442.2 million, and (ii) an increase in restricted cash of RMB7.6 million in relation to settlement arrangement under platform-related business, which was partially offset by proceeds from settlement of loans to related parties of RMB437.7 million.

Our net cash generated from investing activities was RMB2.7 million in 2023, primarily resulting from proceeds from settlement of loans to related parties of RMB83.9 million, which was partially offset by loans advanced to related parties of RMB81.7 million.

Our net cash generated from investing activities was RMB3.3 million in 2022, primarily resulting from proceeds from settlement of loans to related parties of RMB43.4 million, which was partially offset by loans advanced to related parties of RMB35.8 million.

For details of loans advanced to related parties and proceeds from settlement of loans to related parties throughout the Track Record Period, see "— Related Party Transactions."

Net Cash (Used in)/Generated from Financing Activities

Our net cash used in or generated from financing activities during the Track Record Period mainly reflected proceeds of capital injection from shareholders, proceeds from borrowings, payment of share issuance cost, payment of lease liabilities, repayment of borrowings and settlement of redemption liabilities.

Our net cash generated from financing activities was RMB23.6 million, primarily attributable to proceeds from borrowings of RMB51.5 million, partially offset by repayment of borrowings of RMB26.1 million.

Our net cash generated from financing activities was RMB69.6 million in 2024, which was primarily attributable to proceeds from borrowings of RMB107.2 million, partially offset by repayment of borrowings of RMB26.6 million.

Our net cash generated from financing activities was RMB80.6 million in 2023, which was primarily attributable to proceeds of capital injection from shareholders of RMB110.0 million, partially offset by repayment of borrowings of RMB28.7 million.

Our net cash used in financing activities was RMB11.2 million in 2022, which was primarily attributable to (i) repayment of borrowings of RMB34.5 million and (ii) payment of lease liabilities of RMB8.8 million, partially offset by (i) proceeds of capital injection from shareholders of RMB27.5 million and (ii) proceeds from borrowings of RMB15.0 million.

Working Capital Sufficiency

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations, borrowing and Pre-IPO Investments.

We recorded net cash used in operating activities of RMB42.4 million, RMB64.5 million, RMB56.0 million, RMB30.6 million and RMB13.3 million in 2022, 2023 and 2024 and for the three months ended March 31, 2024 and 2025, respectively. We have implemented a series of measures to enhance our operating cash flow and maintain sufficient working capital to support our business operations and expansion plans, including continuously expanding our business to generate more revenue, monitoring our trade receivables, enhancing our collection to assure quick trade receivables turnover, and improving our cost efficiency. See "Risk Factors — Risks Relating to Our Business and Industry — We recorded net current liabilities, net liabilities and net operating cash outflows during the Track Record Period, and we cannot assure you that we will not have net current liabilities, net liabilities or net operating cash outflows in the future" for details.

Taking into account the financial resources available to us, including cash flows from operating activities, available banking facilities, and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

Our Directors also confirm that we had no material defaults in payment of trade and non-trade payables and borrowings nor any breach of financial covenants during the Track Record Period. We currently do not have any plans for material additional external financing other than the Listing.

NET CURRENT LIABILITIES

	As of December 31,			As of March 31,	As of July 31,
	2022	2023	2024	2025	2025
			(RMB'000)		
					(Unaudited)
Current Assets:					
Inventories	10,312	4,451	2,030	1,216	1,084
Trade receivables	63,592	117,824	170,669	167,837	170,639
Prepayments, deposits and other receivables	25,049	25,460	34,836	44,111	45,018
Restricted cash	4,025	494	7,781	7,176	4,169
Cash and cash equivalents	37,748	57,555	58,266	68,447	64,518
	140,726	**205,784**	**273,582**	**288,787**	**285,428**
Assets classified as held for sale	15,416	–	–	–	–
Total current assets	**156,142**	**205,784**	**273,582**	**288,787**	**285,428**
Current liabilities					
Lease liabilities	8,249	5,649	7,123	7,106	7,513
Trade and bill payables	56,159	96,375	102,627	90,809	94,451
Borrowings	19,558	9,514	89,393	114,506	102,704
Contract liabilities	36,395	39,728	41,446	54,601	54,094
Accruals and other payables	106,433	101,869	130,262	126,457	131,842
Current income tax liabilities	–	116	405	498	435
Redemption liabilities	294,183	–	–	–	–
	520,977	**253,251**	**371,256**	**393,977**	**391,039**
Liabilities directly associated with assets classified as held for sale	23,126	–	–	–	–
Total current liabilities	**544,103**	**253,251**	**371,256**	**393,977**	**391,039**
Net current liabilities	**387,961**	**47,467**	**97,674**	**105,190**	**105,611**

Our net current liabilities remained relatively stable at RMB97.7 million, RMB105.2 million and RMB105.6 million as of December 31, 2024, March 31, 2025 and July 31, 2025, respectively.

Our net current liabilities increased from RMB47.5 million as of December 31, 2023 to RMB97.7 million as of December 31, 2024, mainly due to (i) an increase of borrowings of RMB79.9 million as we obtained new short-term borrowings of RMB88.9 million in 2024, (ii) an increase of accruals and other payables of RMB28.4 million in relation to payroll and welfare payable and payables to physicians and medical and healthcare institutions. This increase was partially offset by (i) an increase of RMB52.8 million in trade receivables mainly due to our wholesale of pharmaceutical and healthcare products, as well as digital hospital solutions, (ii) an increase of RMB9.4 million in prepayments, deposits and other receivables, mainly attributable to the increase in amounts due from related parties of RMB5.1 million, stemming from a loan agreement entered between one of our Shareholders and Shenzhen Ningyuan in January 2024. For details, see "— Related Party Transactions — Amounts due from Related Parties — Amounts due from Other Related Parties;" and (iii) an increase of RMB7.3 million in restricted cash mainly due to the increase in restricted cash generated from our platform-related business, resulting from the settlement arrangement under such business.

Our net current liabilities decreased significantly from RMB388.0 million as of December 31, 2022 to RMB47.5 million as of December 31, 2023, mainly attributable to (i) a decrease in redemption liabilities of RMB294.2 million as a result of their derecognition following the termination of preferred rights with all relevant Shareholders in December 2023, (ii) an increase in trade receivables of RMB54.2 million, which was in line with our revenue growth in 2023, (iii) a decrease in liabilities directly associated with assets classified as held for sale of RMB23.1 million, following the disposal of Jiangsu Huiyi in January 2023, and (iv) an increase in cash and cash equivalents of RMB19.8 million mainly attributable to net cash generated from financing activities. The decrease was partially offset by (i) an increase in trade and bill payables of RMB40.2 million mainly due to the procurement of pharmaceutical and healthcare products, and (ii) a decrease in assets classified as held for sale of RMB15.4 million, following the disposal of Jiangsu Huiyi in January 2023.

As of December 31, 2022 and 2023, fluctuations in the net current liabilities position were significantly influenced by redemption liabilities. With the termination of all preferred rights with relevant investors in 2023, we fully derecognized all redemption liabilities by December 31, 2023, and do not anticipate incurring any new redemption liabilities that could affect our total or current liabilities before the Listing. However, our net current liabilities increased as of December 31, 2024 and March 31, 2025, primarily due to the rise in short-term borrowings to support our business expansion. Given our net current liabilities position as of March 31, 2025, we are actively striving to enhance our net current liabilities position by focusing on efficient asset management and careful liability control. This includes optimizing inventory management, tightening controls on trade receivables through stricter credit terms, ensuring liquidity via optimized cash management, extending payment terms with suppliers to improve payable management, and implementing more strategic financing arrangements. We are also considering restructuring our lease agreements to reduce liabilities and renegotiating contract terms to better match our cash flow capabilities. These efforts are aimed at significantly improving our net current liabilities position, reflecting our dedication to financial health and operational sustainability. For further details, see "Business — Business Sustainability."

See "Risk Factors — Risks Relating to Our Business and Industry — We recorded net current liabilities, net liabilities and net operating cash outflows during the Track Record Period, and we cannot assure you that we will not have net current liabilities, net liabilities or net operating cash outflows in the future" for further discussion.

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of redemption liabilities, lease liabilities and borrowings. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2022	2023	2024	2025	2025
			(RMB'000)		
					(Unaudited)
Current					
Redemption liabilities	294,183	–	–	–	–
Lease liabilities	8,249	5,649	7,123	7,106	7,513
Borrowings	19,558	9,514	89,393	114,506	102,704
Non-Current					
Lease liabilities	6,021	17,013	11,879	6,979	5,441
Borrowing	1,500	486	1,277	1,552	230
Total indebtedness	**329,511**	**32,662**	**109,672**	**130,143**	**115,888**

Redemption Liabilities

Our redemption liabilities represent ordinary shares of our Group with redemption rights held by certain investors, considering that not all triggering events for the exercise of redemption rights are within our control. We initially measure the redemption liabilities at the present value of the amount expected to be paid to the investors upon redemption, with subsequent changes in the carrying amount charged to finance costs. For details, see Note 32 to the Accountant's Report in Appendix I to this prospectus.

We did not record any redemption liabilities as of December 31, 2023 and 2024, March 31, 2025 and July 31, 2025, respectively, as all redemption liabilities were derecognized following the termination of preferred rights with all relevant investors in 2023.

Lease Liabilities

We were the lessee in respect of certain properties held under operating leases for our offices during the Track Record Period. The following table sets forth the present value of our lease liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2022	2023	2024	2025	2025
			(RMB'000)		(Unaudited)
Current	8,249	5,649	7,123	7,106	7,513
Non-Current	6,021	17,013	11,879	6,979	5,441
Total	**14,270**	**22,662**	**19,002**	**14,085**	**12,954**

Our lease liabilities increased by 58.8% from RMB14.3 million as of December 31, 2022 to RMB22.7 million as of the same date in 2023, primarily due to a rise in non-current lease liabilities, stemming from a lease agreement we re-signed. Our lease liabilities decreased by 16.2% from RMB22.7 million as of December 31, 2023 to RMB19.0 million as of December 31, 2024, primarily due to our rental payments made in 2024. Our lease liabilities decreased by 25.9% from RMB19.0 million as of December 31, 2024 to RMB14.1 million as of March 31, 2025, and further decreased to RMB13.0 million as of July 31, 2025, primarily due to (i) our rental payments made in the first quarter of 2025, and (ii) the termination of one leased property.

Borrowings

We categorize our borrowings into secured or guaranteed borrowings and unsecured and unguaranteed borrowings, and based on their maturity dates, they are classified as current or non-current. The following table sets forth a breakdown of our borrowings as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2022	2023	2024	2025	2025
			(RMB'000)		(Unaudited)
Current					
Borrowings, secured or guaranteed	19,558	7,014	74,633	99,291	90,304
Borrowings, unsecured and unguaranteed	–	2,500	14,760	15,215	12,400
	19,558	**9,514**	**89,393**	**114,506**	**102,704**

	As of December 31,			As of March 31,	As of July 31,
	2022	2023	2024	2025	2025
			(RMB'000)		
					(Unaudited)
Non-current					
Borrowings, secured or guaranteed	1,500	486	1,277	1,552	230
Total	**21,058**	**10,000**	**90,670**	**116,058**	**102,934**

Secured or guaranteed borrowings accounted for 100.0%, 75.0%, 83.7%, 86.9% and 88.0% of our total borrowings as of December 31, 2022, 2023 and 2024, March 31, 2025 and July 31, 2025, respectively, at fixed interest rates of 4%-15%, 6%-16%, 3.3%-18%, 3.1%-18% and 3.1%-18% per annum, respectively. They were all secured or guaranteed by our Controlling Shareholder and other related parties, most of which had terms of maturity of one year. All security or guarantees given by our related parties will be released before the Listing. See "— Related Party Transactions" and "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Financial Independence" for details.

On the other hand, unsecured and unguaranteed accounted for nil, 25.0%, 16.3%, 13.1% and 12.0% of all our outstanding borrowings as of December 31, 2022, 2023 and 2024, March 31, 2025 and July 31, 2025, respectively. All of our unsecured and unguaranteed borrowings during the Track Record Period were categorized as current liabilities at fixed interest rates between 3.6% and 10.51% per annum, with maturity dates between February 23, 2021 and June 17, 2025.

Our borrowings decreased by 52.5% from RMB21.1 million as of December 31, 2022 to RMB10.0 million as of December 31, 2023 as a result of our repayment. Our borrowings significantly increased by 806.7% to RMB90.7 million as of December 31, 2024, primarily attributable to the bank borrowings newly obtained in 2024, all of which were secured or guaranteed. The newly obtained borrowings in 2024 were primarily used to support our daily operations and business expansion, including product and solution promotion, research and development activities, procurement of pharmaceutical and healthcare products, and staff compensation. Our borrowings increased by 28.0% to RMB116.1 million as of March 31, 2025, primarily attributable to the bank borrowings newly obtained in the first quarter of 2025, all of which were secured or guaranteed. Our borrowings remained relatively stable at RMB116.1 million and RMB102.9 million as of March 31, 2025 and July 31, 2025, respectively.

As of July 31, 2025, we had unutilized committed credit facilities of RMB139.3 million, all of which were granted under legally binding agreements. These facilities are available for drawdown subject to banks' approval and certain financial or operational conditions, including but not limited to no significant changes in our Group's Shareholders or principal business, and no decline in creditworthiness. The Directors are confident that our Group will continue to meet such conditions over the twelve months from July 31, 2025, and that the facilities will therefore be available for drawdown as and when needed.

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2022, 2023 and 2024, March 31, 2025 and July 31, 2025. As of July 31, 2025, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire-purchase commitments, guarantees, or other material contingent liabilities. Our Directors confirm that there has not been any material change in our indebtedness since July 31, 2025 up to the date of this prospectus.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period were primarily for purchases of property and equipment and purchases of intangible assets. The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2022	**2023**	**2024**	**2024**	**2025**
			(RMB'000)		
				(Unaudited)	
Purchase of property and equipment	2,491	2,706	942	419	796
Purchase of intangible assets	–	73	–	–	–
Total	**2,491**	**2,779**	**942**	**419**	**796**

We estimate that our capital expenditure for the year ending December 31, 2025 will be approximately RMB1.0 million, which we intend to use primarily for the procurement of servers, software for office use, and office equipment and electronics, such as computers and computer accessories. We intend to fund our planned capital expenditures through a combination of cash generated from our operations and cash generated from financing activities.

Our actual capital expenditures may differ from the amounts set forth above due to various factors, including our future cash flows, results of operations and financial condition, economic conditions in the PRC, the availability of financing on terms acceptable to us and changes in the regulatory environment in the PRC. In addition, we may incur additional capital expenditures from time to time as we pursue new opportunities to expand our business.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet commitments or arrangements.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had amounts due from and borrowings from related parties, all of which were of non-trade nature.

Our Directors are of the opinion that all related party transactions during the Track Record Period were conducted on an arm's length basis. These transactions did not distort our results of operations or render our historical results unrepresentative of our future performance. For detailed information regarding our related party transactions, please refer to Note 39 in the Accountant's Report in Appendix I of this prospectus.

Amounts due from Related Parties

Amounts due from Mr. Luo

During the Track Record Period, the majority of our amounts due from related parties were with Mr. Luo, one of our Controlling Shareholders, chairman and chief executive officer. As of December 31, 2022, the outstanding amounts due from Mr. Luo were RMB1.2 million.

From 2019 to 2023, our Group provided Mr. Luo with certain term loans, which were unsecured, interest-free, payable on demand, and denominated in RMB. In addition, in 2020, our Group provided Mr. Luo with RMB20.1 million on a one-year fixed term and RMB15.1 million payable on demand, both of which were unsecured, interest-free, and denominated in RMB. All of the aforementioned amounts due from Mr. Luo were provided by our Group to facilitate his repurchase of Shenzhen Ningyuan's shares from other shareholders through himself and his two controlled companies, Heyuan Chuangye and Weikang Yuanju. As of December 31, 2024, the outstanding amounts due from Mr. Luo under these arrangements were fully repaid. In January 2024, our Group provided Mr. Luo with an unsecured revolving credit facility of up to RMB60.0 million at an annual interest of 3.45% to 6.00% to support his financial needs. The outstanding balance under the facility is repayable on demand. As of December 31, 2024 and March 31, 2025, the outstanding balance under this arrangement was

RMB1.3 million and RMB1.7 million, respectively. The principal of the outstanding balance had been fully settled as of the Latest Practicable Date, while the accrued interest income is expected to be fully settled before the Listing. The loan agreement will be terminated prior to the Listing.

Besides the aforementioned arrangements, our Group also had other amounts due from Mr. Luo in relation to the Pre-IPO Share Option Scheme during the Track Record Period, all of which were unsecured, interest-free, payable on demand and denominated in RMB. For details of the Pre-IPO Share Option Scheme, see "Appendix IV — Statutory and General Information — D. Pre-IPO Share Option Scheme." As of December 31, 2024, the outstanding amount due from Mr. Luo had been fully settled.

Amounts due from Other Related Parties

Amounts due from other related parties during the Track Record Period, which in total accounted for an insignificant portion of the outstanding balance at the end of each reporting period, were made to a Registered Shareholder, a vice president and a Shareholder. The amounts due from the Registered Shareholder and the vice president are unsecured, interest-free, and repayable on demand. As of December 31, 2024, the outstanding amounts due from both the vice president and the Registered Shareholder had all been settled. As of the same date, the amounts due from the Shareholder remained outstanding but not yet due, which is expected to be settled before the Listing. Our subsidiary, Shenzhen Ningyuan, provided an unsecured loan of RMB4.5 million to a Shareholder in January 2024 to address the Shareholder's short-term liquidity needs. This loan carries a fixed annual interest rate of 6.0% and was scheduled to become due and repayable on January 2, 2025. In December 2024, Shenzhen Ningyuan and the Shareholder entered into a supplemental agreement to extend the loan maturity date to September 30, 2025, and to offset approximately RMB707,000 of the outstanding loan against other amounts payable by Shenzhen Ningyuan to Qingdao Chengyu.

Bank Borrowings Guaranteed or Counter-Guaranteed by Related Parties

During the Track Record Period, we had 12 bank borrowings that were guaranteed or counter-guaranteed by related parties, with a total guaranteed amount of RMB129.4 million. The individuals providing these guarantees were (i) Mr. Luo and his spouse and (ii) Mr. Peng Fang, the vice president of our Group. As of the Latest Practicable Date, most of these guarantees provided by related parties had ended. The remaining guarantees, which amounted to RMB40.2 million in aggregate, will be released before the Listing.

FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	Year ended/As of December 31,			Three months ended/As of March 31,
	2022	2023	2024	2025
Profitability ratios				
Revenue growth (%)	N/A	19.6	(1.3)	6.7
Adjusted net loss margin (non-IFRS measures)[(1)] (%)	(15.6)	(5.7)	(5.1)	(7.1)
Liquidity ratios				
Current ratio[(2)]	0.29	0.81	0.74	0.73
Quick ratio[(3)]	0.27	0.79	0.73	0.73

Notes:

(1) Adjusted net loss margin (non-IFRS measures) equals the adjusted (loss)/profit for the period (non-IFRS measures) divided by revenue for the same period and multiplied by 100%.

(2) Current ratio is calculated by total current assets divided by total current liabilities as of the end of the corresponding period.

(3) Quick ratio is calculated by total current assets less inventories divided by total current liabilities as of the end of the corresponding period.

As to the reasons for fluctuations in the above ratios, see "— Description of Key Consolidated Statements of Profit or Loss and Other Comprehensive Income Items" and "— Discussion of Certain Key Items of Consolidated Statements of Financial Position."

FINANCIAL RISKS

Our business activities expose us to a variety of financial risks: market risk, credit risk and liquidity risk, as set out below. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. As of the Latest Practicable Date, we did not hedge or consider it necessary to hedge any of these risks.

Cash Flow and Fair Value Interest Rate Risk

Financial assets and liabilities with variable interest rates expose our Group to cash flow interest rate risk, while financial assets and liabilities with fixed interest rates expose our Group to fair value interest rate risk. As of December 31, 2022, 2023 and 2024 and March 31, 2025, all our borrowings bore fixed interests at fixed interest rates, which expose us to fair value interest rate risk. Apart from these borrowings, interest-bearing cash and cash equivalents and restricted cash, we do not hold any other significant interest-bearing assets or liabilities. We do not anticipate any significant impact resulting from changes in interest rates.

Credit Risk

Risk Management

Credit risk primarily arises from cash and cash equivalents, short-term and long-term bank deposits, restricted cash, trade receivables, and deposits and other receivables. To manage credit risks, we place our cash and cash equivalents, short-term and long-term deposits, and pledged deposits with state-owned or reputable financial institutions in the PRC. There has been no recent history of default related to these financial institutions.

Cash Flow and Fair Value Interest Rate Risk

We have concentrations of credit risk that arise from trade receivables from its customers. Trade receivables from our five largest customers in each year/period during the Track Record Period in aggregate accounted for 39%, 57%, 18% and 39% of our total trade receivables as of December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. If these customers experience financial difficulties in paying us, our receivables might be adversely affected in terms of recoverability. To manage this risk, we assess the credit quality of the customers, taking into account their financial position, past trading and payment experience and forward-looking factors.

Impairment of Financial Assets

We have provisions for expected credit losses on the following types of financial assets: (i) trade receivables and (ii) deposits and other receivables (excluding prepayments).

For trade receivables, expected credit losses are determined by grouping them based on shared credit risk characteristics and aging. The expected loss rates are derived from historical credit losses, which are then adjusted to reflect current and forward-looking information on macroeconomic factors that may impact the customers' ability to settle their receivables. We consider the consumer price index of the PRC as the most relevant factors and adjust the historical loss rates accordingly. Trade receivables are written off when there is no reasonable expectation of recovery.

For deposits and other receivables (excluding prepayments), we conduct periodic collective assessments as well as individual assessments to evaluate their recoverability based on historical settlement records and past experience. Based on our historical data, the majority of our other receivables (excluding prepayments) are settled within 12 months and have had no instances of default at the end of each reporting period.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents. Due to the dynamic nature of our business, we regularly monitor our liquidity risk and maintain adequate cash and cash equivalents to meet our liquidity requirements.

See Note 3.1.3 to the Accountant's Report set forth in Appendix I to this prospectus for more details about our liquidity risk.

DIVIDEND POLICY

No dividend has been proposed, paid or declared by our Company or by any of the subsidiaries of our Group during the Track Record Period. We do not have a formal dividend policy or a fixed dividend payout ratio.

We are a holding company incorporated under the laws of the Cayman Islands. Therefore, the payment and amount of any future dividends will be contingent upon the availability of dividends received from our subsidiaries. Under Cayman Islands laws, our Company is permitted to pay dividends from either profit or share premium account or as otherwise allowed by Cayman Islands laws, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As advised by our legal advisors as to Cayman Islands laws, subject to the aforementioned condition, there are no restrictions under Cayman Islands laws preventing our Company from declaring and paying dividends despite our accumulated losses. Our Board has complete discretion regarding the distribution of dividends, subject to the requirements of Cayman Islands laws. Furthermore, our Shareholders may declare a dividend by ordinary resolution, but no dividend can exceed the amount recommended by our Board. According to PRC laws, dividends can only be paid out of the profit for the year as determined by PRC accounting principles. In addition, foreign-invested enterprises in the PRC are required to allocate at least 10% of their after-tax profits, if any, to statutory reserves, which cannot be distributed as cash dividends. When dividends are approved by our Shareholders or Directors, as appropriate, the distribution to our Shareholders is recognized as a liability in the respective year.

DISTRIBUTABLE RESERVES

Our Company was incorporated in the Cayman Islands on January 31, 2022 and has not carried out any business since the date of its incorporation. As of March 31, 2025, we did not have any distributable reserves available for distribution to our Shareholders.

LISTING EXPENSES

Our listing expenses mainly include underwriting commissions, professional fees paid to legal advisers, the Reporting Accountant and other professional parties for their services rendered in relation to the Listing and the Global Offering. The estimated total listing expenses for the Global Offering are approximately HK$86.4 million (equivalent to RMB78.8 million) (comprising HK$22.5 million underwriting-related expenses, HK$42.6 million fees and expenses of legal advisors and accountants, and HK$21.3 million other fees and expenses, including fees to the Joint Sponsors and other professional parties), representing approximately 19.2% of the gross proceeds, based on the mid-point of our indicative price range for the Global Offering and assuming that the Over-allotment Option is not exercised.

During the Track Record Period, we incurred listing expenses in the amount of RMB42.9 million, of which RMB39.0 million was recognized as administrative expenses in the consolidated statements of profit or loss and other comprehensive income and RMB3.9 million will be deducted from equity upon the Listing. We estimate that we will further incur listing expenses of approximately RMB35.9 million, of which approximately RMB13.8 million will be recognized as administrative expenses and approximately RMB22.1 million is expected to be recognized as a deduction in equity upon Listing.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets prepared in accordance with paragraph 4.29 of the Listing Rules is set out below to illustrate the effect of the Global Offering on the consolidated net tangible liabilities of our Group attributable to the owners of our Company as of March 31, 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group had the Global Offering been completed as of March 31, 2025 or at any future dates. The unaudited pro forma statement of adjusted consolidated net tangible assets of our Group is based on the consolidated net tangible liabilities of our Group attributable to our owners of our Company as of March 31, 2025 as set out in the Accountant's Report of our Company, the text of which is set out in Appendix I to this prospectus, and adjusted as described below:

	Audited consolidated net tangible liabilities of our Group attributable to owners of our Company as of March 31, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of our Group attributable to the owners of our Company as of March 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$11.89 per Offer Share .	(94,539)	327,158	232,619	0.69	0.76
Based on an Offer Price of HK$14.86 per Offer Share .	(94,539)	413,766	319,227	0.95	1.04

Notes:

(1) The audited consolidated net tangible liabilities of our Group attributable to the owners of our Company as of March 31, 2025 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of our Group attributable to the owners of our Company as of March 31, 2025 of RMB92,822,000 with an adjustment for the intangible assets attributable to the owners of our Company as of March 31, 2025 of RMB1,717,000.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK$11.89 and HK$14.86 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB38,982,000 which have been accounted for in the consolidated statements of profit or loss and other comprehensive income prior to March 31, 2025) paid/payable by our Company, which takes no account of any Shares that may be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme, any Shares that may fall to be issued upon the exercise of the Over-allotment Option, or any Shares that may be issued or repurchased by our Company pursuant to the general mandates.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 336,452,810 Shares were in issue, assuming that the Share Subdivision and the Global Offering had been completed on March 31, 2025, but takes no account of any Shares that may fall to be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme, any Shares that may fall to be issued upon the exercise of the Over-allotment Option, or any Shares that may be issued or repurchased by our Company pursuant to the general mandates.

(4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets per Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.9117 to HK$1.00. No representation is made that Renminbi has been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of our Group entered into subsequent to March 31, 2025.

NO MATERIAL ADVERSE CHANGE

After conducting sufficient and appropriate due diligence, which our Directors deem suitable, and giving it careful consideration, our Directors hereby confirm that, up to the date of this prospectus, there have been no material adverse changes in our financial or trading position or prospects since March 31, 2025. This date corresponds to the latest audited consolidated financial position of our Group, as stated in the Accountant's Report in Appendix I to this prospectus, up to the date of this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Our Business Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate the net proceeds of the Global Offering which we will receive, assuming an Offer Price of HK$13.37 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), will be approximately HK$363.6 million, after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering and assuming the Over-allotment Option is not exercised.

In line with our business strategies, we intend to use the net proceeds of the Global Offering for the following purposes:

- approximately 40.0% (or HK$145.3 million) will be used to further broaden medical resource coverage and boost traffic to our platform, among which:

  (i) approximately 26.0% (or HK$94.5 million) will be used to augment our user base and expand the coverage of medical resources on our platform, which encompasses the medical and healthcare institutions we cooperate with and the medical professionals connected to our platform. Specifically, we plan to use:

    (a) approximately 18.1% (or HK$65.8 million) to extend user base through traffic platforms: We intend to strategically collaborate with nationally renowned enterprises or platforms with large user bases, aiming to channel their substantial user traffic to our platform and utilize their strong brand influence to boost our brand's visibility. For example, we are actively planning partnerships with reputable domestic smart device manufacturers, integrating our app into their smart devices to tap into their existing and potential users, thereby expanding our platform's user base. In parallel, we are proactively exploring partnerships with other traffic platforms, particularly those in the lifestyle service sector, to leverage their substantial user communities for targeted advertising placements. Local lifestyle service platforms offer broad coverage of daily service scenarios, generating substantial regional traffic and strong user trust. By partnering with these platforms, we can directly and effectively reach target users through their healthcare sections. Their credibility also helps ease user concerns about online healthcare services. In addition, users frequently rely on these platforms for high-frequency lifestyle interactions such as local information searches, utility payments, and transportation services. Compared with these services, healthcare needs occur less frequently. By leveraging the steady flow of traffic generated from these everyday interactions, we are able to stimulate awareness and interest in healthcare services, thereby activating low-frequency healthcare demand, converting traffic into medical service consumption, and driving both sales and platform engagement. In this context, Frost & Sullivan conducted market research based on our specific selection criteria, identifying more than 20 companies that met our requirements for strategic collaboration as of the Latest Practicable Date. Despite this, we had not initiated negotiations, signed letters of intent or agreements, or identified any definite collaboration targets for this purpose as of the Latest Practicable Date;

(b) approximately 4.3% (or HK$15.7 million) to expand medical resources through hosting industry conferences: We plan to organize periodic medical conferences, including physician summits and forums. Through these industry-specific exchange gatherings, we aim to enhance our brand visibility and platform recognition among medical and healthcare institutions and professionals. We organized 33 physician summits and forums during the Track Record Period. The estimated cost of these events ranged from approximately RMB1.5 million to RMB2.0 million per event, depending on their scale and scope; and

(c) approximately 3.6% (or HK$13.1 million) to integrate medical resources through collaborating with regional healthcare service portals: Our targeted regional healthcare service portals primarily consist of public accounts, mini-programs, or other forms of local media that already have online appointment capabilities with local medical and healthcare institutions. The regional healthcare service portals integrate local medical resources and healthcare channels, offering comprehensive services to users within their regions. Our foremost cooperation model is designed around these regional healthcare service portals offering us platform interface integration, thus granting access to their comprehensive online appointment resources for local medical and healthcare institutions. We believe collaborating with such service platforms will enable us to smoothly integrate their existing appointment resources into our platform by utilizing their application programming interfaces. This efficient integration process empowers us to effectively consolidate local medical resources onto our platform;

(ii) approximately 14.0% (or HK$50.8 million) will be used for strengthening our localized services in selected regions, which encompasses new tier-one cities, such as Wuhan, Suzhou, Xi'an, Tianjin, Zhengzhou, Kunming, Ningbo, and Hefei, and certain tier-two cities, such as Foshan, Shenyang, Jinan, Xiamen, Fuzhou, Harbin, Shijiazhuang, and Dalian, in China (the "**Target Regions**"). This expansion strategy is grounded in a detailed evaluation of local medical resources, population density, and per capita healthcare expenditure. Moreover, we have taken into account the developmental prospects of these areas and their surroundings, alongside the potential for synergies with regions where our regional operation centers are already established. We believe that this initiative will strengthen our collaboration with medical and healthcare institutions and professionals, and bolster our brand presence. We intend to open new offices in the Targeted Regions and hire local service teams for our local marketing and operations. Along with the regions in which we have been equipped with local service teams, we intend to extend our customer operations and development to all tier-one and tier-two cities across China in the next three to five years. The table below sets forth the further discussion on the timeline of expansion in selected regions:

	Timeline of expansion	
	Year ending December 31,	
	2026	2027
	(HKD in millions, except number of cities and staff)	
New tier-one cities		
– Number of cities	3	5
– Total number of staff	60	100
– Planned use of the net proceeds	12.8	21.5
• Staff salary	12.3	20.5
• Operational expenses	0.5	1.0
Tier-two cities		
– Number of cities	6	8
– Total number of staff	60	80
– Planned use of the net proceeds	7.1	9.4
• Staff salary	6.6	8.8
• Operational expenses	0.5	0.6
Total net proceeds	**19.9**	**30.9**

- approximately 30.0% (or HK$109.1 million) will be used to strengthen our research and development capabilities. Our goal is to consistently enhance our data processing capabilities and reinforce data security measures, alongside upgrading the technological infrastructure of our *Healthcare 160 Platform*. Through these efforts, we aim to deliver a more dependable, secure, and user-friendly digital healthcare and wellness service platform to our valued customers. In particular:

  (i) approximately 16.0% (or HK$58.2 million) will be used to expand our in-house R&D team by recruiting more experienced R&D experts specializing in AI and/or intelligent algorithms. With new talents on board, we are strategically poised to develop advanced AI-powered services and products, including auxiliary diagnosis, intelligent patient guidance, and customer service. Furthermore, we are committed to enriching our knowledge of intelligent algorithms by constructing intelligent recommendation algorithm models through meticulous data mining and research. These initiatives are anticipated to bolster our intelligent recommendation capabilities, optimize traffic distribution efficiency, and ultimately enrich the overall user experience on our platform.

While we maintain a streamlined R&D team to support efficiency, expanding our in-house capabilities is necessary to address key skill gaps for upcoming innovation. We plan to recruit talent with AI expertise to support new initiatives, such as intelligent feature development and algorithm optimization, which fall outside the capabilities of our current team.

Our existing R&D team is fully occupied with system maintenance and lacks the specialized expertise required for advanced AI development. As AI and medical big data become increasingly integral to the industry, bringing in experienced talent is essential to remain competitive. We believe this targeted expansion will strengthen our technological capabilities and market position without undermining our commitment to cost control and operational efficiency. While expanding our R&D team to meet technology development needs, we remain committed to expense control and lean staffing. Our focus is on maximizing team efficiency to ensure that the R&D function remains streamlined and effective in supporting our growth objectives.

We intend to establish our AI R&D team in a phased manner over the next five years. In the first two years, we plan to adopt a prudent recruitment strategy by selectively adding AI specialists to enhance our R&D capabilities. Subject to the demonstrated business and financial benefits of these initial additions, we expect to expand the team in subsequent years by recruiting additional senior AI talent to further strengthen our in-house expertise. While such recruitment may result in a moderate increase in R&D expenses, the phased approach is designed to ensure that our investment in innovation remains balanced with disciplined cost control. We believe this strategy will enable us to achieve our AI development objectives while remaining aligned with our path to profitability. The table below sets forth the further discussion on the timeframe of the establishment of AI R&D team:

	Implementation timeframe				
	Year ending December 31,				
	2026	**2027**	**2028**	**2029**	**2030**
Number of AI talents	12	13	20	25	26
Average annual salary per AI talent (HKD in thousand)	598.3	613.8	595.0	597.2	624.2
Total net proceeds (HKD in millions)	7.2	8.0	11.9	14.9	16.2

(ii) approximately 10.0% (or HK$36.4 million) will be used to upgrade our IT infrastructure. We plan to establish remote computer rooms to fortify our platform's data security and amplify the data processing prowess; and

(iii) approximately 4.0% (or HK$14.5 million) will be used for strategic collaboration with external renowned research institutions with strong data processing capabilities to establish 160 Internet Healthcare Research Institute, with a focus on advancing the realms of medical and healthcare behavior, user data analytics, and the development of intelligent recommendation algorithm models, among other crucial technological platform toolkits;

- approximately 10.0% (or HK$36.4 million) will be used to diversify our product and service offerings and explore value-added services. In particular:

(i) approximately 6.0% (or HK$21.8 million) will be used for launching the commercial medical insurance business through collaborations with insurance companies. For example, we intend to collaborate with insurance companies to design and introduce innovative insurance products customized for our individual users to cover popular services and products on our platform. In addition, we may cooperate with insurance companies and become their designated medical service provider, directing user traffic to our platform. Furthermore, we will make efforts to obtain applicable licenses or permits before launching this new business as required by applicable laws and regulations. We also plan to recruit experienced staff to establish a dedicated team exclusively focusing on the commercial medical insurance business; and

(ii) approximately 4.0% (or HK$14.5 million) will be used to develop health management services. We plan to design high-end, personalized value-added service offerings for individual users. We intend to introduce differentiated member service packages tailored for members of different membership levels, aiming to fulfill their diverse needs. We intend to build a health management service team comprising (a) personal health consultants to provide individual users with personalized one-to-one healthcare guidance and (b) membership program operating staff responsible for the design and promotion of membership service packages. In addition, we will forge alliances with external medical professionals to provide exclusive private physician services, such as telephone follow-ups and expert consultations on health management;

- approximately 10.0% (or HK$36.4 million) will be used to selectively pursue strategic cooperation and acquisitions. In particular, we plan to actively pursue strategic collaborations and acquisitions with service providers along the healthcare service value chain. See "Business — Our Business Strategies — Selectively pursue strategic cooperation and acquisitions" for details of our acquisition strategy and selection criteria. We will also prudently assess a target company's financial condition, management capabilities, and compliance history, among other things. The actual execution of our acquisition strategy is contingent upon several factors, encompassing, but not limited to, prevailing local market conditions, the identification of appropriate acquisition targets, successful business negotiations under terms favorable to us, and the alignment with our current business strategies.

In this context, Frost & Sullivan has undertaken market research tailored to our specific selection criteria. This process involved identifying companies that have made public disclosures regarding their business activities and operational status. Through a thorough matching process against our defined criteria, it was ascertained that over 110 companies in the market satisfied our requirements for strategic cooperation and acquisition as of the Latest Practicable Date. As of the Latest Practicable Date, we had not engaged in any negotiations, entered into any letters of intent or agreements for potential acquisitions, or identified any definite acquisition targets for this purpose; and

- approximately 10.0% (or HK$36.4 million) will be used for working capital and general corporate purposes.

If the Offer Price is fixed at HK$14.86 per Offer Share (being the high end of the Offer Price range stated in this prospectus) and assuming the Over-allotment Option is not exercised, we will receive additional net proceeds of approximately HK$47.5 million. If the Offer Price is fixed at HK$11.89 per Offer Share (being the low-end of the Offer Price range stated in this prospectus) and assuming the Over-allotment Option is not exercised, the net proceeds will be reduced by approximately HK$47.5 million. To the extent our net proceeds are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro-rata basis.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK$118.7 million (assuming an Offer Price of HK$14.86 per Offer Share, being the high-end of the Offer Price range stated in this prospectus) or (ii) HK$9.5 million (assuming an Offer Price of HK$11.89 per Offer Share, being the low-end of the Offer Price range stated in this prospectus). Additional net proceeds received due to the exercise of any Over-allotment Option will be used for the above purpose accordingly on a pro-rata basis in the event that the Over-allotment Option is exercised.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only place the net proceeds from the Global Offering which are not immediately required for the disclosed purpose in short-term interest-bearing accounts at licensed commercial banks and/or authorized financial institutions (as defined under the Securities and Future Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the proposed use of proceeds above or if any amount of the proceeds will be used for general corporate purposes.

HONG KONG UNDERWRITERS

Shenwan Hongyuan Securities (H.K.) Limited
Zero2IPO Securities Limited
ABCI Securities Company Limited
BOCI Asia Limited
Eddid Securities and Futures Limited
Innovation Securities Co., Limited
Sun Securities Limited
South China Securities Limited
Zhongtai International Securities Limited
Livermore Holdings Limited
uSMART Securities Limited
Valuable Capital Limited

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters.

The Global Offering comprises the Hong Kong Public Offering of initially 3,364,750 Hong Kong Offer Shares and the International Offering of initially 30,280,750 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" as well as to the Over-allotment Option (in case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering initially 3,364,750 Hong Kong Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus at the Offer Price. Subject to (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be offered pursuant to the Share Subdivision and the Global Offering as mentioned herein and such approval not having been withdrawn and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally and not jointly to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement. The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Sponsors and Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there develops, occurs, exists or comes into effect:

(i) any event, or series of events, whether in continuation, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a national, regional or international emergency or war, calamity, crisis, epidemic (including COVID-19, SARS, swine or avian flu, H5N1, H1N1, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) or such related/mutated forms), pandemic, outbreaks, escalation, mutation or aggravation of diseases, export controls, economic sanctions, strikes, labour disputes, lockouts, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, riots, rebellion, civil commotion, calamity, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed), export controls, economic sanctions, paralysis in government operations, interruptions or delay in transportation in or affecting Hong Kong, the PRC, the United States, the United Kingdom, Singapore, the European Union (or any member thereof) or any other jurisdiction relevant to the Company (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, or the Singapore Stock Exchange; or

(iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at the U.S. Federal or New York State level or by any other competent authority), London, Singapore, the PRC, or any of the other Relevant Jurisdictions (declared by the relevant authorities) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(v) any new Law (as defined in the Hong Kong Underwriting Agreement) or regulation or any change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any governmental authority in or affecting any of the Relevant Jurisdictions; or

(vi) the imposition of economic sanctions in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions; or

(vii) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the United States dollar, the Hong Kong dollar, RMB, Euro, British pound or Swiss Franc against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or adversely affecting an investment in the Offer Shares; or

(viii) other than with the prior written consent of the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to this prospectus, Preliminary Offering Circular (as defined in the Hong Kong Underwriting Agreement), Final Offering Circular (as defined in the Hong Kong Underwriting Agreement) or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(ix) any valid demand by creditors for repayment or payment of any indebtedness of any member of the Group or any member of the Group is liable to prior to its stated maturity; or

(x) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Director; or

(xi) any contravention by any member of the Group, any Director or any member of the Controlling Shareholders of any applicable laws and regulations or the Listing Rules; or

(xii) any non-compliance of this prospectus, the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or any other applicable laws and regulations; or

(xiii) any change or prospective change or development, or a materialisation of, any of the risks set out in section headed "Risk Factors" in this prospectus; or

(xiv) an authority or a political body or organization in any Relevant Jurisdiction (including, in particular, the CSRC and its local branches and representative offices) commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group or any Director or a member of the Company's senior management as named in this prospectus; or

(xv) any order or petition is presented for the winding up or liquidation of any member of the Group (other than the Company) or any composition or arrangement made by any member of the Group (other than the Company) with its creditors or a scheme of arrangement entered into by any member of the Group (other than the Company) or any resolution is passed for the winding-up of any member of the Group (other than the Company) or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group (other than the Company) or anything analogous thereto occurring in respect of any member of the Group (other than the Company),

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) has or will or may have a material adverse effect to the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company, taken as a whole;

(2) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications or the distribution of the Offer Shares under the Hong Kong Public Offering or the level of interest under the International Offering;

(3) makes or will make or may make it inadvisable, impracticable or incapable for any part of the Global Offering, or the delivery of the Offer Shares, to be performed or implemented or to proceed or to market the Global Offering in the manner contemplated by the documents in relation to the Global Offering (the "**Offering Documents**"); or

(4) has or will or may have the effect of making any part of this Agreement (including underwriting) impracticable or incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof otherwise than in accordance with those set out in this prospectus; or

(b) there has come to the notice of the Overall Coordinators that:

(i) any statement contained in any of the Offering Documents, the formal notice of the Global Offering, the Operative Documents (as defined in the Hong Kong Underwriting Agreement) and/or in any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to this Agreement) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto but excluding information relating to the Underwriters) (collectively, the "**Offer Related Documents**"), but excluding information in relation to the Underwriters, consisting only of the name, logo, address and qualification of each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions with reference to the facts and circumstances then subsisting when taken as a whole;

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not have been disclosed in the Offering Documents, constitute a material omission from, or material misstatement in, any of the Offer Related Documents therefrom;

(iii) there is a material breach of, or any event or circumstance rendering untrue, incorrect, incomplete or misleading in any respect, any of the warranties given by the Company or any of the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(iv) there is a material breach of any of the obligations imposed upon the Company or any of the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(v) there is an event, act or omission which gives or is likely to give rise to any material liability of the Company and the Controlling Shareholders pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement;

(vi) there is any material adverse change, or any development involving a prospective material adverse change, in or affecting the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company, taken as a whole;

(vii) the approval of the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

(viii) any person named as an expert in this prospectus (other than any of the Joint Sponsors) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears or to the issue of any of this prospectus;

(ix) the Company withdraws any of the Offer Related Documents or the Global Offering;

(x) there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including the Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering;

(xi) the chairman of the Board, the chief executive officer, any Director or any other member of senior management of the Company is vacating his or her office;

(xii) any Director or any other member of senior management of the Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or there is the commencement by any governmental, political or regulatory body of any investigation or other action against any Director or member of senior management of the Company in his or her capacity as such or the Company or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action;

(xiii) any order or petition is presented for the winding up or liquidation of the Company or any composition or arrangement made by the Company with its creditors or a scheme of arrangement entered into by the Company or any resolution for the winding-up of the Company or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of the Company or anything analogous thereto occurring in respect of the Company; or

(xiv) a material portion of the orders placed or confirmed in the bookbuilding process, have been withdrawn, terminated or cancelled,

then the Joint Sponsors and the Overall Coordinators may (for themselves and on behalf of the Hong Kong Underwriters), in their sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further Shares or securities convertible into the Company's equity securities (whether or not of a class already issued) may be issued by the Company or form the subject of any agreement to such an issue by the Company within six months from the Listing Date (whether or not such issue of Shares or the Company's securities will be completed within six months form the Listing Date), except for Shares issued or to be issued pursuant to the Global Offering (including any exercise of the Over-allotment Option or upon the exercise of the options granted pursuant to the Pre-IPO Share Option Scheme) or any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules and Chapter 4.13 of the Guide for New Listing Applicants issued by the Stock Exchange, each of the Controlling Shareholders has undertaken to the Stock Exchange and to our Company that, except pursuant to the Global Offering, he/it will not, and shall procure the relevant registered holder(s) shall not without the prior written consent of the Stock Exchange or unless otherwise in compliance with the applicable requirement of the Listing Rules:

(i) in the period commencing on the date by reference to which disclosure of his/its shareholdings in the Company is made in this prospectus and ending on the date which is six months from the Listing Date (the "**First Six-Month Period**"), either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of the Company in respect of which it is shown by this prospectus to be the beneficial owner; and

(ii) in the period of six months from the expiry of the First Six-Month Period, either directly or indirectly, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a Controlling Shareholder of the Company.

Nothing in the above shall prevent a Controlling Shareholder from using the Shares beneficially owned by it/him as security (including a charge or pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan or a share lending arrangement entered into by a Controlling Shareholder pursuant to Rule 10.07(3) of the Listing Rules.

Further, pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, within the period commencing on the date by reference to which disclosure of his/its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will and will procure that the relevant registered holder(s) will:

(1) when he/it pledges or charges any securities of the Company beneficially owned by him/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07 of the Listing Rules, immediately inform us and the Stock Exchange of such pledge or charge together with the number of securities so pledge or charged; and

(2) when he/it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities will be disposed of, immediately inform us and the Stock Exchange of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the above matters, if any, by any of the Controlling Shareholders and disclose such matters as soon as possible after being so informed.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company undertakes to each of the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters not to (save for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering including pursuant to any exercise of the Over-allotment Option), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the First Six-Month Period:

(a) offer, allot, issue, sell, accept subscription for, contract to allot, issue or sell, contract or agree to allot, issue or sell, assign, grant or sell any option, warrant, right or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or otherwise transfer or dispose of, or agree to transfer or dispose of, or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company), or deposit any Shares or other securities of the Company, as applicable, with a depository in connection with the issue of depository receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any Shares or other securities of the Company, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company); or

(c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or

(d) offer to or contract to or agree to announce that the Company will or may enter into any such transaction described in paragraphs (a), (b) or (c) above,

in each case, whether any such transaction described in paragraphs (a), (b) or (c) above is to be settled by delivery of the Shares or other securities of the Company, in cash or otherwise (whether or not the issue of Shares or other securities of the Company will be completed within the First Six-Month Period).

In the event that, during the period of six months immediately following the First Six-Month Period (the "**Second Six-Month Period**"), the Company enters into any such transactions or offers or agrees or contracts to, or announces, any intention to, enter into any such transactions, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of the Company.

Undertakings by the Controlling Shareholders

Each of the Controlling Shareholders has undertaken to each of Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Hong Kong Underwriters and the CMIs that, except pursuant to the exercise of the Over-allotment Option and the issue of Shares thereof and save for any pledge or charge to authorized institutions (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, to the extent permitted by applicable Laws, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules:

(a) during the First Six-Month Period, he/it will not:

(i) offer, pledge, charge, sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant, or purchase any option, warrant, contract or right to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company) (the "**Locked-up Securities**"); or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or contract to or agree to or announce that the Controlling Shareholder will or may enter into any transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any such transaction described in paragraphs (a)(i), (a)(ii) or (a)(iii) above is to be settled by delivery of such Shares or other securities of the Company, in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period);

(b) during the Second Six-Month Period, he/it will not enter into any of the transactions specified in paragraphs (a)(i), (a)(ii) or (a)(iii) or (a)(iv) above or offer to or agree to or contract or announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, it will, as applicable, cease to be a "controlling shareholder" (as the term is defined in the Listing Rules) of the Company;

(c) until the expiry of the Second Six-Month period, in the event that it enters into any of the transactions specified in paragraphs (a)(i), (a)(ii) or (a)(iii) above or offer to or agrees to or announces any intention to enter into any such transaction, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of the Company;

(d) within the period commencing on the date by reference to which disclosure of his/its shareholding in the Company is made at the date of this prospectus and ending on the date which is 12 months after the Listing Date, the Controlling Shareholder will:

(i) if and when he/it pledges or charges any Shares or other securities of the Company beneficially owned by him, immediately inform the Company in writing of such pledge or charge together with the number of Shares or other securities (or interests therein) of the Company so pledged or charged; and

(ii) if and when he/it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other securities (or interests therein) of the Company will be disposed of, immediately inform the Company in writing of such indications.

Hong Kong Underwriters' Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of our Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

The International Offering

In connection with the International Offering, it is expected that we will enter into the International Underwriting Agreement with the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares, failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

The Company is expected to grant to the International Underwriters the Over-allotment Option exercisable by the Overall Coordinators on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue and allot up to an aggregate of 5,046,750 additional Offer Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover, among other things, over-allocations (if any) in the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Commission and Expenses

The Underwriters will receive an underwriting commission of 3% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option) (the "**Fixed Fees**"), out of which they will pay any sub underwriting commissions and other fees. The Company may, at its sole discretion, pay to any one or more of the Underwriters a discretionary incentive fee of an aggregate of up to 2% of the Offer Price of all the Offer Shares (the "**Discretionary Fees**"). Assuming that the Discretionary Fees are paid in full, the ratio of the Fixed Fees and Discretionary Fees payable is therefore 60:40.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters. The underwriting commission was determined between the Company and the Underwriters after arm's length negotiations with reference to current market conditions.

Assuming the Over-allotment Option is not exercised at all and the full payment of the Discretionary Fees and based on an Offer Price of HK$13.37 per Share (being the mid-point of the indicative Offer Price range of HK$11.89 to HK$14.86 per Share), the aggregate commissions and fees, together with listing fees, SFC transaction levy, AFRC transaction levy, Stock Exchange trading fee, legal and other professional fees and printing and other expenses, payable by the Company relating to the Global Offering are estimated to be approximately HK$80.3 million in total.

Joint Sponsors' Fees

An aggregate amount of US$1.3 million is payable by the Company as sponsor fees to Joint Sponsors.

Other Services Provided by the Underwriters

The Overall Coordinators and the Underwriters may in their ordinary course of business provide financing to investors subscribing for the Offer Shares offered by this prospectus. The Overall Coordinators and the Underwriters may enter into hedges and/or dispose of such Offer Shares in relation to the financing which may have a negative impact on the trading price of the Shares.

Indemnity

Each of the Company and the Controlling Shareholders has agreed to indemnify, among others, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong

Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Underwriting Agreements and any breach by us/him/it of the Underwriting Agreements, as the case may be.

INDEPENDENCE OF THE JOINT SPONSORS

Shenwan Hongyuan Capital (H.K.) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

In respect of Zero2IPO Capital Limited ("**Zero2IPO Capital**"), whereas Mr. Ni Zhengdong (倪正東) ("**Mr. Ni**"), who is a director of Zero2IPO Capital, holds approximately 54.93% equity interest in Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) ("**Zero2IPO Consulting Group**"), which holds the entire equity interest in Beijing Zero2IPO Chuangfu Investment Management Co., Ltd. (北京清科創富投資管理有限公司), and in turn holds the entire equity interest in Beijing Zero2IPO Chuangying Entrepreneurship Investment Management Co., Ltd. (北京清科創盈創業投資管理有限公司) ("**Beijing Zero2IPO Chuangying**"), of which Mr. Ni is the sole director and general manager. Beijing Zero2IPO Chuangying is the sole general partner and managing partner of each of Zero2IPO Jiaqi, Zero2IPO Yiju and Zero2IPO Xiaochi (collectively, the "**Zero2IPO Entities**"). Each of the Zero2IPO Entities holds approximately 0.42% shareholding interest in the Company.

Since Mr. Ni indirectly holds the majority interest in Beijing Zero2IPO Chuangying (of whom he is also the sole director), and Beijing Zero2IPO Chuangying acts as the general partner and managing partner of each of the Zero2IPO Entities, he is regarded as being able to exert significant influence and control of the Zero2IPO Entities. As such, the Zero2IPO Entities are considered as close associates of Mr. Ni. Each of the Zero2IPO Entities obtained Shares as a pre-IPO investor of the Company at a consideration of RMB10 million. For details, see the section headed "History, Reorganization and Corporate Structure – Pre-IPO Investments." As such, the fair value of Mr. Ni's shareholding in the Company through the Zero2IPO Entities exceeds HK$5 million. As such, pursuant to Rule 3A.07(7)(c) of the Listing Rules, Zero2IPO Capital is not independent of the Company.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares, and entering into over-the-counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering." Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, such as the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of 3,364,750 Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" below; and

(b) the International Offering of an aggregate of 30,280,750 Shares (subject to reallocation and the Over-allotment Option as mentioned below) to be offered outside the United States to investors in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Investors may apply for Hong Kong Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 10.00% of the enlarged issued share capital of the Company immediately after completion of the Share Subdivision and the Global Offering, assuming the Over-allotment Option or any option that may be issued under the Pre-IPO Share Option Scheme is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 11.33% of the enlarged issued share capital immediately after completion of the Share Subdivision and the Global Offering, without taking into account of any Shares which may be issued pursuant to the Pre-IPO Share Option Scheme. The exercise of the Over-allotment Option as set out in the paragraph headed "— The International Offering — Over-allotment Option" below.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the paragraph headed "— The Hong Kong Public Offering — Reallocation" below.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 3,364,750 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.00% of the total number of Offer Shares initially available under the Global Offering, assuming the Over-allotment Option or any option that may be issued under the Pre-IPO Share Option Scheme is not exercised. The number of Shares offered under the Hong Kong Public Offering, subject to any reallocation of

Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 1.00% of the total Shares in issue immediately following the completion of the Global Offering, without taking into account any exercise of the Over-allotment Option or any options which were granted under the Pre-IPO Share Option Scheme.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a several basis under the terms of the Hong Kong Underwriting Agreement and is subject to the Company and the Overall Coordinators (for themselves and on behalf of the other Underwriters) agreeing on the Offer Price. Completion of the Hong Kong Public Offering is subject to the conditions as set out in the section headed "— Conditions of the Global Offering" below.

Allocation

Allocation of the Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications to be received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

The total number of the Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided into two pools for allocation purposes: pool A and pool B. Accordingly, the maximum number of Hong Kong Offer Shares initially in Pool A and Pool B will be 1,682,500 and 1,682,250, respectively. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee payable) and up to the total value in pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly.

For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 1,682,250 Hong Kong Offer Shares (being approximately 50% of the 3,364,750 Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraphs, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate.

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,682,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 5,046,750 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price should be fixed at the lower end of the indicative Offer Price range (that is, HK$11.89 per Offer Share) stated in this prospectus, in accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or he/she/it has been or will be placed or allocated Offer Shares under the International Offering.

The listing of the Shares on the Hong Kong Stock Exchange is sponsored by the Joint Sponsors. Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the maximum price of HK$14.86 per Hong Kong Offer Share in addition to any brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee payable on each Hong Kong Offer Share. If the Offer Price, as finally determined in the manner described in the section headed "— Pricing and Allocation" below, is less than the maximum price of HK$14.86 per Hong Kong Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in the section headed "How to Apply for Hong Kong Offer Shares."

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

Subject to reallocation as described above, the International Offering will consist of an initial offering of 30,280,750 International Offer Shares representing approximately 90% of the total number of Offer Shares initially available under the Global Offering and approximately 9.00% of the Company's enlarged share capital immediately after the completion of the Share Subdivision and the Global Offering, assuming the Over-allotment Option or any option under the Pre-IPO Share Option Scheme is not exercised. The International Offering will be offered by us outside of the United States in offshore transactions in reliance on Regulation S.

Allocation

The International Offering will include selective marketing of the International Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such International Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of the International Offer Shares pursuant to the International Offering will be effected in accordance with the "book building" process described in the paragraph headed "Pricing and Allocation" in this section below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell the Offer Shares, after the listing of the Offer Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered the International Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant application under the Hong Kong Public Offering and to ensure that he/she/it is excluded from any application of the Offer Shares under the International Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, we expect to grant an Over-allotment Option to the International Underwriters exercisable by the Overall Coordinators on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Overall Coordinators have the right, exercisable for up to 30 days after the last day for the lodging of applications in the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 5,046,750 additional Offer Shares, representing approximately 15.00% of the initial number of Offer Shares to be offered in the Global Offering, at Offer Price to cover over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 1.48% of the Company's enlarged share capital immediately following the completion of the Share Subdivision and the Global Offering, without taking into account of any Share which may be issued pursuant to the Pre-IPO Share Option Scheme. In the event that the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, any decline in the market price of the securities below the Offer Price. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the Offer Price.

In connection with the Global Offering, the Stabilizing Manager or its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Shares or purchasing Shares in the open market. In determining the source of the Shares to close out the covered short position, the Stabilizing Manager will consider, among others, the price of Shares in the open market as compared to the price at which they may purchase additional Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases to be made for the purpose of preventing or retarding a decline in the market price of the Shares while the Global Offering is in progress. Any market purchases of the Shares may be effected on any stock exchange, including the Hong Kong Stock Exchange, any over the counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or its affiliates or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering.

The number of the Shares that may be over-allocated will not exceed the number of the Shares that may be sold under the Over-allotment Option, namely, 5,046,750 Shares, which is approximately 15.00% of the number of Offer Shares initially available under the Global Offering, in the event that the whole or part of the Over-allotment Option is exercised.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules include:

(a) over-allocation for the purpose of preventing or minimizing any reduction in the market price;

(b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any deduction in the market price;

(c) subscribing, or agreeing to subscribe, for the Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, the Shares for the sole purpose of preventing or minimizing any reduction in the market price;

(e) selling the Shares to liquidate a long position held as a result of those purchases; and

(f) offering or attempting to do anything described in (b), (c), (d) and (e) above.

Stabilizing actions by the Stabilizing Manager, or its affiliates or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

As a result of effecting transactions to stabilize or maintain the market price of the Shares, the Stabilizing Manager, or its affiliates or any person acting for it, may maintain a long position in the Shares. The size of the long position, and the period for which the Stabilizing Manager, or its affiliates or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the Shares.

Stabilizing action by the Stabilizing Manager, or its affiliates or any person acting for it, is not permitted to support the price of the Shares for longer than the stabilizing period, which begins on the day on which trading of the Shares commences on the Hong Kong Stock Exchange and ends on the thirtieth day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on the 30th day after the last day for lodging applications under the Hong Kong Public Offering. As a result, demand for the Shares, and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the Shares. As a result, the price of the Shares may be higher than the price that otherwise may exist in the open market. Any stabilizing action taken by the Stabilizing Manager, or its affiliates or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilizing period. Bids for or market purchases of the Shares by the Stabilizing Manager, or its affiliates or any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for the Shares by applicants. A public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

STOCK BORROWING ARRANGEMENT

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it may choose to borrow up to 5,046,750 Shares, representing approximately 15.00% of the Offer Shares, from Luo Holdings Limited to cover over-allocations (being the maximum number of additional Shares which may be allotted and issued upon exercise of the Over-allotment Option), pursuant to the Stock Borrowing Agreement, which is expected to be entered into between such lender and the Stabilizing Manager (or any person acting for it) on or about the Price Determination Date or acquire Shares from other sources, including the exercising of the Over-allotment Option.

If such Stock Borrowing Arrangement is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager or any person acting for it for settlement of over-allocations in the International Offering and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with, being that (a) the Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering; (b) the maximum number of Shares to be borrowed pursuant to the Stock Borrowing Agreement is the maximum number of Shares that may be issued upon full exercise of the Over-Allotment Option; (c) the same number of Shares so borrowed must be returned to Luo Holdings Limited or its nominees, as the case may be, on or before the third business day following the earlier of (i) the last day for exercising the Over-Allotment Option, and (ii) the day on which the Over-Allotment Option is exercised in full or such earlier time as may be agreed in writing between the parties; (d) the stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements; and (e) no payments will be made to Luo Holdings Limited by the Stabilizing Manager in relation to the stock borrowing arrangement.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or around Monday, September 15, 2025 and in any event not later than 12:00 noon on Monday, September 15, 2025 by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us and the number of Offer Shares to be allocated under various offerings will be determined shortly thereafter.

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring the International Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of the International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will not be more than HK$14.86 per Offer Share and is expected to be not less than HK$11.89 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK$14.86 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, amounting to a total of HK$3,752.47 for one board lot of 250 Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus.**

The Overall Coordinators, for themselves and on behalf of the Underwriters, may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book building process, and with these consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the indicative Offer Price stated below in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of our Company and the Stock Exchange at **www.91160.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be cancelled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will be fixed within such revised Offer Price range.

Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between our Company and the Overall Coordinators, will under no circumstances be set outside the Offer Price range stated in this prospectus.

In the event of a reduction in the number of Offer Shares being offered under the Global Offering, the Overall Coordinators may at their discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the number of the initial Hong Kong Offer Shares shall not be less than 10% of the total number of Offer Shares in the Global Offering. The International Offer Shares to be offered in the International Offering and the Offer Shares to be offered in the Hong Kong Public Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators.

The net proceeds of the Global Offering accruing to the Company (after deduction of underwriting commissions and other expenses in relation to the Global Offering, assuming the Over-allotment Option or any option that may be issued under the Pre-IPO Share Option Scheme is not exercised) are estimated to be approximately HK$363.6 million, assuming an Offer Price of HK$13.37, being the mid-point of the indicative Offer Price range, (or if the Over-allotment Option is exercised in full, approximately HK$427.7 million, assuming an Offer Price of HK$13.37, being the mid-point of the indicative Offer Price range). The Offer

Price under the Global Offering is expected to be announced on Tuesday, September 16, 2025. The final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of under the Hong Kong Public Offering, are expected to be announced on Tuesday, September 16, 2025 on the website of the Hong Kong Stock Exchange (**www.hkexnews.hk**) and on the website of the Company (**www.91160.com**).

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting."

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including Shares which may be issued pursuant to the exercise of the Over-allotment Option and all the options under the Pre-IPO Share Option Scheme) on the Main Board of the Stock Exchange.

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

ADMISSION OF THE SHARE INTO CCASS

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the Shares and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Hong Kong Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, September 17, 2025, it is expected that dealings in the Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Wednesday, September 17, 2025. Our Shares will be traded in board lots of 250 Shares each and the stock code of the Shares will be 2656.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Hong Kong Offer Shares pursuant to the Hong Kong Public Offering will be conditional on:

(a) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option and all the options under the Pre-IPO Share Option Scheme) on the Main Board of the Stock Exchange and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(b) the Offer Price having been fixed on or around the Price Determination Date;

(c) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

(d) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us by 12:00 noon on Monday, September 15, 2025, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be posted on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and on the website of the

Company at **www.91160.com**. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Tuesday, September 16, 2025 but will only become valid evidence of title at 8:00 a.m. on Wednesday, September 17, 2025 provided that: (i) the Global Offering has become unconditional in all respects; and (ii) the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement — Grounds for termination" has not been exercised.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at *www.hkexnews.hk* under the "*HKEXnews > New Listings > New Listing Information*" section, and on our Company's website at *www.91160.com*.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding-Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older;
- have a Hong Kong address (*for the **White Form eIPO** service only*); and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

Unless permitted by the Listing Rules or any relevant waivers and/or consent has been granted by the Stock Exchange, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Tuesday, September 9, 2025 and end at 12:00 noon on Friday, September 12, 2025 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Tuesday, September 9, 2025 to 11:30 a.m. on Friday, September 12, 2025, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, September 12, 2025, Hong Kong time.
HKSCC EIPO channel	Your **broker** or **custodian** who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your **broker** or **custodian** for the earliest and latest time for giving such instructions, as this may vary by **broker** or **custodian**.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. Hong Kong identity ("**HKID**") card; or
  ii. national identification document; or
  iii. passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  i. legal entity identifier ("**LEI**") registration document; or
  ii. certificate of incorporation; or
  iii. business registration certificate; or
  iv. other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO service**, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the client identification data of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at four in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, the Company and the Overall Coordinators, as the Company's agent, have discretion to consider whether to accept it on any conditions the Company thinks fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	250 Offer Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/ successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$14.86 per Offer Share. If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your **broker** or **custodian** to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the designated bank for your **broker** or **custodian**. If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application	No. of Hong Kong Offer Shares applied for	Amount payable(2) on application
	HK$		*HK$*		*HK$*		*HK$*
250	3,752.47	5,000	75,049.32	35,000	525,345.21	200,000	3,001,972.62
500	7,504.93	7,500	112,573.98	40,000	600,394.52	250,000	3,752,465.78
750	11,257.40	10,000	150,098.63	45,000	675,443.83	300,000	4,502,958.94
1,000	15,009.86	12,500	187,623.29	50,000	750,493.15	400,000	6,003,945.25
1,250	18,762.33	15,000	225,147.94	60,000	900,591.79	500,000	7,504,931.56
1,500	22,514.79	17,500	262,672.60	70,000	1,050,690.42	600,000	9,005,917.85
1,750	26,267.26	20,000	300,197.26	80,000	1,200,789.05	800,000	12,007,890.48
2,000	30,019.72	22,500	337,721.92	90,000	1,350,887.68	1,000,000	15,009,863.10
2,250	33,772.19	25,000	375,246.58	100,000	1,500,986.31	1,200,000	18,011,835.72
2,500	37,524.66	30,000	450,295.90	150,000	2,251,479.46	1,682,250(1)	25,250,342.20

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for (being approximately 50% of the 3,364,750 Offer Shares initially available under the Hong Kong Public Offering).

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Hong Kong Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy will be paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Overall Coordinators, as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your **broker** or **custodian**), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the sub-paragraphs headed "— 3. Purposes" and "— 4. Transfer of personal data" under the paragraph headed "— G. Personal Data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances in which You will not be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Company's Act and the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder (s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the **White Form eIPO** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
*Applying through **White Form eIPO** service or **HKSCC EIPO channel**:*		
Website	The designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Tuesday, September 16, 2025 to 12:00 midnight on Monday, September 22, 2025 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and on the Company's website at **www.91160.com** which will provide links to the above mentioned websites of the Hong Kong Share Registrar.	No later than 11:00 p.m. on Tuesday, September 16, 2025 (Hong Kong time).
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m., on Wednesday, September 17, 2025, Thursday, September 18, 2025, Friday, September 19, 2025 and Monday, September 22, 2025

For those applying through **HKSCC EIPO** channel, you may also check with your **broker** or **custodian** from 6:00 p.m. on Monday, September 15, 2025 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Monday, September 15, 2025 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

Our Company expects to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and on our Company's website at **www.91160.com** by no later than 11:00 p.m. on Tuesday, September 16, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your Application is Revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If our Company or its Agents Exercise Discretion to Reject Your Application:

Our Company, the Overall Coordinators, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Overall Coordinators believe that by accepting your application, it or our Company would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the **broker** or **custodian** may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid evidence of title at 8:00 a.m. on Wednesday, September 17, 2025 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	**HKSCC EIPO channel**
Despatch/collection of Share certificate[(1)]		
For physical share certificates of 1,000,000 or more Offer Shares issued under your own name	Collection in person from Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **Time:** from 9:00 a.m. to 1:00 p.m. on Wednesday, September 17, 2025 (Hong Kong time)	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

Note:

1. Except in the event of any of the Severe Weather Signals (as defined below) in the morning on Tuesday, September 16, 2025 rendering it impossible for the relevant share certificates to be despatched to HKSCC in a timely manner, the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "– E. Severe Weather Arrangements" in this section.

	White Form eIPO service	HKSCC EIPO channel
	If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. **Note:** If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. **Date:** Tuesday, September 16, 2025	

	White Form eIPO service	HKSCC EIPO channel
Refund mechanism for surplus application monies paid by you		
Date	Wednesday, September 17, 2025	Subject to the arrangement between you and your **broker** or **custodian**
Responsible party	the Hong Kong Share Registrar	Your **broker** or **custodian**
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account	Your **broker** or **custodian** will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Friday, September 12, 2025 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions,

(collectively, the "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, September 12, 2025.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable", an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and on our Company's website at **www.91160.com** of the revised timetable.

If a Severe Weather Signal is hoisted on Tuesday, September 16, 2025, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Wednesday, September 17, 2025, and for physical Share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, September 16, 2025 or on Wednesday, September 17, 2025.

If a Severe Weather Signal is hoisted on Wednesday, September 17, 2025, physical Share certificates of equal or over 1,000,000 Offer Shares issued under your own name are available for collection in person at the Hong Kong Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Wednesday, September 17, 2025 or on Thursday, September 18, 2025.

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the Share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving banks and the Company, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, their respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of us and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of our Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from our Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable our Company and the Hong Kong Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but our Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- our Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;

- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to our Company or the Hong Kong Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

Our Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether our Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. Our Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to our Company and the Hong Kong Share Registrar, at their registered address disclosed in the section headed "Corporate Information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 160 HEALTH INTERNATIONAL LIMITED AND SHENWAN HONGYUAN CAPITAL (H.K.) LIMITED AND ZERO2IPO CAPITAL LIMITED

Introduction

We report on the historical financial information of 160 Health International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-95, which comprises the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and March 31, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and March 31, 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-95 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 9, 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2022, 2023 and 2024 and March 31, 2025 and the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and March 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the

Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to note 17 to the Historical Financial Information which states that no dividends have been paid by 160 Health International Limited in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
September 9, 2025

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the IAASB (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand of RMB (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Three months ended March 31,	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Continuing operations						
Revenue	*6*	525,646	628,606	620,682	94,165	100,475
Cost of sales and services	*7*	(407,359)	(491,279)	(460,495)	(69,668)	(72,608)
Gross profit		118,287	137,327	160,187	24,497	27,867
Selling and marketing expenses	*7*	(97,424)	(101,824)	(117,269)	(27,372)	(19,675)
Research and development expenses	*7*	(54,057)	(41,697)	(50,513)	(11,932)	(8,986)
Administrative expenses	*7*	(39,826)	(89,659)	(92,986)	(26,061)	(14,402)
Net (provision)/reversal of impairment losses on financial assets	*8*	(1,022)	(7,333)	(8,284)	600	(288)
Other income	*9*	7,181	4,427	3,828	1,166	244
Other (losses)/gain, net	*10*	(12,323)	(761)	411	9	(481)
Operating loss		(79,184)	(99,520)	(104,626)	(39,093)	(15,721)
Finance income	*12*	371	210	1,326	20	421
Finance costs	*12*	(40,144)	(11,366)	(3,656)	(765)	(1,393)
Finance costs, net		(39,773)	(11,156)	(2,330)	(745)	(972)

	Note	Year ended December 31,			Three months ended March 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Loss before income tax from continuing operations		(118,957)	(110,676)	(106,956)	(39,838)	(16,693)
Income tax expenses	*14*	–	(547)	(1,290)	(725)	(435)
Loss from continuing operations		(118,957)	(111,223)	(108,246)	(40,563)	(17,128)
Discontinued operation						
(Loss)/profit from discontinued operation	*15*	(1,108)	5,024	–	–	–
Loss for the year/period		(120,065)	(106,199)	(108,246)	(40,563)	(17,128)
Other comprehensive income:						
Items that may subsequently reclassified to profit or loss						
Currency translation differences		–	–	317	317	–
Total comprehensive loss		(120,065)	(106,199)	(107,929)	(40,246)	(17,128)
(Loss)/profit for the year/period attributable to:						
Owners of the Company						
– Continuing operations		(110,740)	(113,840)	(107,687)	(38,487)	(15,496)
– Discontinued operation	*15*	(565)	5,024	–	–	–
		(111,305)	(108,816)	(107,687)	(38,487)	(15,496)
Non-controlling interests						
– Continuing operations		(8,217)	2,617	(559)	(2,076)	(1,632)
– Discontinued operation	*15*	(543)	–	–	–	–
		(8,760)	2,617	(559)	(2,076)	(1,632)
Total comprehensive (loss)/income attributable to:						
Owners of the Company						
– Continuing operations		(110,740)	(113,840)	(107,370)	(38,170)	(15,496)
– Discontinued operation		(565)	5,024	–	–	–
		(111,305)	(108,816)	(107,370)	(38,170)	(15,496)

	Note	Year ended December 31,			Three months ended March 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Non-controlling interests						
– Continuing operations		(8,217)	2,617	(559)	(2,076)	(1,632)
– Discontinued operation		(543)	–	–	–	–
		(8,760)	2,617	(559)	(2,076)	(1,632)
(Losses)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB Yuan)	*16*					
– Continuing operations						
Basic and diluted		(1.938)	(1.959)	(1.832)	(0.655)	(0.264)
– Discontinued operation						
Basic		(0.010)	0.086	NA	NA	NA
Diluted		(0.010)	0.084	NA	NA	NA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Property and equipment	*18*	5,899	5,237	3,265	3,497
Right-of-use assets	*19*	13,505	21,875	17,660	10,551
Intangible assets	*20*	2,795	2,324	1,838	1,717
Restricted cash	*25*	582	122	222	154
Deferred income tax assets	*33*	–	826	1,206	1,406
		22,781	30,384	24,191	17,325
Current assets					
Inventories	*22*	10,312	4,451	2,030	1,216
Trade receivables	*23*	63,592	117,824	170,669	167,837
Prepayments, deposits and other receivables	*24*	25,049	25,460	34,836	44,111
Restricted cash	*25*	4,025	494	7,781	7,176
Cash and cash equivalents	*25*	37,748	57,555	58,266	68,447
		140,726	205,784	273,582	288,787
Assets classified as held for sale	*15*	15,416	–	–	–
		156,142	205,784	273,582	288,787
Total assets		178,923	236,168	297,773	306,112
EQUITY					
Equity attributable to owners of the Company					
Combined/share capital	*26*	58,188	4	4	4
Share premium	*27*	374,813	595,466	595,466	595,466
Other reserves	*27*	(69,110)	223,513	283,813	291,622
Accumulated losses		(747,915)	(856,731)	(964,418)	(979,914)
		(384,024)	(37,748)	(85,135)	(92,822)
Non-controlling interests		(8,410)	(2,808)	(3,367)	(4,999)
Total deficit		(392,434)	(40,556)	(88,502)	(97,821)

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
LIABILITIES					
Non-current liabilities					
Lease liabilities	*19*	6,021	17,013	11,879	6,979
Borrowings	*29*	1,500	486	1,277	1,552
Contract liabilities	*6*	19,733	5,974	1,863	1,425
		27,254	23,473	15,019	9,956
Current liabilities					
Lease liabilities	*19*	8,249	5,649	7,123	7,106
Trade and bill payables	*30*	56,159	96,375	102,627	90,809
Borrowings	*29*	19,558	9,514	89,393	114,506
Contract liabilities	*6*	36,395	39,728	41,446	54,601
Accruals and other payables	*31*	106,433	101,869	130,262	126,457
Current income tax liabilities		–	116	405	498
Redemption liabilities	*32*	294,183	–	–	–
		520,977	253,251	371,256	393,977
Liabilities directly associated with assets classified as held for sale	*15*	23,126	–	–	–
		544,103	253,251	371,256	393,977
Net current liabilities		387,961	47,467	97,674	105,190
Total liabilities		571,357	276,724	386,275	403,933
Total deficit and liabilities		178,923	236,168	297,773	306,112

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS					
Non-current assets					
Investment in the subsidiaries	*41(a)*	–*	3,099,450	3,209,433	3,217,242
		–	3,099,450	3,209,433	3,217,242
Current assets					
Prepayment and other receivables	*41(b)*	2	53,177	3,761	4,006
Cash and cash equivalents		–	4	18	12
		2	53,181	3,779	4,018
Total assets		2	3,152,631	3,213,212	3,221,260
EQUITY					
Share capital		2	4	4	4
Share premium	*41(c)*	–	3,148,561	3,148,561	3,148,561
Other reserve	*41(e)*	–	–	59,983	67,792
Accumulated losses		–	(20,645)	(19,573)	(39,728)
Total equity		2	3,127,920	3,188,975	3,176,629
LIABILITIES					
Current liabilities					
Accruals and other payables	*41(d)*	–	24,711	24,237	44,631
Total liabilities		–	24,711	24,237	44,631
Total equity and liabilities		2	3,152,631	3,213,212	3,221,260

* The balance represents an amount less than RMB1,000.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company/Shenzhen Ningyuan				Non-controlling interests	Total (deficit)/ equity
		Combined/ Share capital	Share premium	Other reserves	Accumulated losses		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2022		57,430	343,561	(94,392)	(636,610)	(1,492)	(331,503)
Comprehensive loss							
Loss for the year		–	–	–	(111,305)	(8,760)	(120,065)
Transaction with owners in their capacity as owners							
Capital injection from shareholders	27	758	32,242	–	–	–	33,000
Buy-back of vested shares		–	–	(313)	–	–	(313)
Derecognition of redemption liabilities	*32(e)*	–	–	25,595	–	1,842	27,437
Share issuance cost	27	–	(990)	–	–	–	(990)
Balances at December 31, 2022 and January 1, 2023		58,188	374,813	(69,110)	(747,915)	(8,410)	(392,434)
Comprehensive (loss)/income							
(Loss)/profit for the year		–	–	–	(108,816)	2,617	(106,199)
Transaction with owners in their capacity as owners							
Transactions with non-controlling interests		–	–	1,842	–	(1,842)	–
Capital injection from shareholders	27	1,247	108,753	–	–	–	110,000
Recognition of redemption liabilities	*32(c)*	–	–	(106,362)	–	–	(106,362)
Share-based payments	28	–	–	46,424	–	–	46,424
Buy-back of vested shares		–	–	(64)	–	–	(64)
Derecognition of redemption liabilities	*32(f)*	–	58,831	350,783	–	–	409,614
Disposal of Jiangsu Huiyi	15	–	–	–	–	4,827	4,827
Share issuance cost	27	–	(6,366)	–	–	–	(6,366)
Issuance of ordinary shares by the Company	26	4	–	–	–	–	4
Reclassification of combined capital to share premium upon the completion of the Reorganization		(59,435)	59,435	–	–	–	–
Balances at December 31, 2023 and January 1, 2024		4	595,466	223,513	(856,731)	(2,808)	(40,556)

	Note	Attributable to owners of the Company/Shenzhen Ningyuan					
		Combined/ Share capital	Share premium	Other reserves	Accumulated losses	Non-controlling interests	Total (deficit)/ equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Comprehensive income/(loss)							
Loss for the year		–	–	–	(107,687)	(559)	(108,246)
Other comprehensive income		–	–	317	–	–	317
Total comprehensive income/(loss)		–	–	317	(107,687)	(559)	(107,929)
Transaction with owners in their capacity as owners							
Share-based payments	28	–	–	59,983	–	–	59,983
Balance at December 31, 2024		4	595,466	283,813	(964,418)	(3,367)	(88,502)
(Unaudited)							
Balances at January 1, 2024		4	595,466	223,513	(856,731)	(2,808)	(40,556)
Comprehensive income/(loss)							
Loss for the period		–	–	–	(38,487)	(2,076)	(40,563)
Other comprehensive income		–	–	317	–	–	317
Total comprehensive income/(loss)		–	–	317	(38,487)	(2,076)	(40,246)
Transaction with owners in their capacity as owners							
Share-based payments	28	–	–	18,506	–	–	18,506
Balances at March 31, 2024		4	595,466	242,336	(895,218)	(4,884)	(62,296)
Balances at January 1, 2025		4	595,466	283,813	(964,418)	(3,367)	(88,502)
Comprehensive loss							
Loss for the period		–	–	–	(15,496)	(1,632)	(17,128)
Other comprehensive income		–	–	–	–	–	–
Total comprehensive loss		–	–	–	(15,496)	(1,632)	(17,128)
Transaction with owners in their capacity as owners							
Share-based payments	28	–	–	7,809	–	–	7,809
Balances at March 31, 2025		4	595,466	291,622	(979,914)	(4,999)	(97,821)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,			Three months ended March 31,	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Cash flows from operating activities						
Cash used in operations	*34(a)*	(42,767)	(64,464)	(54,708)	(30,523)	(12,742)
Interest received		376	210	42	20	2
Income tax paid		–	(272)	(1,381)	(133)	(542)
Net cash used in operating activities		(42,391)	(64,526)	(56,047)	(30,636)	(13,282)
Cash flows from investing activities						
Purchase of property and equipment		(2,491)	(2,706)	(942)	(419)	(796)
Proceeds from disposal of property and equipment		29	–	3	–	–
Purchase of intangible assets		–	(73)	–	–	–
Purchase of financial assets at fair value through profit or loss		–	–	(30)	–	–
Net cash acquired for business combination	*38*	63	–	–	–	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	–	30	–	–
Increase in restricted cash		(8,044)	(423)	(7,588)	(1,476)	(637)
Decrease in restricted cash		6,050	4,414	201	–	1,310
Loans advanced to an employee		–	(700)	–	–	–
Loans advanced to related parties	*39(c)*	(35,751)	(81,738)	(442,185)	(94,571)	(107,062)
Settlement of loans from related parties	*39(c)*	43,415	83,920	437,685	90,071	107,062
Net cash generated from/(used in) investing activities		3,271	2,694	(12,826)	(6,395)	(123)

	Note	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2024	Three months ended March 31, 2024	Three months ended March 31, 2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cash flows from financing activities						
Proceeds of capital injection from shareholders	*26*	27,500	110,000	–	–	–
Payment of lease liabilities		(8,794)	(8,559)	(8,341)	(3,124)	(502)
Settlement of redemption liabilities		(4,671)	–	–	–	–
Proceeds from borrowings		15,000	17,652	107,230	37,500	51,500
Repayment of borrowings		(34,527)	(28,710)	(26,560)	(5,961)	(26,112)
Interest paid		(4,749)	(1,463)	(2,200)	(374)	(1,060)
Payment of share issuance cost		(990)	(5,116)	–	–	–
Payment of listing expenses		–	(3,175)	(545)	(566)	(240)
Net cash (used in)/generated from financing activities		(11,231)	80,629	69,584	27,475	23,586
Net (decrease)/increase in cash and cash equivalents		(50,351)	18,797	711	(9,556)	10,181
Cash and cash equivalents at beginning of the year/period		89,439	39,088	57,555	57,555	58,266
Effects of foreign exchange rate on cash and cash equivalents		–	(330)	–	–	–
Cash and cash equivalents at end of the year/period		39,088	57,555	58,266	47,999	68,447
Cash and cash equivalents as at end of the year/period, represented by:						
Cash and cash equivalents	*25*	37,748	57,555	58,266	47,999	68,447
Cash and cash equivalents included in assets classified as held for sale	*15*	1,340	–	–	–	–
		39,088	57,555	58,266	47,999	68,447

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION

1.1. General information

160 Health International Limited (the "Company") was incorporated in the Cayman Islands on January 31, 2022 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company and its subsidiaries now comprising the Group (collectively, the "Group") are principally engaged in the provision of the following goods and services: (i) sales of pharmaceutical and healthcare products; (ii) provision of digital healthcare and wellness solutions in the People's Republic of China (the "PRC") (the "Listing Business").

Mr. Luo Ningzheng ("Mr. Luo"), the founder of the Group, registered the domain name of "healthcare 160 website" in 2004. On February 22, 2005, Shenzhen Ningyuan Technology Co., Ltd. ("Shenzhen Ningyuan") was established in the PRC as a company with limited liability with an initial registered capital of RMB500,000 by Mr. Luo. Shenzhen Ningyuan is the onshore holding company of the Group before the reorganization as detailed in Note 1.2.

The ultimate holding company of the Company is LNZ Management Limited, a company incorporated in the British Virgin Islands, which is controlled by Mr. Luo, the founder and the ultimate controlling shareholder (the "Controlling Shareholder") of the Group.

These Historical Financial Information are presented in RMB and all amounts are rounded to the nearest thousand of Renminbi (RMB'000), unless otherwise stated.

1.2. Reorganization

Prior to the incorporation of the Company and the completion of the reorganization (the "Reorganization") as described below, the Listing Business was carried out by Shenzhen Ningyuan and its subsidiaries (collectively, the "Operating Entities").

In preparing for the listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited, the Group underwent a Reorganization, pursuant to which the Listing Business was transferred to the Company.

The Reorganization involved the following principal steps:

(i) Offshore Reorganization

(a) Incorporation of the Company and its oversea subsidiaries

On January 31, 2022, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. The initial authorized share capital of the Company was US$50,000 divided into 5,000,000,000 shares of US$0.00001 par value each.

Upon incorporation, one share of the Company was allotted and issued at par value to the initial subscriber. On the same day, the initial subscriber transferred its one share of the Company to Ming Holdings Limited ("Ming Holdings") and the Company further allotted and issued 32,047,692 shares of the Company to shareholders of Shenzhen Ningyuan.

On February 8, 2022, 160 Health Management Limited ("160 Health Management") was incorporated in the BVI with the Company being its sole shareholder.

On February 22, 2022, 160 Health (HK) Holdings Group Limited ("160 Health (HK)") was incorporated in Hong Kong with 160 Health Management being its sole shareholder.

On June 21, 2022, Blue Dragonfly Management Limited ("Blue Dragonfly Management") was incorporated in the BVI with the Company being its sole shareholder.

On July 14, 2022, Blue Dragonfly International (HK) Limited ("Blue Dragonfly (HK)") was incorporated in Hong Kong with Blue Dragonfly Management being its sole shareholder.

(b) On August 31, 2023, along with the completion of the Reorganization of the Group, the Company swapped the vested and exercisable share options issued by Shenzhen Ningyuan with the Company's share options, pursuant to which, the holders of these share options were granted with the right to acquire 643,697 shares (before subdivision) of the Company.

(c) *Further allotment and issuance of shares*

On October 20, 2023 and November 21, 2023, the Company allotted and issued an aggregate of 29,279,498 shares to the shareholders of Shenzhen Ningyuan.

After this allotment and issuance of shares, except for two shareholders who collectively hold 2.28% equity interest of Shenzhen Ningyuan, the Company has issued shares of the Company to all other shareholders of Shenzhen Ningyuan based on their shareholding in Shenzhen Ningyuan. As of the date of this Historical Financial Information, the Group has not yet agreed any share swap or settlement plan with the aforesaid two shareholders who hold 2.28% equity interest in Shenzhen Ningyuan.

(ii) ***Onshore Reorganization***

(a) *Incorporation of onshore subsidiaries*

On April 27, 2022, Zhejiang Renren'ai Information Technology Co., Ltd. (formerly known as Renren'ai Health Information Technology (Shenzhen) Co., Ltd.) ("Zhejiang Renren'ai") was incorporated as a wholly foreign owned enterprise, which was wholly owned by 160 Health (HK).

On June 30, 2022, Shenzhen Weikang Zhiyuan Technology Co., Ltd. ("Weikang Zhiyuan") was incorporated by Zhejiang Renren'ai and Shenzhen Jianchen Technology Corporation ("Jianchen Technology"), as to 50% and 50%, respectively.

On April 18, 2023, Weikang Lanyuan (Shenzhen) Information Technology Co., Ltd. ("Weikang Lanyuan") was incorporated as a wholly foreign owned enterprise, which was wholly owned by Blue Dragonfly (HK).

(b) *Business transfer of onshore subsidiaries*

Business transfer of Shenzhen Ningyuan

Shenzhen Ningyuan was principally engaged in providing digital healthcare and wellness solutions. During the Reorganization, Shenzhen Ningyuan transferred its business except for the hospital full-process system services to Weikang Zhiyuan. Upon completion of the Reorganization, Shenzhen Ningyuan is primarily engaged in the provision of the hospital full-process system services.

Business transfer of Hunan Blue Dragonfly Internet Technology Co., Ltd.

Hunan Blue Dragonfly Internet Technology Co., Ltd. ("Blue Dragonfly Internet") was principally engaged in providing software services, including the Blue Dragonfly Infectious Disease Real-time Monitoring System, and the Blue Dragonfly Hospital Infection Real-time Surveillance System. During the Reorganization, Blue Dragonfly Internet partially transferred its business to Weikang Lanyuan.

Business transfer of 160 Medicine

On December 13, 2022, Zhejiang Renren'ai acquired 51% equity interests in Shenzhen Hailiantang Pharmacy Chain Co., Ltd. ("Hailiantang Pharmacy") from Mr. Mao Wen, a third party, at a consideration of RMB383,000 with a call option to buy the remaining 49% equity interests. Upon completion of the acquisition, Hailiantang Pharmacy became a subsidiary of the Group, and the Group exercised the call option in November 2023. For more detail, please refer to Note 38.

Guangdong 160 Medicine Chain Co., Ltd. ("160 Medicine") was primarily engaged in the online and offline pharmaceuticals retail business. During the Reorganization, 160 Medicine transferred its online pharmaceuticals retail business to Hailiantang Pharmacy. Upon completion of the Reorganization, 160 Medicine has no substantive business.

(iii) Entering into of the Contractual Arrangements

On August 11, 2023, Zhejiang Renren'ai entered into the contractual arrangements with Weikang Zhiyuan and its registered shareholder, Jianchen Technology.

On August 11, 2023, Zhejiang Renren'ai entered into the contractual arrangements with Sichuan Renren Weikang Health Management Co., Ltd. ("Renren Weikang") and its registered shareholder, Jianchen Technology.

On October 20, 2023, Zhejiang Renren'ai entered into the contractual arrangements with Shenzhen Ningyuan and its registered shareholders except for the two shareholders who hold 2.28% equity interest.

See Note 2.3 for details of contractual arrangements.

(iv) Acquisition of minority interests in 160 Medicine and 160 Internet

On August 16, 2023, several share swap agreements were entered into by Shenzhen Renren Jiankang Entrepreneurship Investment Corporation (Limited Partnership) ("Renren Jiankang"), Shenzhen Longjun Venture Capital Investment Corporation (Limited Partnership) ("Shenzhen Longjun"), Changxing Qifu Honglian Equity Investment Management Partnership (Limited Partnership) ("Qifu Honglian"), Changsha Xiangjiang Qifu Hongtai Private Equity Fund Corporation (Limited Partnership) ("Qifu Hongtai") and Guangdong Langge Equity Investment Fund Co., Ltd. ("Guangdong Langge"), pursuant to which Renren Jiankang acquired 2.38%, 17.15%, 4.76% and 2.38% of the equity interest in 160 Medicine from Shenzhen Longjun, Qifu Honglian, Qifu Hongtai and Guangdong Langge, and Shenzhen Longjun, Qifu Honglian, Qifu Hongtai and Guangdong Langge were issued with the shares of the Company as described in Note 32.

Upon completion of such equity transfer, 160 Medicine was held by Shenzhen 160 Internet Technology Co., Ltd. ("160 Internet") and Renren Jiankang as to 73.33% and 26.67%, respectively and therefore become a wholly owned subsidiary of the Company.

On November 22, 2023, Zhejiang Renren'ai acquired 100% equity interest in 160 Internet from Shenzhen Ningyuan and minority shareholder at the consideration of RMB1,000,000 and RMB160,000, respectively. Upon completion of such equity transfer, 160 Internet became a wholly owned subsidiary under Zhejiang Renren'ai.

(v) Disposal of Jiangsu Huiyi

On January 13, 2023, Shenzhen Ningyuan transferred all of its equity interest, amounting to 51%, in Jiangsu Huiyi 160 Information Technology Co., Ltd. ("Jiangsu Huiyi") to a third party at a nominal consideration. Prior to the disposal, Jiangsu Huiyi was primarily engaged in the provision of medical card services which is unrelated to the Listing Business. Jiangsu Huiyi is reported as discontinued operation in the Historical Financial Information.

Financial information relating to the discontinued operation is set out in Note 15.

(vi) Deregistration of non-operating PRC subsidiaries

The Group deregistered 3 PRC subsidiaries with no actual business operations in July and August 2023.

(vii) Pre-IPO investment

On November 16, 2023 and November 21, 2023, Anji Liangshan Guochuang Equity Investment Partnership (Limited partnership) ("Anji") (as one of the series E Pre-IPO Investors) subscribed 1,039,069 ordinary shares of the Company at a price of RMB48.12 per share with total consideration of RMB50,000,000.

Upon completion of the Reorganization, the Company became the holding company of the companies now comprising the Group.

1.3. Basis of presentation

Immediately prior to the Reorganization and during the Track Record Period, the Listing Business was primarily conducted through the Operating Entities. Pursuant to the Reorganization, the Listing Business were transferred to and held by the Company. The Company and those companies newly incorporated pursuant to the Reorganization have not been involved in any business prior to the Reorganization and do not meet the definition of a business. The Reorganization is merely a recapitalisation of the Listing Business with no changes in management of the Listing Business and the ultimate owners of the Listing Business were substantial the same, although the two shareholders as mentioned in Note 1.2(i)(c) who collectively owns 2.28% equity interest in Shenzhen Ningyuan have not yet agreed a share swap or settlement plan with the Group as of completion of Reorganization. Accordingly, the Group resulting from the Reorganization is regarded as a continuation of the Listing Business under the Operating Entities and, for the purpose of this report, the Historical Financial Information has been prepared and presented on a continuation of the consolidated financial statements of Shenzhen Ningyuan, with the assets and liabilities of the Group recognized and measured at the carrying amounts in the financial statements of the Operating Entities for all the periods presented.

2. BASIS OF PREPARATION

This note provides a list of material accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Compliance with IFRS Accounting Standards

The Historical Financial Information of the Company has been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (the "IFRS Accounting Standards").

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.2. Historical cost convention

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

2.3. Control over subsidiaries arising from contractual agreements

On August 11, 2023 and October 20, 2023, the Group's wholly owned subsidiary, Zhejiang Renren'ai entered into a series of contractual arrangements with Shenzhen Ningyuan, Weikang Zhiyuan and Renren Weikang (together, the "Variable Interest Entity companies", or "VIE companies") and their majority nominee shareholders, including exclusive business cooperation agreement, exclusive equity purchase agreement, equity interest pledge agreement, spousal consent letter and power of attorney (collectively, the "Contractual arrangements"), which enable Zhejiang Renren'ai:

- Irrevocably exercising equity holders' voting rights of the VIE companies;
- Exercising effective financial and operational control over the VIE companies; and
- Receiving substantially all of the economic interest returns generated by the VIE companies

As a result of the contractual arrangements, the Group has power over the VIE companies, has rights to receive variable returns from its involvement with the VIE companies and has the ability to affect those returns through its power over the VIE companies and is considered to control the VIE companies. Consequently, the Company regards the VIE companies as indirect subsidiaries. The Group has consolidated the financial position and results of the VIE companies in this Historical Financial Information.

2.4. Going concern

For the years ended December 31, 2022, 2023 and 2024, and the three months ended March 31, 2025, the Group incurred net losses of RMB120,065,000, RMB106,199,000, RMB108,246,000 and RMB17,128,000, respectively, and reported operating cash outflows of RMB42,391,000, RMB64,526,000, RMB56,047,000 and RMB13,282,000, respectively. As of March 31, 2025, the Group's current liabilities exceeded its current assets by RMB105,190,000 and the Group's total deficit amounted to RMB97,821,000. These losses and operating cash outflows were primarily due to increased operating costs, along with ongoing investments in sales, marketing, and research and development to expand the medical resources on the Group's platform, to grow operational scale, and to strengthen the market position. As of March 31, 2025, the Group's cash and cash equivalents amounted to RMB68,447,000.

The above events and conditions may cast significant doubt about the Group's ability to continue as a going concern for at least twelve months from March 31, 2025. The directors of the Company have carefully considered the future liquidity, the operating performance and the available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern for at least twelve months from March 31, 2025 taking into consideration the following plans and measures:

1. As of March 31, 2025, we had unutilized bank facilities of RMB167,504,000, which were granted with legally binding agreements. Such unutilized bank facilities can be drawn down subject to banks' approval and certain financial or operational conditions including but not limited to no significant changes in the Group's shareholders, major business, or a decline in creditworthiness. The directors are confident that the Company will meet such conditions in the next twelve months from March 31, 2025 and hence these banking facilities will be able to draw down as and when needed.

2. The directors of the Company considered that the Group will be able to refinance existing banking facilities upon their expiry as and when needed based on past experience and their communication with the banks. The Group will also seek for new bank borrowings at cost acceptable to the Group.

3. Management has implemented a diversified business strategy to capture market opportunities for revenue growth in digital healthcare and wellness solutions which expects to have positive impact on operational cash flow in the twelve months following March 31, 2025.

4. The Group will also take active measures to control its operating expenditures, monitor its cash position from time to time and adjust uncommitted expenditure where necessary, to streamlining administrative expenses, optimizing research and development staffing, strengthening working capital management, and accelerating collection of trade receivables and loan to related parties.

The directors of the Company have reviewed the Group's cash flow projection prepared by management, which cover a period of not less than twelve months from March 31, 2025. The cash flow projection has taken into account improvements of its operating performance, continued availability of banking facilities, growth in the digital healthcare and wellness solutions business, and cost optimization. The directors of the Company, after making inquiries and considering the basis of management's projection described above, believe that there will be sufficient financial resources for the Group to continue its operations and to meet its financial obligations as and when they fall due in the next twelve months from March 31, 2025. Accordingly, the Historical Financial Information has been prepared on a going concern basis.

2.5. New and amended standards and interpretations adopted by the Group

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning from January 1, 2025 are consistently applied by the Group for the Track Record Period.

2.6. New or amended standards and annual improvement not yet adopted

The following new or amended standards and annual improvement have been issued but not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendment to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is currently assessing the detailed implications of applying these new or revised standards and annual improvement on the Group's Historical Financial Information, and it is not expected to have material impact to the Group other than the application of IFRS 18. IFRS 18 will replace IAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of profit or loss and providing management-defined performance measures within the financial statements.

3. FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the directors of the Company and senior management of the Group.

3.1.1. Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the functional currency of the Group entities.

The Group mainly operates in the PRC with majority of the transactions conducted in the functional currency of the respective group entity. The directors of the Company consider the foreign currency risk arising from recognized assets and liabilities to be minimal. Accordingly, no sensitivity analysis is presented for foreign exchange risk. The Group did not hedge against any fluctuation in foreign currency. The Group timely monitors foreign exchange risk and will take measure to minimise foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

Financial assets and liabilities with variable interest rate expose the Group to cash flow interest rate risk and financial assets and liabilities with fixed interest rate expose the Group to fair value interest rate risk.

As at December 31, 2022, 2023 and 2024 and March 31, 2025, all of the Group's borrowings bear interests at fixed interest rates (Note 29). Other than these borrowings and interest-bearing cash and cash equivalents, and restricted cash, the Group has no other significant interest-bearing assets or liabilities. The Group does not anticipate there is any significant impact resulted from the changes in interest rate.

3.1.2. Credit risk

Credit risk arises mainly from cash and cash equivalents, restricted cash, trade receivables and deposits and other receivables.

(i) Risk management

To manage credit risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in the PRC, and there has been no recent history of default in relation to these financial institutions. Thus, the Group were of the view that the credit risk related to cash and cash equivalents, and restricted cash was insignificant.

To manage the risk arising from trade receivables and deposits and other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties.

The Group has concentrations of credit risk which arise from trade receivables from its customers. Trade receivables from the Group's five largest customers in aggregate account for 39%, 57%, 18% and 39% of the Group's total trade receivables at December 31, 2022, 2023 and 2024 and March 31, 2025, respectively. If these customers experience financial difficulties in paying the Group, the Group's receivables might be adversely affected in terms of recoverability. To manage this risk, the Group assesses the credit quality of the customers, taking into account their financial position, past trading and payment experience and forward-looking factors.

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience and other factors.

(ii) Impairment of financial assets

Trade receivables

The Group applies the simplified approach to provide for the expected credit loss prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been assessed on individual basis or grouped based on shared credit risk characteristics. The expected loss rates are determined based on the corresponding historical credit losses and adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the consumer price index of the PRC in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance as at December 31, 2022, 2023 and 2024 and March 31, 2025 was determined as follows for trade receivables from customers which have been grouped based on similar credit risk characteristics:

As at December 31, 2022	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	4.48%	12.24%	28.70%	63.16%	7.54%
Gross carrying amount – trade receivables (in RMB'000)	56,373	7,983	3,230	1,189	68,775
Loss allowance (in RMB'000)					
– From continuing operations	(2,528)	(977)	(927)	(751)	(5,183)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	81	518	1,230	2,449	4,278
Loss allowance (in RMB'000)					
– From continuing operations	(81)	(518)	(1,230)	(2,449)	(4,278)

As at December 31, 2023	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	4.82%	17.22%	55.74%	95.55%	8.63%
Gross carrying amount – trade receivables (in RMB'000)	115,923	6,776	4,015	2,245	128,959
Loss allowance (in RMB'000)					
– From continuing operations	(5,585)	(1,167)	(2,238)	(2,145)	(11,135)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	64	1,342	400	3,845	5,651
Loss allowance (in RMB'000)					
– From continuing operations	(64)	(1,342)	(400)	(3,845)	(5,651)

As at December 31, 2024	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	5.54%	20.83%	26.32%	90.38%	9.05%
Gross carrying amount – trade receivables (in RMB'000)	160,422	19,713	4,377	3,139	187,651
Loss allowance (in RMB'000)					
– From continuing operations	(8,887)	(4,106)	(1,152)	(2,837)	(16,982)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	596	972	1,403	5,019	7,990
Loss allowance (in RMB'000)					
– From continuing operations	(596)	(972)	(1,403)	(5,019)	(7,990)

As at March 31, 2025	Within one year	One to two years	Two to three years	Over three years	Total
On collective basis					
Expected loss rate	5.63%	21.15%	28.32%	89.60%	9.26%
Gross carrying amount – trade receivables (in RMB'000)	159,992	16,201	5,173	3,607	184,973
Loss allowance (in RMB'000)					
– From continuing operations	(9,012)	(3,427)	(1,465)	(3,232)	(17,136)
On individual basis					
Expected loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (in RMB'000)	84	1,163	1,403	5,383	8,033
Loss allowance (in RMB'000)					
– From continuing operations	(84)	(1,163)	(1,403)	(5,383)	(8,033)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes, amongst other, the failure of a debtor to engage in a repayment plan within the Group.

Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The closing loss allowances for trade receivables as at December 31, 2022, 2023 and 2024 and March 31, 2025 and reconcile to the opening loss allowances as follows:

	Year ended December 31,			Three months ended March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening loss allowance at beginning of the year/period	8,691	9,461	16,786	24,972
Net expected credit losses recognized in profit or loss during the year/period from continuing operations	770	7,325	8,186	197
Closing loss allowance at end of the year/period	9,461	16,786	24,972	25,169

Deposits and other receivables

Deposits and other receivables were mainly deposits and receivable from third parties and amounts due from related parties. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors' ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtors;

- significant increases in credit risk on other financial instruments of the same debtors; or
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors, etc.

Deposits and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where deposits and other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Group reviews regularly the recoverable amount of each individual receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.

The Group uses the expected credit loss model to determine the expected loss provision for deposits and other receivables. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage 1	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage 2	Receivables for which there is a significant increase in credit risk as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses
Stage 3	Either interest and/or principal repayments are 90 days past due or the debtor has significant financial difficulties or is likely to go bankrupt or other financial restructuring	Lifetime expected losses

	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits and other receivables				
At December 31, 2022				
Gross carrying amount	8,797	–	491	9,288
Loss allowance provision	(80)	–	(491)	(571)
At December 31, 2023				
Gross carrying amount	9,145	–	197	9,342
Loss allowance provision	(382)	–	(197)	(579)
At December 31, 2024				
Gross carrying amount	15,133	–	225	15,358
Loss allowance provision	(452)	–	(225)	(677)
At March 31, 2025				
Gross carrying amount	17,170	–	288	17,458
Loss allowance provision	(480)	–	(288)	(768)

The loss allowance for deposits and other receivables as at December 31, 2022, 2023 and 2024 and March 31, 2025 reconciles to the opening loss allowance as follows:

	Deposits and other receivables
	RMB'000
Opening loss allowance as at January 1, 2022	353
Increase in loss allowance recognized in profit or loss during the year	
– Continuing operations	252
– Discontinued operation	91
Closing loss allowance as at December 31, 2022	696
– Continuing operations	571
– Discontinued operation	125
Increase in loss allowance recognized in profit or loss during the year	
– Continuing operations	8
Derecognition of discontinued operation-Disposal of Jiangsu Huiyi	(125)
Closing loss allowance as at December 31, 2023	579
Increase in loss allowance recognized in profit or loss during the year	
– Continuing operations	98
Closing loss allowance as at December 31, 2024	677
Decrease in loss allowance recognized in profit or loss during the period	
– Continuing operations	91
Closing loss allowance as at March 31, 2025	768

3.1.3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows excluding liabilities directly associated with the assets classified as held for sales. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At December 31, 2022	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	56,159	–	–	–	56,159	56,159
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	65,675	–	–	–	65,675	65,675
Lease liabilities	8,835	5,430	877	110	15,252	14,270
Bank borrowings	20,425	1,611	–	–	22,036	21,058
Redemption liabilities	299,965	–	–	–	299,965	294,183
	451,059	7,041	877	110	459,087	451,345

At December 31, 2023	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	96,375	–	–	–	96,375	96,375
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	78,632	–	–	–	78,632	78,632
Lease liabilities	7,692	7,738	11,968	–	27,398	22,662
Borrowings	9,801	517	–	–	10,318	10,000
	192,500	8,255	11,968	–	212,723	207,669

At December 31, 2024	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	102,627	–	–	–	102,627	102,627
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	81,387	–	–	–	81,387	81,387
Lease liabilities	7,997	7,151	5,448	–	20,596	19,002
Borrowings	91,869	1,344	–	–	93,213	90,670
	283,880	8,495	5,448	–	297,823	293,686

At March 31, 2025	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total	Carrying value
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill payables	90,809	–	–	–	90,809	90,809
Accruals and other payables (excluding VAT and other taxes payables and payroll and welfare payables)	80,758	–	–	–	80,758	80,758
Lease liabilities	7,916	6,974	3,524	–	18,414	14,085
Borrowings	118,256	1,613	–	–	119,869	116,058
	297,739	8,587	3,524	–	309,850	301,710

3.2. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment, issue new shares and new debt as well as obtain financial support from its shareholders as and when necessary.

3.3. Fair value estimation

3.3.1. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of each of the reporting periods. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group did not have any financial assets and liabilities which are measured at fair value as at December 31, 2022, 2023 and 2024 and March 31, 2025.

There was no transfer of fair value hierarchy levels during the Track Record Period.

3.3.2. Valuation process and technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate.

There were no changes in valuation techniques during the Track Record Period.

The fair value of trade receivables, deposits and other receivables, restricted cash and cash and cash equivalents approximated to their carrying amounts.

The fair value of trade and bill payables, accruals and other payables (excluding VAT and other taxes payables, payroll and welfare payables), borrowings, redemption liabilities and lease liabilities approximated to their carrying amounts.

3.3.3. Fair value measurements using significant unobservable inputs (level 3)

The Group does not have any financial assets carried at fair value as of December 31, 2022, 2023, 2024 and March 31, 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(i) Contractual arrangements

As mentioned in Note 2.3, the Group transferred some businesses to its VIE companies during the Reorganization due to regulatory restrictions on the foreign ownership in these businesses in the PRC. The directors of the Company assessed whether or not the Group has control over the VIE companies, has rights to variable returns from its involvement with the VIE companies and has the ability to affect those returns through its power over the VIE companies. The directors of the Company, based on the advice of its legal counsel, consider that the contractual agreements among the VIE companies and their nominal shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable. After assessment, the directors of the Company concluded that the Group has control over the VIE companies as a result of the contractual agreements and accordingly the financial position and operating results of these VIE companies are included in the Historical Financial Information throughout the Track Record Period.

Nevertheless, the contractual agreements may not be as effective as direct legal ownership in providing the Group with direct control over the VIE companies and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the VIE companies. Significant judgement is involved in determining whether the Group is able to control these entities through these contractual arrangements.

(ii) Impairment of trade receivables and other financial assets

The Group follows the guidance of IFRS 9 when assessing the expected credit losses of trade receivables and other financial assets that measured at amortised cost. The determination of expected credit losses rate requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates, among other factors, the aging of these receivables and the financial position and collection history of debtors and expected future changes in credit risks, including the consideration of factors such as general economy measure, changes in macroeconomic indicators etc. Further details are included in Note 3.1.2 to the Historical Financial Information.

(iii) Recognition and estimation of redemption liabilities

As mentioned in Note 32, the Group had issued ordinary shares with redemption rights to the investors in certain rounds of investments, the obligation to redeem the ordinary shares of the Group under certain circumstance which is out of the control of the Group was accounted for as redemption liabilities. The redemption liabilities were initially and subsequently measured at present value of the estimated redemption amount, which is determined by the management in accordance with the terms under investment agreement and involved the use of significant accounting estimates and judgments.

(iv) Recognition of share-based payment expenses

As disclosed in Note 28, the Group granted share options or shares to the Group's employees or other parties, which are viewed as share-based payment transaction in substance. These transactions resulted in the recognition of share-based payment expenses. The directors of the Company have used the discounted cash flow method and back-solve method to determine the fair value of the equity instruments granted. Significant estimate on assumptions, such as the risk-free interest rate, expected volatility, dividend yield and discount for lack of marketability are made based on management's best estimates.

(v) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of the Group's business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management's judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

No deferred income tax asset has been recognized in respect of such tax losses due to the unpredictability of future taxable income as of December 31, 2022, 2023 and 2024 and March 31, 2025.

5. SEGMENT INFORMATION

The Group is principally engaged in sales of pharmaceutical and healthcare products, as well as provision of digital healthcare and wellness solutions and related services.

The Chief Operating Decision Maker ("CODM") has been identified as the executive directors, who reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the Group's business activities as a whole on a regular basis and consider that the Group has only one reportable segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group operates its business in the PRC and earns all of the revenue from external customers in the PRC. Substantially all of the Group's non-current assets are located in the PRC.

6. REVENUE

6.1 An analysis of the Group's revenue is as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Revenue from contracts with customers:					
– Sales of pharmaceutical and healthcare products	384,718	451,044	426,525	62,698	67,201
– Provision of digital healthcare and wellness solutions	140,928	177,562	194,157	31,467	33,274
	525,646	628,606	620,682	94,165	100,475

The timing of revenue recognition of the Group's revenue was as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
At a point in time	458,190	542,717	526,556	75,165	79,299
Over time	67,456	85,889	94,126	19,000	21,176
	525,646	628,606	620,682	94,165	100,475

For the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, revenue derived from customers who accounted for more than 10% of total revenue were set out below:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
				(Unaudited)	
Customer 1	16.4%	*	*	*	*
Customer 2	*	*	17.7%	56.4%	*
Customer 3	*	*	*	*	21.6%
Customer 4	*	*	*	*	15.2%

* The respective customer contributed less than 10% of Group's total revenue for the corresponding year as indicated.

6.2 Contract liabilities

The Group has recognized the following liabilities related to contracts with customers:

	As at January 1,	As at December 31,			As at March 31,
	2022	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current portion	24,157	36,395	39,728	41,446	54,601
Non-current portion	20,905	19,733	5,974	1,863	1,425
	45,062	56,128	45,702	43,309	56,026

Contract liabilities of the Group mainly arise from digital healthcare and wellness solutions business, in which advance payments were made by customers while the underlying services or goods are yet to be provided.

(i) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the reporting periods relates to carried-forward contract liabilities.

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue recognized in relation to contract liabilities that was included in the contract liabilities balance at the beginning of the year/period	24,157	36,395	39,728	7,074	6,096

6.3 Unsatisfied long-term contracts

The following table shows unsatisfied performance obligations resulting from long-term contracts:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Aggregate amount of the transaction price allocated to long-term services contracts that are partially or fully unsatisfied as at the end of year/period	12,703	15,179	17,552	16,812	13,635

Management expects that unsatisfied performance obligations of approximately RMB8,591,000, RMB11,379,000, RMB13,520,000, RMB13,176,000 and RMB9,598,000 as at December 31, 2022, 2023 and 2024 and March 31, 2024 and 2025, respectively will be recognized as revenue within 1 year and the remaining amount of approximately RMB4,112,000, RMB3,800,000, RMB4,032,000, RMB3,636,000 and RMB4,037,000 will be recognized as revenue in the following 2 to 5 years.

Some revenue is recognized based on the progress of completion of the performance obligations and the Group has the right to invoice the customer for an amount that directly corresponds to the value of the Group's performance to date. As permitted under IFRS 15, practical expedient is applied and unsatisfied performance obligations relating to these contracts with customers is not disclosed.

(i) Sales of pharmaceutical and healthcare products

The Group sells pharmaceutical and healthcare products to wholesalers and individual customers.

Wholesales

For wholesales, sales revenue is recognized when control of the products has transferred, being when the pharmaceutical and healthcare products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group recognized revenue based on the price specified in the sales orders (excluding value-added taxes ("VAT")), net of discounts and return allowances. No significant element of financing is deemed present as the sales are generally made without prescribed credit terms in the sales contracts, but customers usually take 1 to 3 months to settle the receivables, which is consistent with market practice. A receivable is recognized when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Retail sales

For retail sales, the Group sells pharmaceutical and healthcare products through its self-operated online stores and third-party online platforms.

The third-party online platforms only provide a platform for the Group to display and sell products. In this business model, the end customers are regarded as the customers of the Group. The Group is charged by the third-party online platform for usage fees based on a percentage of sales generated from the online stores.

The Group offers its customers an unconditional right of return for a period of seven days on sales from online platforms following the receipt of products by end customers. The directors of the Company consider return allowances are immaterial based on historical experiences.

The Group recognized revenue based on the price specified in the sales orders (excluding VAT), net of discounts, return allowances and revenue is recognized upon the time when the pharmaceutical and healthcare products are accepted by customers.

(ii) Digital healthcare and wellness solutions

The digital healthcare and wellness solutions encompass various components, including online marketing solutions for medical and healthcare institutions and third-party merchants, digital hospital solutions for medical and healthcare institutions, and online healthcare services for individual users.

Online marketing solutions

The Group provides comprehensive and customer-oriented online marketing solutions to medical and healthcare institutions and third-party merchants, with the aim of enhancing their brand awareness and attracting more patients or individual users.

- *Marketplace solutions*
  - Traffic optimization services

    The Group offers value-added traffic distribution services to medical institutions for providing online appointment services through the Group's platform, as well as promoting their consumer healthcare packages. Upon completion of the healthcare services, the Group charges commission fees based on the transaction amount of the consumer healthcare packages purchased on the platform. Revenue from traffic optimization services is recognized upon completion of each service.

– Platform management solutions

The Group launched 160 cloud hospital for seamless cloud hospital operations. Through this AI-empowered platform, the Group provides medical and healthcare institutions with cloud hospital services.

The Group charges fixed platform subscription fee to medical and healthcare institutions when they connect to the Group's platform and recognizes revenue over the contractual service period of each subscription.

– Pharmacy marketplace services

The Group offers third-party merchants online pharmacy marketplace services, through which third-party merchants sell their products, including pharmaceuticals and medical equipment, on the Group's platform or the Group's online stores in third-party online platforms. The Group charges commission fees based on the sales amount generated through the Group's platform or on the Group's online stores in third-party online platforms. Revenue from pharmacy marketplace services is recognized upon completion of each sale of pharmaceutical and healthcare products.

• *Online advertising solutions*

The Group provides various online advertising options for medical and healthcare institutions to display their advertisement within the apps of the Group, aiming to drive traffic to their proprietary sites. The online advertising options include splash screen, banners, and headline options. The fees charged from the services are recognized when the related performance obligation is satisfied.

Digital hospital solutions

The Group offers proprietary hospital management systems to medical and healthcare institutions to support their digital transformation in terms of in-hospital disease prevention and management and to build up full-process systems to streamline the medical process.

Generally, contracts for the sales of software related to hospital management systems require the Group to provide after-sales maintenance services for a specific period (normally 1-3 years). Contracts which bundled sales of software and after-sale maintenance services are comprised of two performance obligations because the promises to transfer the software and provide after-sale services are distinct and separately identifiable.

Accordingly, revenue related to software sales is recognized at the point in time when the software is delivered to and accepted by the customers as the related software is available for customer's use since then and the control of software is transferred to the customers at that time. The revenue from provision of maintenance services is recognized over the period that the maintenance service is provided.

Online healthcare services

The Group provides registered doctors with convenient access to conduct online consultation to individual users through self-operated platform. The Group charges the registered doctors commission fees based on a pre-agreed percentage of the service fees paid by individual users for online medical consultations services. For the commission fees charged by times, revenue is recognized upon completion of each service.

Others

The Group also provides other services to medical and healthcare institutions as well as individuals, including technical services, such as marketing toolkits services, and individual membership services which consist of a variety of value-added services. Revenue is recognized upon the completion of the services or ratably over the service period depending on the terms and conditions of the contracts and also the model of controls transferring.

7. Expenses by nature

Expenses included in cost of sales and services, selling and marketing expenses, administrative expenses and research and development expenses are analyzed as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations:					
Cost of inventory sold	364,779	440,765	419,442	61,134	66,165
Employee benefit expenses *(Note 11)*	140,201	170,726	204,814	52,533	36,194
Marketing and advertisement expenses	18,966	10,265	9,332	1,245	667
Technical services fee	24,725	30,280	18,464	3,718	2,106
Business development and travel expenses	13,700	18,262	16,095	4,175	3,026
Depreciation of					
– property and equipment *(Note 18)*	2,909	3,342	2,902	904	552
– right-of-use assets *(Note 19)*	7,846	7,747	7,438	2,787	1,841
Provision for impairment of inventories	1,304	–	–	–	–
Platform usage expenses	2,845	981	893	33	130
Office expenses	5,205	4,424	5,483	1,186	716
Professional services fee	3,024	5,189	6,670	1,089	1,026
Storage and logistics fees	3,945	3,278	2,785	367	342
Amortization of intangible assets *(Note 20)*	490	542	486	121	121
– Statutory audit services	35	5	71	16	12
Listing expenses (including reporting accountant service fees)	–	20,037	16,789	3,208	2,156
Others	8,692	8,616	9,599	2,517	617
	598,666	724,459	721,263	135,033	115,671

8. Net provision/(reversal) of impairment losses on financial assets

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Net provision/(reversal) of impairment losses on trade receivables	770	7,325	8,186	(689)	197
Net provision of impairment losses on deposits and other receivables	252	8	98	89	91
	1,022	7,333	8,284	(600)	288

9. Other income

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
VAT refund and VAT deduction	3,958	3,078	2,421	4	1
Government grant *(i)*	3,223	1,349	1,407	1,162	243
	7,181	4,427	3,828	1,166	244

(i) The government grants mainly represent research and development subsidies awarded by the local governments to support the Group's operations. There were no unfulfilled conditions or contingencies attached to these grants.

10. Other (losses)/gains, net

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Net losses on disposal of property and equipment	(2)	(26)	(9)	–	(12)
Net gains/(losses) on early termination of leases	16	–	(2)	–	(520)
Provision for litigation loss *(Note 31(ii))*	(12,400)	(385)	–	–	–
Exchange (losses)/gains, net	–	(330)	418	–	–
Others	63	(20)	4	9	51
	(12,323)	(761)	411	9	(481)

11. Employee benefit expenses

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Wages, salaries and bonuses	126,158	109,867	131,209	30,892	24,914
Pension costs – defined contribution plan *(i)*	3,918	3,232	5,328	1,129	1,235
Other social security costs and housing benefits	4,683	4,303	4,510	1,123	1,200
Share-based payment expenses *(Note 28)*	–	46,424	59,983	18,506	7,809
Termination benefits	2,550	4,680	1,967	233	624
Other employee welfare	2,892	2,220	1,817	650	412
	140,201	170,726	204,814	52,533	36,194

(i) Pension costs — defined contribution plan

Employees of the group companies in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated on fixed percentage of the employees' salary (subject to a floor and cap) as set by local municipal governments to each scheme locally to fund the retirement benefits of the employees.

(ii) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for each of the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 include 1, 2, 2, 2 and 3 directors, respectively, whose emoluments are disclosed in the Note 40. The aggregate amounts of emoluments for the remaining 4, 3, 3, 3 and 2 highest paid individuals for each of the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, respectively are as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Wages, salaries and bonuses	3,120	1,852	1,359	434	250
Pension costs – defined contribution plan	34	28	25	8	7
Other social security costs and housing benefits	72	52	31	12	11
Share-based payment expenses	–	19,671	20,775	6,259	2,275
Total	3,226	21,603	22,190	6,713	2,543

The emoluments of those individuals fell within the following bands:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
				(Unaudited)	
Emolument bands (in HKD)					
Nil – 1,000,000	2	–	–	–	–
1,000,001 – 1,500,000	2	–	–	–	1
1,500,001 – 2,000,000	–	–	–	–	1
2,000,001 – 2,500,000	–	–	–	2	–
2,500,001 – 3,000,000	–	–	–	1	–
5,000,001 – 5,500,000	–	2	–	–	–
6,500,001 – 7,000,000	–	–	1	–	–
7,000,001 – 7,500,000	–	–	1	–	–
9,500,000 – 10,000,000	–	–	1	–	–
13,000,001 – 13,500,000	–	1	–	–	–
	4	3	3	3	2

12. FINANCE COSTS, NET

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Finance income					
Interest income on bank deposits	371	210	42	20	2
Interest income on loans to related parties	–	–	1,284	–	419
	371	210	1,326	20	421
Finance costs					
Interest expenses on bank and other borrowings	(2,065)	(1,463)	(2,200)	(374)	(1,060)
Interest expenses on lease liabilities *(Note 19)*	(1,067)	(834)	(1,456)	(391)	(333)
Interest expenses on redemption liabilities *(Note 32)*	(37,012)	(9,069)	–	–	–
	(40,144)	(11,366)	(3,656)	(765)	(1,393)
Finance costs, net	(39,773)	(11,156)	(2,330)	(745)	(972)

13. SUBSIDIARIES

Upon completion of Reorganization, the Company had direct or indirect interests in the following subsidiaries. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Group. The place of incorporation or registration is also their principal place of business.

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					*Note*
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Directly held:									
160 Health Management	The BVI/February 8, 2022	Investment Holding; The BVI	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Blue Dragonfly Management	The BVI/June 21, 2022	Investment Holding; The BVI	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Indirectly held:									
160 Health (HK)	Hong Kong/February 22, 2022	Investment Holding; Hong Kong	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(a)*
Blue Dragonfly (HK)	Hong Kong/July 14, 2022	Investment Holding; Hong Kong	USD1	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(a)*
Zhejiang Renren'ai* 浙江仁仁愛信息技術有限公司	The PRC/April 27, 2022	Investment Holding; The PRC	RMB250,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(d)*
Weikang Zhiyuan* 深圳市維康致遠科技有限公司	The PRC/June 30, 2022	Online platform services; The PRC	RMB100,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(b)*
Weikang Lanyuan* 維康藍遠(深圳)信息技術有限公司	The PRC/April 18, 2023	Software and Information Technology Services Industry; The PRC	USD5,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)*
Shenzhen Ningyuan* 深圳市寧遠科技股份有限公司	The PRC/February 22, 2005	Software and platform services; The PRC	RMB59,434,593	100.00%	100.00%	100.00%	100.00%	100.00%	*(ii)(b)*
Blue Dragonfly Internet* 湖南省藍蜻蜓網絡科技有限公司	The PRC/January 10, 2014	Software sales; The PRC	RMB3,000,000	70.00%	70.00%	70.00%	70.00%	70.00%	*(ii)(c)*
Shanghai Beiguang Internet Technology Co., Ltd.* 上海貝廣網絡科技有限公司	The PRC/July 24, 2014	No substantial business; The PRC	RMB1,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest As at December 31, 2022	2023	2024	As at March 31, 2025	At the report date	*Note*
Guangzhou Renren Health Information Consulting Co., Ltd.* 廣州仁仁健康信息諮詢有限公司	The PRC/September 28, 2012	No substantial business; The PRC	RMB1,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Indirectly held:									
Renren Jiankang* 深圳市仁仁健康創業投資企業(有限合夥)	The PRC/July 10, 2015	No substantial business; The PRC	RMB5,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
160 Medicine* 廣東一六零醫藥連鎖有限公司	The PRC/March 13, 2013	Pharmaceutical retail; The PRC	RMB14,583,300	73.33%	100.00%	100.00%	100.00%	100.00%	*(i)/(iii)*
Shenzhen 160 Online Hospital Co., Ltd.* 深圳市一六零網上醫院有限公司	The PRC/January 10, 2017	No substantial business; The PRC	RMB5,000,000	100.00%	–	–	–	–	*(i)/(iv)*
Shenzhen Yilu Health Technology Co., Ltd.* 深圳市壹陸健康科技有限公司	The PRC/March 29, 2018	No substantial business; The PRC	RMB5,000,000	100.00%	–	–	–	–	*(i)/(iv)*
160 Internet* 深圳市一六零網絡科技有限公司	The PRC/December 22, 2016	No substantial business; The PRC	RMB3,160,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Shenzhen Renren Doctor Group Co., Ltd.* 深圳人人醫生集團有限公司	The PRC/October 29, 2018	No substantial business; The PRC	RMB20,000,000	95.00%	–	–	–	–	*(i)/(iv)*
Shenzhen Xiaoliu Catering Management Co., Ltd.* 深圳市小六餐飲管理有限公司	The PRC/October 25, 2018	Catering; The PRC	RMB1,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Jiangsu Huiyi* 江蘇慧醫一六零信息科技有限公司	The PRC/June 21, 2017	Medical card services; The PRC	RMB10,000,000	51.00%	–	–	–	–	*(i)/(iv)*
Renren Weikang* 四川仁仁維康健康管理有限公司	The PRC/April 15, 2021	No substantial business; The PRC	RMB10,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Chengdu Shuangliu Renren Weikang Internet Hospital Co., Ltd.* 成都雙流仁仁維康互聯網醫院有限公司	The PRC/April 22, 2021	Online hospital service; The PRC	RMB100,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					Note
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Beijing Weikang Ningyuan Internet Technology Co., Ltd.* 北京維康寧遠網絡科技有限公司	The PRC/January 8, 2014	No substantial business; The PRC	RMB500,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Indirectly held:									
Shenzhen Anxin Technology Co., Ltd.* 深圳市安欣科技有限公司	The PRC/September 17, 2015	No substantial business; The PRC	RMB1,111,111	77.90%	77.90%	77.90%	77.90%	77.90%	*(i)*
Leting Medical Technology (Shenzhen) Co., Ltd.* 樂庭醫學科技(深圳)有限公司	The PRC/October 10, 2018	No substantial business; The PRC	RMB5,000,000	60.00%	60.00%	60.00%	60.00%	60.00%	*(i)*
Shenzhen Yimengwang Information Technology Co., Ltd.* 深圳醫盟網信息技術有限公司	The PRC/May 25, 2015	Online platform services; The PRC	RMB1,000,000	60.00%	60.00%	60.00%	60.00%	60.00%	*(i)*
Shenzhen Wuchuang Health Consultation Management Co., Ltd.* 深圳市五創健康諮詢管理有限公司	The PRC/November 20, 2015	Online platform services; The PRC	RMB210,526	62.00%	62.00%	62.00%	62.00%	62.00%	*(i)*
Shenzhen Wuchuang Health Management Corporation* 深圳市五創健康管理有限公司	The PRC/January 28, 2019	Online platform services; The PRC	RMB1,000,000	62.00%	62.00%	62.00%	62.00%	62.00%	*(i)*
Shenzhen Ruiwentai Medicine Co., Ltd. ("Ruiwentai Medicine")* 深圳市瑞文泰藥業有限公司	The PRC/June 9, 2004	Pharmaceutical wholesale; The PRC	RMB10,000,000	73.33%	100.00%	100.00%	100.00%	100.00%	*(i)/(iii)*
Chongqing Pengyu Gongchuang Information Technology Co., Ltd. ("Chongqing Pengyu")* 重慶鵬渝共創信息技術有限公司	The PRC/January 24, 2022	Online platform services; The PRC	RMB50,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*

Name	Place and date of incorporation/ establishment	Principal activities and place of operation	Issued/registered capital	Percentage of attributable equity interest					Note
				As at December 31,			As at March 31,	At the report date	
				2022	2023	2024	2025		
Qingdao Renren'ai Medicine Technology Co, Ltd.* 青島人人愛醫藥科技有限公司	The PRC/January 17, 2023	No substantial business; The PRC	RMB30,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)*
Hailiantang Pharmacy* 深圳市海聯堂大藥房連鎖有限公司	The PRC/June 8, 2020	Pharmaceutical retail; The PRC	RMB5,000,000	100.00%	100.00%	100.00%	100.00%	100.00%	*(i)*
Hunan Ninglan Kangruan Medical Technology Co., Ltd.* 湖南寧藍康軟醫療科技有限公司	The PRC/May 15, 2023	Software sales; The PRC	RMB3,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)/(iv)*
Zhejiang Ningji Medicine Co., Ltd.* 浙江寧吉藥業有限責任公司	The PRC/August 11, 2023	Pharmaceutical wholesale; The PRC	RMB50,000,000	–	100.00%	100.00%	100.00%	100.00%	*(i)/(iv)*
Zhuhai Hengqin Weikang Zhiyuan Technology Co., Ltd.* 珠海橫琴維康致遠科技有限公司	The PRC/May 23, 2024	No substantial business; The PRC	RMB1,000,000	–	–	100.00%	100.00%	100.00%	*(i)*

(i) These entities were not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

(ii) The statutory auditors of these companies for the Track Record Period were as follows:

(a) The statutory financial statements were audited by Dave Kwok & Co. for the years ended December 31, 2022, 2023 and 2024.

(b) The statutory financial statements were audited by Shenzhen Lingnan Certified Public Accountants for the years ended December 31, 2022 and 2023. The statutory financial statements was audited by Shenzhen Huazhongjie Certified Public Accountants for the year ended December 31, 2024.

(c) The statutory financial statements were audited by Hunan Zhongtong Accounting Firm Co., Ltd. for the years ended December 31, 2022, 2023 and 2024.

(d) No statutory audited financial statement was issued for the years ended December 31, 2022 and 2024. The statutory financial statements were audited by Shenzhen Lingnan Certified Public Accountants for the year ended December 31, 2023.

(iii) In 2021, Shenzhen Ningyuan further acquired 4.76% shareholding of 160 Medicine from 160 Medicine's shareholders with redemption rights. The shareholding of Ruiwentai Medicine held indirectly by Shenzhen Ningyuan increased by 4.76% correspondingly. In 2021, 160 Medicine further acquired 10% shareholding of Ruiwentai Medicine from the non-controlling interests. See Note 35(a) for details. The shareholding of Ruiwentai Medicine held indirectly by Shenzhen Ningyuan increased by 6.86% correspondingly. On August 16, 2023, several equity transfer agreements were entered into by Renren Jiankang and 160 Medicine's non-controlling interests, pursuant to which Renren Jiankang agreed to acquire 26.67% of the equity interest in 160 Medicine from 160 Medicine's non-controlling interests. Upon completion of such equity transfer, 160 Medicine was held by 160 Internet and Renren Jiankang as to 73.33% and 26.67%, respectively and therefore became a wholly owned subsidiary of the Company. The shareholding of Ruiwentai Medicine held indirectly by the Company increased to 100.00% correspondingly.

(iv) In 2023, to optimize the management and other resources and to focus on the core business of the Group, the Group disposed Jiangsu Huiyi and deregistered three PRC subsidiaries with no business operations, which were Shenzhen 160 Online Hospital Co., Ltd, Shenzhen Yilu Health Technology Co., Ltd, and Shenzhen Renren Doctor Group Co., Ltd.

* The English names of companies established in the PRC are translations of their Chinese names at the best effort of the directors of the Company as they do not have official English names.

14. Income tax expenses

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current income tax	–	1,373	1,670	900	635
Deferred income tax	–	(826)	(380)	(175)	(200)
Income tax expense	–	547	1,290	725	435

(a) Cayman Island and BVI income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to the Cayman Islands income tax pursuant to the current laws of the Cayman Islands. The group entity incorporated or registered under the Business Companies Act of BVI are exempted from BVI income tax pursuant to the current laws of the BVI.

(b) Hong Kong profits tax

Under the two-tiered profits tax rates regime, the first HKD 2 million of profits of the qualifying group entities will be taxed at 8.25%, and profits above HKD 2 million will be taxed at 16.5%. The profits of the group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. No Hong Kong profits tax has been provided as there was no estimated assessable profit in Hong Kong during the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025.

(c) PRC corporate income tax ("CIT")

CIT in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes.

According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate of 160 Medicine is 25% during the Track Record Period.

In 2023, Ruiwentai Medicine and Chongqing Pengyu were no longer small scale entities, and the CIT rate applicable to these two companies are 25% from January 1, 2023 onwards (2.5% prior to January 1, 2023).

In 2024, Zhejiang Renren'ai and 160 Internet were no longer small scale entities, and the CIT rate applicable to these three companies are 25% from January 1, 2024 onwards (2.5% prior to January 1, 2023 and 5% prior to January 1, 2024).

On November 9, 2018, Shenzhen Ningyuan was qualified as High and New Technology Enterprises ("HNTEs") under the relevant PRC laws and regulations. Accordingly, Shenzhen Ningyuan were entitled to a preferential income tax rate of 15% for a three-year period commencing 2018. This HNTEs status of Shenzhen Ningyuan has subsequently been approved to be renewed for another three-year terms in November 2021 and December 2024, respectively. Accordingly, Shenzhen Ningyuan was entitled to a preferential income tax rate of 15% during the Track Record Period.

Blue Dragonfly Internet had obtained the relevant approval from relevant tax bureau as "Software Enterprise" in 2019. Therefore, Blue Dragonfly Internet was exempt from CIT for two years, followed by a 50% reduction in the applicable tax rates (i.e. 12.5%) for the following three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years. Blue Dragonfly Internet met the requirements and was entitled to a tax exemption in 2020 and 2021 and a preferential income tax rate of 12.5% in 2022, 2023 and 2024 and the three months ended March 31, 2024 . On 8 December 2023, Blue Dragonfly Internet was awarded the certificate of High and New Technology Enterprise, which is valid for three years. Accordingly, Blue Dragonfly Internet were entitled to a preferential income tax rate of 15% for the three months ended March 31, 2025.

On December 26, 2024, Weikang Zhiyuan was qualified as a High and New Technology Enterprises. Accordingly, Weikang Zhiyuan were entitled to a preferential income tax rate of 15% in 2024. In 2023, Weikang Zhiyuan met the criteria of small-scale entities and thus enjoyed the preferential income tax policy, with an applicable income tax rate of 5%.

Except for the entities as mentioned above, certain subsidiaries of the Group established in the PRC have been granted with tax concessions for small scale entities by tax authorities in the PRC and enjoy reduced tax rates ranging from 2.5% to 10% during the Track Record Period.

According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprise engaging in research and development activities are entitled to claim 175% from 2018 onwards of their research and development expenditures incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The additional tax deducting amount of the qualified research and development expenses has been increased from 175% to 200% for Blue Dragonfly Internet, effective from 2022 and for the rest enterprises of the Group, effective from 2023, according to a new tax incentives policy promulgated by the State Tax Bureau of the PRC in March 2022 and April 2023, respectively. The Group has considered the Super Deduction to be claimed for the group entities in ascertaining their assessable profits during the Track Record Period.

(d) PRC withholding tax

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profit derived after January 1, 2008 are generally subject to a 10% withholding tax. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be 5%.

As at December 31, 2022, 2023 and 2024 and March 31, 2025, the aggregated undistributed earnings of the Group's subsidiaries established in the PRC amounted to RMB18,927,000, RMB30,714,000, RMB31,167,000 and RMB35,863,000 respectively. However, as the Group didn't have any distributable earnings available to the offshore companies or the Company, no deferred income tax liability recognized in the Historical Financial Information.

(e) Numerical reconciliation of income tax expenses

The taxation on the Group's losses before income tax differs from the theoretical amount that would arise using the statutory tax rate of PRC, as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Losses from continuing operations before income tax	(118,957)	(110,676)	(106,956)	(39,838)	(16,693)
Tax calculated at the PRC statutory tax rate of 25%	(29,739)	(27,669)	(26,739)	(9,960)	(4,173)
Effects of preferential tax rates applicable to eligible subsidiaries	10,004	17,671	12,742	4,120	1,529
Super Deduction for research and development expenses	(5,729)	(4,399)	(6,236)	(1,646)	(1,207)
Expenses not deductible for tax purpose	893	6,587	9,537	3,045	1,337
Tax losses and temporary differences not recognized for deferred tax assets	24,571	8,776	11,425	4,469	2,621
Utilization of previously unrecognized tax losses	–	(419)	(166)	(30)	(107)

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Adjustments in respect of current income tax of previous years	–	–	727	727	435
Income tax expense	–	547	1,290	725	435

(f) Tax losses

	As at December 31,			As at March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Unused tax losses for which no deferred income tax asset has been recognized	774,280	833,264	887,356	835,773	722,880

The unused tax losses were incurred by subsidiaries that is not likely to generate taxable income in the foreseeable future. The tax losses shall expire in five or ten years from year of occurrence under current tax legislation.

As at December 31, 2022, 2023 and 2024 and March 31, 2024 and 2025, tax losses of approximately RMB508,698,000, RMB626,047,000, RMB709,022,000, RMB627,341,000, RMB538,406,000 which will expire within 5 years and approximately RMB265,582,000, RMB207,217,000, RMB178,334,000, RMB208,432,000, RMB184,474,000 which will expire within 10 years, for which no deferred income tax assets were recognised.

15. Discontinued operation

(i) Financial performance and cash flow information

As disclosed in Note 1.2(v), Jiangsu Huiyi is reported as a discontinued operation during the Track Record Period. The disposal Jiangsu Huiyi was completed in January 2023.

An analysis of the results and cash flows of the discontinued operation for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 is as below:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Statement of profit or loss of the discontinued operation:					
Revenue	2,409	–	–	–	–
Cost of sales and services	(15)	–	–	–	–
Selling and marketing expenses	(1,236)	–	–	–	–
Research and development expenses	(643)	–	–	–	–
Administrative expenses	(1,596)	–	–	–	–
Net impairment losses on financial assets	(91)	–	–	–	–
Other income	68	–	–	–	–
Finance income	5	–	–	–	–
Finance costs	(9)	–	–	–	–
Loss before income tax	(1,108)	–	–	–	–
Income tax expenses	–	–	–	–	–
Loss after income tax	(1,108)	–	–	–	–
Gain on disposal of Jiangsu Huiyi	–	5,024	–	–	–
(Loss)/profit from the discontinued operation	(1,108)	5,024	–	–	–
(Loss)/profit from the discontinued operation attributable to:					
– Owners of the Company	(565)	5,024	–	–	–
– Non-controlling interests	(543)	–	–	–	–
Statement of cash flows of the discontinued operation					
Net cash generated from operating activities	252	–	–	–	–
Net cash used in investing activities	(17)	–	–	–	–
Net cash used in financing activities	(145)	–	–	–	–
Net cash inflows	90	–	–	–	–

(ii) Details of the sale of the subsidiary

	Year ended December 31, 2023
	RMB'000
Cash consideration	–
Less	
– Total net liabilities of the subsidiary disposed of	9,851
– Non-controlling interest disposed of	(4,827)
Gains on disposal of the subsidiary	5,024

(iii) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at December 31, 2022:

	December 31, 2022
	RMB'000
Assets classified as held for sale	
Property and equipment	38
Right-of-use assets	161
Prepayments, deposits and other receivables	13,877
Cash and cash equivalents	1,340
Total assets of disposal group held for sale	15,416
Liabilities directly associated with assets classified as held for sale	
Trade and bill payables	3,004
Accruals and other payables	19,981
Lease liabilities	141
Total liabilities of disposal group held for sale	23,126

16. (Losses)/ earnings per share

During the Reorganization of the Group, shareholders of Shenzhen Ningyuan swapped its shares in Shenzhen Ningyuan to the shares of the Company on a 1:1 conversion rate, except the two shareholders mentioned in Note 1.2(i) who have not yet agreed a share swap or settlement plan with the Group as of completion of Reorganization.

The 1,567,298 new options were granted to some shareholders as a consideration of giving up 1,567,298 ordinary shares of the Company and these shares were put in the treasury shares pool. However, since the exercise price of the new options is minimal and there is no substantive attached condition, these share options are considered to be outstanding ordinary shares and are included in the calculation of basic and diluted earnings per share ("EPS") from the date of issuance.

Thus, 57,176,412 shares were deemed to have been allotted and issued by the Company on January 1, 2022 when computing the basic and diluted losses per share for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025, and the capital injection to the Group during the Track Record Period were considered on a time-weighted basis.

Treasury shares was excluded from the calculation of losses per share.

(i) Basic (losses)/earnings per share

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Losses)/profit attributable to owners of the Company for the year/period (RMB'000)					
– Continuing operations	(110,740)	(113,840)	(107,687)	(38,487)	(15,496)
– Discontinued operation	(565)	5,024	–	–	–
Weighted average number of ordinary shares in issue ('000)	57,127	58,106	58,790	58,790	58,790

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Basic (losses)/earnings per share (RMB Yuan)					
– Continuing operations	(1.938)	(1.959)	(1.832)	(0.655)	(0.264)
– Discontinued operation	(0.010)	0.086	NA	NA	NA

(ii) Diluted (losses)/earnings per share

The Group has potential dilutive shares in the Track Record Period, which were ordinary shares with redemption rights and the share options granted under the Pre-IPO share option scheme of the Company in the third quarter of 2023.

The Group made a profit from its discontinued operation for the year ended December 31, 2023, the dilutive EPS attributed to the discontinued operation for that year were RMB 0.084, which were slightly different from the basic EPS.

Except at disclosed above, the Group were making loss from its continuing operation and discontinued operation during the Track Record Period, the inclusion of the potential dilutive ordinary shares would therefore be anti-dilutive, thus the dilutive EPS were the same as the basic EPS for these respective years/periods.

The basic and diluted (losses)/earnings per share as presented above has not taken into account the proposed share subdivision pursuant to the shareholders' resolution dated September 3, 2025 because the proposed share subdivision has not become effective at the date of this report.

17. DIVIDEND

No dividend has been paid or declared by the Company or any companies now comprising the Group during the Track Record Period.

18. PROPERTY AND EQUIPMENT

	Electronic equipment	Office equipment	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022					
Cost	12,205	1,035	2,840	2,403	18,483
Accumulated depreciation	(8,340)	(397)	(1,668)	(1,644)	(12,049)
Net book amount	3,865	638	1,172	759	6,434
Year ended December 31, 2022					
Opening net book amount	3,865	638	1,172	759	6,434
Additions	879	111	–	1,501	2,491
Assets classified as held for sale and other disposals	(53)	(16)	–	–	(69)
Depreciation					
– Continuing operations	(1,737)	(259)	(295)	(618)	(2,909)
– Discontinued operation	(39)	(8)	–	(1)	(48)
Closing net book amount	2,915	466	877	1,641	5,899
At December 31, 2022					
Cost	12,790	1,125	2,840	3,777	20,532
Accumulated depreciation	(9,875)	(659)	(1,963)	(2,136)	(14,633)
Net book amount	2,915	466	877	1,641	5,899

	Electronic equipment	Office equipment	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023					
Opening net book amount	2,915	466	877	1,641	5,899
Additions	1,977	123	–	606	2,706
Disposal	(25)	(1)	–	–	(26)
Depreciation					
– Continuing operations	(2,131)	(245)	(219)	(747)	(3,342)
Closing net book amount	2,736	343	658	1,500	5,237
At December 31, 2023					
Cost	13,382	1,234	2,840	4,383	21,839
Accumulated depreciation	(10,646)	(891)	(2,182)	(2,883)	(16,602)
Net book amount	2,736	343	658	1,500	5,237
Year ended December 31, 2024					
Opening net book amount	2,736	343	658	1,500	5,237
Additions	253	–	–	689	942
Disposal	(12)	–	–	–	(12)
Depreciation					
– Continuing operations	(1,745)	(232)	(63)	(862)	(2,902)
Closing net book amount	1,232	111	595	1,327	3,265
At December 31, 2024					
Cost	13,264	1,234	2,840	5,072	22,410
Accumulated depreciation	(12,032)	(1,123)	(2,245)	(3,745)	(19,145)
Net book amount	1,232	111	595	1,327	3,265
(Unaudited)					
At January 1, 2024					
Cost	13,382	1,234	2,840	4,383	21,839
Accumulated depreciation	(10,646)	(891)	(2,182)	(2,883)	(16,602)
Net book amount	2,736	343	658	1,500	5,237
Three months ended March 31, 2024					
Opening net book amount	2,736	343	658	1,500	5,237
Additions	118	–	–	301	419
Depreciation					
– Continuing operations	(560)	(65)	(16)	(263)	(904)
Closing net book amount	2,294	278	642	1,538	4,752
At March 31, 2024					
Cost	13,500	1,234	2,840	4,684	22,258
Accumulated depreciation	(11,206)	(956)	(2,198)	(3,146)	(17,506)
Net book amount	2,294	278	642	1,538	4,752
At January 1, 2025					
Cost	13,264	1,234	2,840	5,072	22,410
Accumulated depreciation	(12,032)	(1,123)	(2,245)	(3,745)	(19,145)
Net book amount	1,232	111	595	1,327	3,265

	Electronic equipment	Office equipment	Vehicles	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended March 31, 2025					
Opening net book amount	1,232	111	595	1,327	3,265
Additions	23	–	–	773	796
Disposal	(10)	(2)	–	–	(12)
Depreciation					
– Continuing operations	(239)	(14)	(16)	(283)	(552)
Closing net book amount	1,006	95	579	1,817	3,497
At March 31, 2025					
Cost	12,966	1,187	2,840	5,845	22,838
Accumulated depreciation	(11,960)	(1,092)	(2,261)	(4,028)	(19,341)
Net book amount	1,006	95	579	1,817	3,497

The Group performed impairment assessment for its non-financial assets, including the property and equipment, right-of-use assets and intangible assets as at December 31, 2022, 2023 and 2024 and March 31, 2025. The recoverable amounts were calculated for the CGU or CGUs to which these assets belong using the VIU model. As the recoverable amounts were higher than the carrying amounts of the respective CGU or CGUs, the directors of the Company concluded that no provision for impairment is required to be recognized as of the end of the financial years/periods.

(i) Depreciation expenses were charged to profit or loss as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Cost of sales and services	772	828	603	181	128
Selling and marketing expenses	343	371	692	113	178
Research and development expenses	529	594	294	144	29
Administrative expenses	1,265	1,549	1,313	466	217
	2,909	3,342	2,902	904	552

(ii) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

- Electronic equipment — 2-5 years
- Office equipment — 2-5 years
- Vehicles — 5-10 years
- Leasehold improvements — the shorter of the estimated useful life or remaining lease term

See Note 43.4 for the other accounting policies relevant to property and equipment.

19. LEASES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets *(i)*				
Leased properties	13,505	21,875	17,660	10,551
Lease liabilities				
Current	8,249	5,649	7,123	7,106
Non-current	6,021	17,013	11,879	6,979
	14,270	22,662	19,002	14,085

(i) The movement in right-of-use assets are as follows:

	Leased office properties	Total
	RMB'000	*RMB'000*
At January 1, 2022		
Cost	22,038	22,038
Accumulated depreciation	(4,304)	(4,304)
Net book amount	17,734	17,734
Year ended December 31, 2022		
Opening net book amount	17,734	17,734
Additions	4,023	4,023
Termination	(77)	(77)
Assets classified as held for sale *(note 15)*	(161)	(161)
Depreciation		
– Continuing operations	(7,846)	(7,846)
– Discontinued operation	(168)	(168)
Closing net book amount	13,505	13,505
At December 31, 2022		
Cost	23,744	23,744
Accumulated depreciation	(10,239)	(10,239)
Net book amount	13,505	13,505
Year ended December 31, 2023		
Opening net book amount	13,505	13,505
Additions	16,117	16,117
Depreciation		
– Continuing operations	(7,747)	(7,747)
Closing net book amount	21,875	21,875
At December 31, 2023		
Cost	39,861	39,861
Accumulated depreciation	(17,986)	(17,986)
Net book amount	21,875	21,875

	Leased office properties	Total
	RMB'000	*RMB'000*
Year ended December 31, 2024		
Opening net book amount	21,875	21,875
Additions	3,435	3,435
Termination	(212)	(212)
Depreciation		
– Continuing operations	(7,438)	(7,438)
Closing net book amount	17,660	17,660
At December 31, 2024		
Cost	27,037	27,037
Accumulated depreciation	(9,377)	(9,377)
Net book amount	17,660	17,660
(Unaudited)		
At January 1, 2024		
Cost	39,861	39,861
Accumulated depreciation	(17,986)	(17,986)
Net book amount	21,875	21,875
Three months ended March 31, 2024		
Opening net book amount	21,875	21,875
Additions	2,818	2,818
Depreciation		
– Continuing operations	(2,787)	(2,787)
Closing net book amount	21,906	21,906
At March 31, 2024		
Cost	25,608	25,608
Accumulated depreciation	(3,702)	(3,702)
Net book amount	21,906	21,906
At January 1, 2025		
Cost	27,037	27,037
Accumulated depreciation	(9,377)	(9,377)
Net book amount	17,660	17,660
Three months ended March 31, 2025		
Opening net book amount	17,660	17,660
Termination	(5,268)	(5,268)
Depreciation		
– Continuing operations	(1,841)	(1,841)
Closing net book amount	10,551	10,551
At March 31, 2025		
Cost	25,322	25,322
Accumulated depreciation	(14,771)	(14,771)
Net book amount	10,551	10,551

As mentioned in Note 18, The Group has performed impairment assessment for its non-financial assets, including the property and equipment, right-of-use assets and intangible assets as at December 31, 2022, 2023 and 2024 and March 31, 2025. The recoverable amounts were calculated for the CGU or CGUs to which these assets belong using the VIU model. As the recoverable amounts were higher than the respective carrying amounts of the respective CGU or CGUs, and the directors of the Company has concluded that no provision for impairment is required to be recognized as of the end of the financial years/periods.

(ii) Amounts recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Depreciation charge of right-of-use assets	7,846	7,747	7,438	2,787	1,841
Interest expenses *(Note 12)*	1,067	834	1,456	391	333
Expense relating to short-term leases	1,063	1,629	1,429	381	1,429

The total cash outflow for leases for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 were approximately RMB9,857,000, RMB10,188,000, RMB9,770,000, RMB3,505,000 and RMB1,931,000, respectively.

(iii) The Group's leasing activities and lease accounting

The Group leases offices and dormitories as lessee. Rental contracts are typically made for fixed periods of 1 to 5 years.

Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and

- makes adjustments specific to the lease, e.g., term, territory, currency and security.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

See Note 43.16 for the other accounting policies relevant to leases.

20. INTANGIBLE ASSETS

	Goodwill	Office software	License	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2022				
Cost	–	4,021	5,768	9,789
Accumulated amortization	–	(3,815)	(3,414)	(7,229)
Net book amount	–	206	2,354	2,560
Year ended December 31, 2022				
Opening net book amount	–	206	2,354	2,560
Business combination *(Note 38)*	99	–	685	784
Amortization				
– Continuing operations	–	(85)	(405)	(490)
– Discontinued operation	–	(59)	–	(59)
Closing net book amount	99	62	2,634	2,795
At December 31, 2022				
Cost	99	4,021	6,454	10,574
Accumulated amortization	–	(3,959)	(3,820)	(7,779)
Net book amount	99	62	2,634	2,795
Year ended December 31, 2023				
Opening net book amount	99	62	2,634	2,795
Additions	–	73	–	73
Disposal of a subsidiary	–	(2)	–	(2)
Amortization				
– Continuing operations	–	(73)	(469)	(542)
Closing net book amount	99	60	2,165	2,324
At December 31, 2023				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,665)	(4,289)	(7,954)
Net book amount	99	60	2,165	2,324
Year ended December 31, 2024				
Opening net book amount	99	60	2,165	2,324
Amortization				
– Continuing operations	–	(17)	(469)	(486)
Closing net book amount	99	43	1,696	1,838
At December 31, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,682)	(4,758)	(8,440)
Net book amount	99	43	1,696	1,838
(Unaudited)				
At January 1, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,665)	(4,289)	(7,954)
Net book amount	99	60	2,165	2,324

	Goodwill	Office software	License	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended March 31, 2024				
Opening net book amount	99	60	2,165	2,324
Amortization				
– Continuing operations	–	(4)	(117)	(121)
Closing net book amount	99	56	2,048	2,203
At March 31, 2024				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,669)	(4,406)	(8,075)
Net book amount	99	56	2,048	2,203
At January 1, 2025				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,682)	(4,758)	(8,440)
Net book amount	99	43	1,696	1,838
Three months ended March 31, 2025				
Opening net book amount	99	43	1,696	1,838
Amortization				
– Continuing operations	–	(4)	(117)	(121)
Closing net book amount	99	39	1,579	1,717
At March 31, 2025				
Cost	99	3,725	6,454	10,278
Accumulated amortization	–	(3,686)	(4,875)	(8,561)
Net book amount	99	39	1,579	1,717

As mentioned in Note 18, the Group has performed impairment assessment for its non-financial assets, including the property and equipment, right-of-use assets and intangible assets as at December 31, 2022, 2023 and 2024 and March 31, 2025. The recoverable amounts were calculated for the CGU or CGUs to which these assets belong using the VIU model. As the recoverable amounts were higher than the respective carrying amounts of the respective CGU or CGUs, and the directors of the Company has concluded that no provision for impairment is required to be recognized as of the end of the financial years/periods.

(i) Amortization expenses were charged to profit or loss as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Continuing operations					
Research and development expenses	–	12	14	4	4
Administrative expenses	490	530	472	117	117
	490	542	486	121	121

(ii) Amortisation methods and periods

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

- Office software 1-5 years
- License 1-5 years

See Note 43.5 for the other accounting policies relevant to intangible assets.

21. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	As at December 31,			As at March 31,
		2022	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets					
Financial assets at amortized cost					
– Cash and cash equivalents	*25*	37,748	57,555	58,266	68,447
– Restricted cash	*25*	4,607	616	8,003	7,330
– Trade receivables	*23*	63,592	117,824	170,669	167,837
– Deposits and other receivables	*24*	8,717	8,763	14,681	16,690
		114,664	184,758	251,619	260,304
Financial liabilities					
– Trade and bill payables	*30*	56,159	96,375	102,627	90,809
– Borrowings	*29*	21,058	10,000	90,670	116,058
– Lease liabilities	*19*	14,270	22,662	19,002	14,085
Accruals and other payables (excluding VAT and other taxes payables, payroll and welfare payables)	*31*	65,675	78,632	81,387	80,758
Redemption liabilities	*32*	294,183	–	–	–
		451,345	207,669	293,686	301,710

22. INVENTORIES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Purchased goods – at cost	11,638	4,451	2,030	1,216
Less: impairment provision	(1,326)	–	–	–
	10,312	4,451	2,030	1,216

Inventories are stated at the lower of cost and net realizable value. Cost is determined using specific identification method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventories recognized as an expense during the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 amounted to RMB364,779,000, RMB440,765,000, RMB419,442,000, RMB60,072,000 and RMB66,165,000 respectively. These were included in cost of sales.

There is no provision or reversal for impairment of inventories for the years ended December 31, 2023 and 2024 and the three months ended March 31, 2024 and 2025. The provision for impairment of inventories amounted to approximately RMB1,304,000 for the year ended December 31, 2022. All the provision of impairment of inventories have been included in "cost of sales and services" in the consolidated statements of profit or loss and other comprehensive income.

23. TRADE RECEIVABLES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	73,053	134,610	195,641	193,006
Less: allowance for impairment	(9,461)	(16,786)	(24,972)	(25,169)
Trade receivables, net	63,592	117,824	170,669	167,837

The carrying amounts of trade receivables approximate their fair value. The Group's trade receivables are mainly denominated in RMB.

Sales are generally made with prescribed credit terms in the sales contracts, usually 1 to 3 months to settle the receivables.

(i) The aging analysis of the trade receivables based on invoice date are as follows:

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 90 days	40,417	87,734	108,810	75,863
90 days to one year	16,037	28,253	52,208	84,213
One to two years	8,501	8,118	20,685	17,364
Two to three years	4,460	4,415	5,780	6,576
Over three years	3,638	6,090	8,158	8,990
	73,053	134,610	195,641	193,006

(ii) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year or a normal operating cycle and therefore all are classified as current.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1.2 for a description of the Group's impairment policies.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits and other receivables				
– Amounts due from related parties *(Note 39(c))*	2,182	–	5,077	5,496
– Rental and other deposits	4,108	5,411	6,227	6,038
– Advance to staff	1,364	1,445	1,964	2,263
– Others	1,634	2,486	2,090	3,661
	9,288	9,342	15,358	17,458
Prepayment				
– Prepayment for purchased goods	5,743	2,837	3,009	4,062
– Prepaid expenses	10,589	10,685	13,426	19,400
– Deferred listing expenses	–	3,175	3,720	3,959
	16,332	16,697	20,155	27,421
Less: provision for impairment	(571)	(579)	(677)	(768)
	25,049	25,460	34,836	44,111

(i) The carrying amounts of the Group's deposits and other receivables approximated to their fair values as at December 31, 2022, 2023 and 2024 and March 31, 2025.

25. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank and in hand *(i)*	42,355	58,171	66,269	75,777
Less: restricted cash *(ii)*	(4,607)	(616)	(8,003)	(7,330)
Cash and cash equivalents *(iii)*	37,748	57,555	58,266	68,447

(i) The majority of Group's cash at bank and in hand as at December 31, 2022, 2023 and 2024 and March 31, 2025 is denominated in RMB, and the remaining portion of the Group's cash at bank and in hand denominated in USD and HKD is immaterial.

(ii) As at December 31, 2022, bank deposits of RMB385,000 was restricted by Shenzhen Municipal Intermediate People's Court due to the legal case as mentioned in Note 31(ii) and was therefore classified as restricted cash accordingly. This restricted bank deposit of RMB385,000 was forcibly executed during the year ended December 31, 2023.

As at December 31, 2022, bank deposits of RMB4,000,000 respectively, was restricted as guarantee deposits for issuance of bank acceptance notes.

As at December 31, 2022, 2023 and 2024 and March 31, 2025, bank deposits of RMB222,000, RMB222,000, RMB222,000 and RMB154,000 was pledged to banks mainly as the performance guarantee for bidding of projects. Such restricted cash will be released upon the closure of the related tenders.

As at December 31, 2023 and 2024 and March 31, 2025, bank deposits of RMB394,000, RMB3,934,000 and RMB2,692,000 represent cash received from customers and placed in a bank supervised account for payment to medical and healthcare institution and professionals. Besides, as at December 31, 2024 and March 31, 2025, bank deposits of RMB3,847,000 and RMB4,484,000 represent cash pledged to banks mainly due to legal disputes.

(iii) The carrying amount of the Group's cash and cash equivalents approximated to its fair value as at December 31, 2022, 2023 and 2024 and March 31, 2025. The cash and cash equivalents earn interest at floating rates based on daily bank deposit rates.

(iv) For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

26. SHARE CAPITAL AND COMBINED CAPITAL

(a) Share capital

The Company was incorporated in the Cayman Islands on the January 31, 2022 with an authorized share of US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each.

A summary of movements in the Company's issued and fully paid share capital is as follow:

	Number of shares	Nominal value of shares	Equivalent nominal value of shares
		USD'000	*RMB'000*
Issued:			
As at January 31, 2022 (date of incorporation)	32,047,693	–	2
Repurchase of shares	(765,729)	–	–
As at December 31, 2022	31,281,964	–	2
As at January 1, 2023	31,281,964	–	2
Issuance of shares	29,279,498	–	2
As at December 31, 2023	60,561,462	–	4
As at January 1, 2024	60,561,462	–	4
Issuance of shares	–	–	–
As at December 31, 2024	60,561,462	–	4
(Unaudited)			
As at January 1, 2024	60,561,462	–	4
Issuance of shares	–	–	–
As at March 31, 2024	60,561,462	–	4
As at January 1, 2025	60,561,462	–	4
Issuance of shares	–	–	-
As at March 31, 2025	60,561,462	–	4

In January 2022, the Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorized share capital of USD50,000 divided into 5,000,000,000 shares with a par value of USD0.00001 each.

In January 2022, the Company issued an aggregate of 32,047,693 ordinary shares to some investors.

In April 2022, as some onshore investors of Shenzhen Ningyuan were not successful in their Overseas Direct Investment applications, the Company repurchased and cancelled 760,544 shares and 5,185 shares from its nominal shareholders, namely Mr. Luo and Mr. Luo Ningli respectively at a par value of USD0.00001 each.

In October and November 2023, upon the completion of the Reorganization, the Company further issued an aggregate of 29,279,498 ordinary shares to investors, which included the 1,442,868 ordinary shares issued for the swap of 160 Medicine's 26.67% equity interest held by non-controlling interest in October 2023 and the 1,039,069 shares with preferred rights of as described in Note 32 at a price of RMB48.12 per share with total consideration of RMB50,000,000 as part of the series E Pre-IPO financing.

As at December 31, 2023 and 2024 and March 31, 2024 and 2025, the total issued number and nominal value of issued ordinary share of the Company amounted to 60,561,462 shares and USD605.61 (equivalent to approximately RMB4,000), respectively, in which, 3,339,319 shares of the Company were held by the Group's controlled entities, 160 Health Future Limited and 160 Future Limited (the "trustee") and accounted for as treasure shares.

Pursuant to a written resolution of shareholders on September 3, 2025, each ordinary share in issue of the Company be sub-divided into 5 ordinary shares immediately before the completion of the Listing (the "Share Subdivision"). Immediately following the Share Subdivision, the Company's number of Shares in issue would be changed from 60,561,462 to 302,807,310.

(b) Combined capital

The Reorganization has not been completed as of December 31, 2022. Combined capital as at December 31, 2022 represented the combined capital of the companies now comprising the Group after the elimination of inter-company investments.

The combined capital was reclassified to share premium upon the completion of the Reorganization (Note 1.2).

27. RESERVES

	Share premium	Treasury shares	Share-based payment reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	343,561	(262,050)	168,661	(1,003)	249,169
Capital injection from shareholders *(i)*	32,242	–	–	–	32,242
Repurchase of shares from shareholders	–	(313)	–	–	(313)
Share issuance cost	(990)	–	–	–	(990)
Derecognition of redemption liabilities *(Note 32(e))*	–	16,961	–	8,634	25,595
As at December 31, 2022	374,813	(245,402)	168,661	7,631	305,703
As at January 1, 2023	374,813	(245,402)	168,661	7,631	305,703
Transactions with non-controlling interests	–	–	–	1,842	1,842
Capital injection from shareholders *(ii)*	108,753	–	–	–	108,753
Share-based payment expenses *(Note 28)*	–	–	46,424	–	46,424
Repurchase of shares from shareholders	–	(64)	–	–	(64)
Share issuance cost	(6,366)	–	–	–	(6,366)
Recognition of redemption liabilities *(Note 32(c))*	–	(106,362)	–	–	(106,362)

	Share premium	Treasury shares	Share-based payment reserves	Other reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derecognition of redemption liabilities *(Note 32(f))*	58,831	350,783	–	–	409,614
Reclassification of combined capital to share premium upon the completion of the reorganization	59,435	–	–	–	59,435
Reclassification of other reserves to treasury shares	–	(727)	727	–	–
As at December 31, 2023	595,466	(1,772)	215,812	9,473	818,979
As at January 1, 2024	595,466	(1,772)	215,812	9,473	818,979
Share-based payment expenses *(Note 28)*	–	–	59,983	–	59,983
Currency translation differences	–	–	–	317	317
As at December 31, 2024	595,466	(1,772)	275,795	9,790	879,279
(Unaudited)					
As at January 1, 2024	595,466	(1,772)	215,812	9,473	818,979
Share-based payment expenses *(Note 28)*	–	–	18,506	–	18,506
Currency translation differences	–	–	–	317	317
As at March 31, 2024	595,466	(1,772)	234,318	9,790	837,802
As at January 1, 2025	595,466	(1,772)	275,795	9,790	879,279
Share-based payment expenses *(Note 28)*	–	–	7,809	–	7,809
As at March 31, 2025	595,466	(1,772)	283,604	9,790	887,088

Notes:

(i) In December 2021, Shenzhen Ningyuan entered into a share purchase agreement with Chongqing Southern Fund Entrepreneurship Investment Corporation (Limited Partnership) and pursuant to which, the Group issued 758,063 shares of Shenzhen Ningyuan at a price of RMB43.53 per share with total consideration of RMB33,000,000 as part of the series D2 Pre-IPO financing. This capital injection was completed in 2022 and the total share issuance cost as settled in 2021 and 2022 amounted to RMB1,229,000 and RMB990,000, respectively.

(ii) In 2023, the Group has three capital injection from shareholders, as following:

In January 2023, Shenzhen Ningyuan entered into a share purchase agreement with Qingdao Chengyu United Investment Consulting Co., Ltd. and pursuant to which, the Group issued 1,039,069 shares with preferred rights of Shenzhen Ningyuan at a price of RMB48.12 per share with total consideration of RMB50,000,000 as part of the series E Pre-IPO financing. The total share issuance cost amounted to RMB5,000,000.

In May 2023, Shenzhen Ningyuan entered into a share purchase agreement with Zhejiang Zhonghui Industrial Investment Co., Ltd. and pursuant to which, the Group issued 207,814 shares with preferred rights of Shenzhen Ningyuan at a price of RMB48.12 per share with total consideration of RMB10,000,000 as part of the series E Pre-IPO financing.

In November 2023, Shenzhen Ningyuan and the Company entered into investment agreements with a Pre-IPO investor (the "Pre-IPO investors of the Company"), pursuant to which the Company issued and allotted approximately 1,039,069 shares to the Pre-IPO investors of the Company, at a consideration of RMB50,000,000. The Pre-IPO investors of the Company were granted with certain preferred rights. The total share issuance cost amounted to RMB1,366,000 in 2023.

28. SHARE-BASED PAYMENT EXPENSES

Share-based payment expenses was recognized in profit or loss for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Administrative expenses	–	21,224	23,888	7,203	2,676
Sales and marketing expenses	–	22,749	32,230	10,147	5,057
Research and development expenses	–	2,451	3,865	1,156	76
	–	46,424	59,983	18,506	7,809

(i) Share option schemes

Share options schemes of Shenzhen Ningyuan

In December 2015, Shenzhen Ningyuan adopted a share option scheme to attract, retain and motivate talented employees to strive towards long term performance targets set by Shenzhen Ningyuan and to provide them with an incentive to work better for the interest of Shenzhen Ningyuan.

Shenzhen Ningyuan has granted nine batches of share options to employees and directors, which were fully vested and partial exercised before the Track Record Period. As at December 31, 2022 and 2021, there were 643,697 options that were vested and unexercised, however these share options were unexercised and forfeited by the holders in 2023 upon the completion of the Reorganisation.

Pre-IPO share option scheme of the Company

In August 2023, the Group adopted the Pre-IPO share option scheme. Under the Pre-IPO share option scheme, options to subscribe for 6,236,917 shares (or 31,184,585 shares as adjusted after the share subdivision which is adopted on September 3, 2025), including options to subscribe for 2,897,598 new shares and 3,339,319 existing shares held by the trustee (or 14,487,990 new shares and 16,696,595 existing shares as adjusted after the share subdivision), had been granted to a total of 105 grantees by the Group.

The number of share options, average exercise price per share option, fair value of share options, key assumptions of fair value of share options state below were before the adjustment for the share subdivision.

Details of vesting period of share options are as follows:

Grant date (yyyy/mm/dd)	Number of share options (before subdivision)	Vesting period
2023/9/1	733,760	Public Offering Date
2023/9/1	3,623,859	i) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2024, whichever is later;
		ii) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2025, whichever is later;
		iii) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2026, whichever is later;
		iv) 25% of the granted share options are vested upon the Public Offering Date and January 1, 2027, whichever is later.
2023/9/1	312,000	i) 20% of the granted share options are vested upon the Public Offering Date and 1st anniversary of the grant date, whichever is later;
		ii) 20% of the granted share options are vested upon the Public Offering Date and 2nd anniversary of the grant date, whichever is later;
		iii) 20% of the granted share options are vested upon the Public Offering Date and 3rd anniversary of the grant date, whichever is later;
		iv) 20% of the granted share options are vested upon the Public Offering Date and 4th anniversary of the grant date, whichever is later;
		v) 20% of the granted share options are vested upon the Public Offering Date and 5th anniversary of the grant date, whichever is later;

(a) Movements in the number of share options granted to non-director employees outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option
		(RMB)
Vested and exercisable as at January 1, 2022 and December 31, 2022	638,233	1
As at January 1, 2023	638,233	1
Granted during the year	3,004,678	1
Exercised during the year	–	–
Forfeiture of vested share options	(638,233)	–
As at December 31, 2023	3,004,678	1
Vested and exercisable at December 31, 2023	–	–
As at January 1, 2024 and December 31, 2024	3,004,678	1

	No. of options	Average exercise price per share option
		(RMB)
Vested and exercisable at December 31, 2024	–	–
As at January 1, 2025	3,004,678	1
Forfeited during the period	(37,265)	–
As at March 31, 2025	2,967,413	1
Vested and exercisable at March 31, 2025	–	–

(b) Movements in the number of share options granted to directors outstanding and their related weighted average exercise prices are as follows:

	No. of options	Average exercise price per share option
		(RMB)
Vested and exercisable as at January 1, 2022, December 31, 2022	5,464	1
As at January 1, 2023	5,464	1
Granted during the year	1,664,941	1
Exercised during the year	–	–
Forfeiture of vested share options	(5,464)	–
As at December 31, 2023	1,664,941	1
Vested and exercisable at December 31, 2023	–	–
As at January 1, 2024 and December 31, 2024	1,664,941	1
Vested and exercisable at December 31, 2024	–	–
As at January 1, 2025 and March 31, 2025	1,664,941	1
Vested and exercisable at March 31, 2025	–	–

Fair value of share options

The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as discount rate and projections of future performance, are determined by the Group with best estimate.

Based on estimated fair value of the underlying ordinary shares, the Group has used binomial tree model to determine the fair value of the share option as of the grant date. Key assumptions are set as below:

	September 1, 2023 (grant date)
Fair value per share	52.07
Risk-free interest rate	2.37%
Expected volatility	50%-55%
Expected terms	10 years since first vested

29. BORROWINGS

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Included in current liabilities:				
Borrowings				
– Borrowings, secured or guaranteed *(ii)*	19,558	7,014	74,633	99,291
– Borrowings, unsecured and unguaranteed *(iii)*	–	2,500	14,760	15,215
	19,558	9,514	89,393	114,506
Included in non-current liabilities:				
Borrowings				
– Borrowings, secured or guaranteed *(ii)*	1,500	486	1,277	1,552
	21,058	10,000	90,670	116,058

(i) As at December 31, 2022, 2023 and 2024 and March 31, 2025, the Group's borrowings were repayable as follows:

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	19,558	9,514	89,393	114,506
Between 1 and 2 years	1,500	486	1,277	1,552
	21,058	10,000	90,670	116,058

(ii) As at December 31, 2022, 2023 and 2024 and March 31, 2025, the Group's borrowings which were secured or guaranteed by group companies or related parties of the Group (Note 39(d)) bear interests at fixed interest rates ranging from 4%-15%, 6%-16%, 3.30%-18% and 3.10%-18% per annum, respectively.

(iii) As at December 31, 2023 and 2024 and March 31, 2025, the Group's borrowings which were unsecured and unguaranteed bear interests at fixed interest rates ranging from 3.80%-4.40%, 3.60%-4.43% and 3.60%-4.50% per annum, respectively.

(iv) Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has a substantive right to defer settlement of the liability for at least 12 months after the reporting period.

30. TRADE AND BILL PAYABLES

Aging analysis of the trade and bill payables as at December 31, 2022, 2023 and 2024 and March 31, 2025 based on invoice date are as follows:

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	52,159	96,375	102,627	90,809
Bill payables	4,000	–	–	–
	56,159	96,375	102,627	90,809
Analysis by aging				
Within 90 days	39,718	79,970	77,212	58,367
90 days to one year	12,033	9,007	10,742	19,094
Over one year	4,408	7,398	14,673	13,348
	56,159	96,375	102,627	90,809

(i) Trade and bill payables are all denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature.

(ii) These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

31. ACCRUALS AND OTHER PAYABLES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	22,809	11,004	27,034	27,059
Trading deposits received	3,372	3,703	3,643	4,184
Payables to physicians and medical and healthcare institutions	42,488	50,071	63,377	65,937
VAT and other taxes payables	17,949	12,233	21,841	18,640
Provision for the legal proceeding/ payable for settlement compensation *(ii)*	13,000	11,000	–	–
Payables for listing expenses	–	9,605	11,135	6,896
Others	6,815	4,253	3,232	3,741
	106,433	101,869	130,262	126,457

(i) Accruals and other payables are all denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature.

(ii) In a sales transaction in 2020, 160 Medicine received an amount of RMB21,000,000 from an independent third-party purchaser (the "Purchaser") and then paid the amount of RMB20,400,000 to an independent third-party mask supplier. As agreed with the independent third-party mask supplier, 160 Medicine needed to transfer the remaining amount of RMB600,000 to an intermediary upon receipt of instructions from the independent third-party mask supplier. 160 Medicine only acted as payment channel not as a principal in this transaction.

In July 2020, 160 Medicine was sued by the Purchaser due to dispute during the transaction. In July 2021, the first court judgement was made that 160 Medicine only needed to transfer the unpaid amount of RMB600,000 to the third party. In November 2022, the second court judgement was made that 160 Medicine needed to return the entire cash received from the Purchaser, amounting to RMB21,000,000. In December 2023, the Group reached a settlement with the Purchaser, agreeing on a final compensation amount of RMB13,000,000 and the Purchaser has withdrawn its claim. Management has adjusted the provision for legal proceeding to RMB13,000,000 after the settlement agreement was confirmed. The Group has paid the compensation of RMB2,000,000 and RMB11,000,000, in 2023 and 2024, respectively.

32. REDEMPTION LIABILITIES

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current portion	294,183	–	–	–

The movements of redemption liabilities for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025 were as follows:

	Redemption liabilities
	RMB'000
As at January 1, 2022	284,608
Charged to finance costs	
– Interests from continuing operations *(Note 12)*	37,012
Derecognition of redemption liabilities *(e)*	(27,437)
As at December 31, 2022	294,183
As at January 1, 2023	294,183
Recognition of redemption liabilities *(c)*	106,362
Charged to finance costs	
– Interests from continuing operations *(Note 12)*	9,069
Derecognition of redemption liabilities *(f)*	(409,614)
As at December 31, 2023	–

(a) Recognition and derecognition of redemption liabilities

A contract that contains an obligation to purchase the Group's equity instruments for cash or other financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Group's obligations to purchase are conditional on the counterparty exercising a right to redeem.

The Group recognized the financial instruments with redemption rights as liabilities considering that not all triggering events for triggering exercise of redemption rights (more details about the preferred rights are set out below or in the later part of this note), are out of the control of the Group. The redemption liabilities are initially measured at the present value of the amount expected to be paid to the investors upon redemption with subsequent changes in the carrying amount charged as finance costs in profit or loss.

The Group derecognizes redemption liabilities when, and only when, the Group's obligations are discharged, cancelled, or have expired. The carrying amount of the financial instruments derecognized was credited into the equity if the redemption liabilities expire without exercise.

(b) 160 Medicine and Shenzhen Ningyuan financing

(i) 160 Medicine financing

In 2018, 160 Medicine entered into investment agreements with Investor 1, Investor 2, Investor 3 and Investor 4 (collectively, the "Four Investors"), pursuant to which 160 Medicine issued and allotted approximately 2,083,300 shares with preferred rights to the Four Investors, at a consideration of RMB30,000,000. Upon the 160 Medicine's shares with preferred rights as described below were issued to the Four Investors, the Group has initially recognized the redemption liabilities of RMB31,711,000 (representing the present value of the estimated amount to be paid out by the Group if the Four Investors exercises its preferred right) in 2018.

The key terms of the preferential rights are set out below:

Redemption rights

Investor 1 of 160 Medicine has the right to request 160 Medicine to redeem its investment if 160 Medicine has not consummated the condition of achieving a qualified initial public offering ("IPO") as defined in the shareholder agreement or occurrence of certain events as defined in the shareholder agreement. The redemption amount of Investor 1 of 160 Medicine is calculated as the higher of (i) the original investment principal of Investor 1 plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the issue date of shares to the actual payments date of the settlement of redemption liabilities (calculated as 365 days in a calendar year); (ii) the fair value of 160 Medicine's share held by Investor 1.

Investor 2, Investor 3 and Investor 4 of 160 Medicine have no such redemption right.

Share swap rights

All the Four Investors have the right to swap 160 Medicine's shares with Shenzhen Ningyuan's shares when Shenzhen Ningyuan starts preparing for IPO application and its relevant materials as described in the agreement and 160 Medicine is not the listing entity. The key terms are summarized below:

For Investor 1, Investor 2 and Investor 3, if these investors choose to swap shares, the share swap consideration is calculated as follows:

The share swap consideration=Original investment principal*(1+10%*N)

N: The total days from the investment settlement date to the date of the share swap plan approved by Shenzhen Ningyuan's board of directors / 365 days.

For Investor 4, the share swap consideration is the higher of (i) the original investment principal of Investor 4 plus an annual simple rate of 30% of the original investment principal for a period of time commencing from the issue date to the share swap approval date by the board of directors of the Company (calculated as 365 days in a calendar year); (ii) the actual or projected sales of 160 Medicine in the year of share swap multiplied by 2 times price-to-sales ratio.

The number of the Shenzhen Ningyuan's shares swapped by the Four Investors is equal to their respective share swap consideration divided by the fair value of the Company's equity per share at the time of the approval from the board of directors of the Company for the share swap plan.

From the directors' perspective, the Group will use its own equity instruments to redeem shares held by the Four Investors if the Four Investors choose to swap shares. Therefore, the Group recognized the redemption liabilities at the present value of the aforementioned share swap price based on the most likely scenario among all the possible situations.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of 160 Medicine, either voluntarily or involuntarily, Investor 1 of 160 Medicine, shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of 160 Medicine to the remaining shareholders.

The liquidation preference amount of Investor 1 of 160 Medicine, is calculated as the 112% of the original investment principal from Investor 1 of 160 Medicine plus any declared but unpaid dividends thereon up to the date of the settlement. A liquidation event means (i) any liquidation, dissolution or winding up, either voluntarily or involuntarily, of 160 Medicine; (ii) 160 Medicine transfer all or a significant portion of its assets or business, or the controlling shareholders of 160 Medicine sell their controlling stake at a discount; (iii) for any reason, repurchase right in this agreement are deemed invalid or unable to be effectively executed.

Investor 2, Investor 3 and Investor 4 of 160 Medicine have no such right.

Anti-dilution right

If 160 Medicine increases its paid-in capital (except for employee incentive plan) at a price lower than the price paid by Investor 1 of 160 Medicine on a per paid-in capital basis, Investor 1 of 160 Medicine have a right to require 160 Medicine to issue new paid-in capital for nil consideration to Investor 1 of 160 Medicine.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative liability was recognized by the Group.

Investor 2, Investor 3 and Investor 4 of 160 Medicine have no such right.

(ii) Shenzhen Ningyuan financing

In 2018, Shenzhen Ningyuan entered into investment agreements with an Investor 5 ("Investor 5"), pursuant to which Shenzhen Ningyuan issued and allotted approximately 1,240,110 shares with preferential rights to the Investor 5, at a consideration of RMB36,050,000. The Group had initially recognized the redemption liabilities of RMB28,083,000 (representing the present value of the estimated amount to be paid out by the Group if the investor exercises its preferred right) in 2018.

The key terms of the preferential rights are set out below:

Redemption rights

Investor 5 of Shenzhen Ningyuan has right to require Weikang Ningyuan, a consolidated entity before the Reorganization, Mr. Wang Ming and Mr. Luo to redeem its investment if Shenzhen Ningyuan has not consummated the condition of achieving a qualified initial public offering ("IPO") as defined in the shareholder agreement or occurrence of certain events as defined in the shareholder agreement. The redemption amount of the investor of Shenzhen Ningyuan is calculated as the original investment principal of the investor plus an annual simple rate of 10% of the original investment principal for a period of time commencing from the issue date to the actual payments date of the settlement (calculated as 365 days in a calendar year).

Liquidation preferences

In the event of any liquidation, dissolution or winding up of Shenzhen Ningyuan, either voluntarily or involuntarily, the Investor 5 of Shenzhen Ningyuan, shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of Shenzhen Ningyuan to Weikang Ningyuan, Mr. Wang Ming and Mr. Luo.

The liquidation preference amount of the Investor 5 of Shenzhen Ningyuan is calculated as the 110% of the original investment principal from the investor of Shenzhen Ningyuan plus any declared but unpaid dividends thereon up to the date of the settlement. A liquidation event means (i) any liquidation, dissolution or winding up, either voluntarily or involuntarily, of Shenzhen Ningyuan; (ii) Shenzhen Ningyuan transfer all or a significant portion of its assets or business, or the controlling shareholders of Shenzhen Ningyuan sell their controlling stake at a discount; (iii) for any reason, repurchase right in this agreement are deemed invalid or unable to be effectively executed.

(c) New investors in 2021 and series Pre-IPO financing of Shenzhen Ningyuan or the Company

In 2021, Shenzhen Ningyuan's existing shareholders Mr. Luo, Weikang Yuanju, Heyuan Chuangye and new investors (the "New Investors in 2021") which are independent third parties entered into several share transfer agreements, under which Weikang Yuanju and Heyuan Chuangye transferred shares to the New Investors in 2021. Shenzhen Ningyuan, Mr. Luo, Weikang Yuanju and Heyuan Chuangye jointly granted preferential rights to the New Investors in 2021. Shenzhen Ningyuan has initially recognized the redemption liabilities of RMB244,421,000 and share-based payment of RMB96,230,000 in 2021.

In January and May 2023, Shenzhen Ningyuan entered into investment agreements with Qingdao Chengyu United Investment Consulting Co., Ltd. and Zhejiang Zhonghui Industrial Investment Co., Ltd. (collectively, the "Pre-IPO investors of Shenzhen Ningyuan"), pursuant to which Shenzhen Ningyuan issued and allotted approximately 1,246,883 shares to the Pre-IPO investors of Shenzhen Ningyuan, at a consideration of RMB60,000,000. The Pre-IPO investors of Shenzhen Ningyuan were granted with certain preferred rights. The Group has initially recognized the redemption liabilities of RMB56,957,000 in 2023 at the present value of the estimated amount to be paid out by the Group if the Pre-IPO investors of Shenzhen Ningyuan exercises their preferred rights.

In November 2023, Shenzhen Ningyuan and the Company entered into investment agreements with a Pre-IPO investor (the "Pre-IPO investors of the Company"), pursuant to which the Company issued and allotted approximately 1,039,069 shares to the Pre-IPO investors of the Company, at a consideration of RMB50,000,000. The Pre-IPO investors of the Company were granted with certain preferred rights. The Group has initially recognized the redemption liabilities of RMB49,405,000 in 2023 at the present value of the estimated amount to be paid out by the Group if the Pre-IPO investors of the Company exercises their preferred rights.

The key terms of the preferential rights of the New Investors in 2021, the Pre-IPO Investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company are set out below:

Redemption rights

The New Investors in 2021 and the Pre-IPO investors of Shenzhen Ningyuan has right to require the Shenzhen Ningyuan to redeem its investment when certain events happen, the Pre-IPO investors of the Company has right to require the Shenzhen Ningyuan and the Company to redeem its investment when certain events happen, including but not limited to: (i) Shenzhen Ningyuan or the Company failed to complete qualified IPO before a certain date; (ii) during the period from the shares issuance date to before the date of Shenzhen Ningyuan's or the Company's listing, Shenzhen Ningyuan or the Company and its existing shareholders have committed a major breach to the investment agreements. The redemption amount of the New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company is calculated as the original investment principal from New Investors in 2021, the Pre-IPO investors Shenzhen Ningyuan and the Pre-IPO investors of the Company, plus an annual simple rate of 8% or 15% of the original investment principal for a period of time commencing from the issue date to the actual payments date of the settlement of the redemption liabilities (calculated as 365 days in a calendar year) depending on the events occurred.

Liquidation preferences

In the event of any liquidation, dissolution or winding up of Shenzhen Ningyuan, either voluntarily or involuntarily, the New Investors in 2021 and the Pre-IPO investors of Shenzhen Ningyuan shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of Shenzhen Ningyuan to the remaining shareholders.

In the event of any liquidation, dissolution or winding up of the Company, either voluntarily or involuntarily, the Pre-IPO investors of the Company shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the remaining shareholders.

The liquidation preference amount of the New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company is calculated as the 108% of the original investment principal from New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company respectively plus any declared but unpaid dividends thereon up to the date of the settlement.

Anti-dilution right

If Shenzhen Ningyuan increases its paid-in capital to third parties (except for employee incentive plan) at a price lower than the price paid by the Pre-IPO investors of Shenzhen Ningyuan on a per paid-in capital basis, the Pre-IPO investors of Shenzhen Ningyuan have a right to require the Group to issue new paid-in capital or the controlling shareholder transfer shares for lowest price permitted by law to the Pre-IPO investors of Shenzhen Ningyuan.

If Shenzhen Ningyuan increases its paid-in capital or the controlling shareholder transfers shares to third parties (except for employee incentive plan) at a price lower than the price paid by the New Investors in 2021 on a per paid-in capital basis, the New Investors in 2021 have a right to require (i) Shenzhen Ningyuan to issue new paid-in capital or the controlling shareholder transfer shares for lowest price permitted by law to the New Investors in 2021; or (ii) Shenzhen Ningyuan or controlling shareholders to pay cash consideration to the New Investors in 2021 so that the total amount paid by the New Investors in 2021 divided by the total amount of paid-in capital obtained is equal to the price per paid-in capital in the new issuance.

If the Company increases its paid-in capital to third parties (except for employee incentive plan or business combination consideration shares) at a price lower than the price paid by the Pre-IPO investors of the Company on a per paid-in capital basis, the Pre-IPO investors of the Company have a right to require the Group to issue new paid-in capital or the controlling shareholder transfer shares for lowest price permitted by law to the Pre-IPO investors of the Company.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative liability was recognized by the Group.

(d) Settlement of redemption liabilities

Settlement of redemption liabilities of Investor 5 of Shenzhen Ningyuan

In 2020, Investor 5 exercised the redemption rights and Mr. Luo and Mr. Wang Ming acquired shares of Shenzhen Ningyuan held by Investor 5 with the cash consideration of RMB34,000,000, pursuant to which the redemption liabilities with carrying amount of approximately RMB40,009,000 were derecognized accordingly, with a corresponding credit to treasure shares and other reserve.

Settlement of redemption liabilities of Investor 4 of 160 Medicine

In 2021, Shenzhen Ningyuan and Investor 4 entered into modification agreement to redeem the investment of Investor 4 in the original investment amount plus 10% interest per annum (instead of 30% interest per annum before the modification). Subsequent to this modification, Shenzhen Ningyuan acquired all the shares of 160 Medicine held by Investor 4 with the cash consideration of RMB12,684,000 and settled the redemption liabilities to Investor 4, pursuant to which the redemption liabilities with carrying amount of approximately RMB17,601,000 were derecognized accordingly, and the difference between the cash consideration and derecognized redemption liabilities of approximately RMB4,917,000, was recognized as finance income in profit or loss.

(e) Share swap of Investor 1, Investor 2 and Investor 3 of 160 Medicine

In 2022, Shenzhen Ningyuan planned to launch the IPO application process, and Investor 1, Investor 2, and Investor 3 of 160 Medicine chose to swap their shares in 160 Medicine with preferential rights with the Company's ordinary shares. In February 2022, a total of 1,389,000 shares held by Investor 1, Investor 2 and Investor 3 of 160 Medicine were converted into 615,890 ordinary shares of the Company. However, before the completion of the Reorganization, Investor 1, Investor 2 and Investor 3 will still enjoy the ordinary equity interest in 160 Medicine. Pursuant to the share swap, the redemption liabilities of approximately RMB27,437,000 were derecognized, with a corresponding credit to treasury shares of approximately RMB16,961,000, non-controlling interests of approximately RMB1,842,000 and other reserves of approximately RMB8,634,000 (Note 27).

(f) Exercise of conversion rights of the New Investors in 2021, the Pre-IPO investors of Shenzhen Ningyuan and the Pre-IPO investors of the Company

In June 2023, Shenzhen Ningyuan entered into termination agreements with the New Investors in 2021 and the Pre-IPO investors of Shenzhen Ningyuan as mentioned in Note 32(c) to terminate their preferred rights. Accordingly, the related redemption liabilities of approximately RMB359,614,000 have been derecognized, with the corresponding credit to treasure shares and share premium of RMB301,378,000 and RMB58,236,000, respectively (Note 27).

In November 2023, the Company entered into termination agreements with the Pre-IPO investors of the Company as mentioned in Note 32(c) to terminate their preferred rights and the termination agreements took effect in December. Pursuant to the termination agreement, the redemption liabilities of approximately RMB50,000,000 with credit to treasury shares amounting to RMB49,405,000 and share premium amounting to RMB595,000, respectively (Note 27).

After the termination of the abovementioned preferred rights, including the redemption rights, the Group has no further obligation to redeem or repurchase its own equity instruments.

33. DEFERRED INCOME TAX

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

The analysis of deferred income tax assets and liabilities is as follows:

(a) Deferred income tax assets

The movement on the deferred income tax assets without taking into consideration the offsetting of balance within the same tax jurisdiction is as follows:

	Lease liabilities	Loss allowance provision	Total
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2022	**2,618**	**–**	**2,618**
Charged to profit or loss	(647)	–	(647)
As at December 31, 2022	**1,971**	**–**	**1,971**
(Charged)/credited to profit or loss	(698)	826	128
As at December 31, 2023	**1,273**	**826**	**2,099**
Credited to profit or loss	2,989	380	3,369
As at December 31, 2024	**4,262**	**1,206**	**5,468**
(Unaudited)			
As at January 1, 2024	**1,273**	**826**	**2,099**
Credited to profit or loss	4,070	175	4,245
As at March 31, 2024	**5,343**	**1,001**	**6,344**
As at January 1, 2025	**4,262**	**1,206**	**5,468**
(Charged)/credited to profit or loss	(1,633)	200	(1,433)
As at March 31, 2025	**2,629**	**1,406**	**4,035**

(b) Deferred income tax liabilities

The movement on the deferred income tax liabilities without taking into consideration the offsetting of balance within the same tax jurisdiction is as follows:

	Right-of-use assets
	RMB'000
As at January 1, 2022	**2,618**
Credited to profit or loss	(647)
As at December 31, 2022	**1,971**
Credited to profit or loss	(698)
As at December 31, 2023	**1,273**
Charged to profit or loss	2,989
As at December 31, 2024	**4,262**
(Unaudited)	
As at January 1, 2024	**1,273**
Credited to profit or loss	4,070
As at March 31, 2024	**5,343**
As at January 1, 2025	**4,262**
Credited to profit or loss	(1,633)
As at March 31, 2025	**2,629**

(c) The analysis of deferred income tax assets and deferred income tax liabilities offsetting is as follows:

	As at December 31,			As at March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Total gross deferred income tax assets	1,971	2,099	5,468	6,344	4,035
Offsetting	(1,971)	(1,273)	(4,262)	(5,343)	(2,629)
Deferred income tax assets after offsetting	**–**	**826**	**1,206**	**1,001**	**1,406**
Total gross deferred income tax liabilities	1,971	1,273	4,262	5,343	2,629
Offsetting	(1,971)	(1,273)	(4,262)	(5,343)	(2,629)
Deferred income tax liabilities after offsetting	**–**	**–**	**–**	**–**	**–**

34. CASH FLOW INFORMATION

(a) Reconciliation of loss before income tax to cash used in operations:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
(Loss)/profit before income tax from					
– Continuing operations	(118,957)	(110,676)	(106,956)	(39,838)	(16,693)
– Discontinued operation *(Note 15)*	(1,108)	5,024	–	–	–
Losses before income tax	(120,065)	(105,652)	(106,956)	(39,838)	(16,693)
Adjustments for:					
Net provision/(reversal) of impairment losses on financial assets *(Notes 8 and 15)*	1,113	7,333	8,284	(600)	288
Provision for impairment of inventories *(Note 7)*	1,304	–	–	–	–
Provision for litigation loss *(Notes 10 and 31(ii))*	12,400	385	–	–	–
Depreciation of property and equipment *(Note 18)*	2,957	3,342	2,902	904	552
Amortization of intangible assets *(Note 20)*	549	542	486	121	121
Depreciation of right-of-use assets *(Note 19)*	8,014	7,747	7,438	2,787	1,841
Net (gains)/losses on early termination of leases *(Note 10)*	(16)	–	2	–	520
Net losses on disposal of property and equipment *(Note 10)*	2	26	9	–	12
Share-based payment expenses *(Note 28)*	–	46,424	59,983	18,506	7,809
Net gain on disposal of Jiangsu Huiyi *(Note 15)*	–	(5,024)	–	–	–
Finance cost, net *(Notes 12 and 15)*	39,777	11,156	2,330	745	972
Exchange losses, net	–	330	–	–	–
Operating losses before working capital changes	(53,965)	(33,391)	(25,522)	(17,375)	(4,578)
Changes in working capital:					
Decrease/(increase) in trade receivables	21,719	(62,898)	(61,031)	26,894	2,635
(Increase)/decrease in prepayments, deposits and other receivables	(9,751)	2,587	(2,828)	(5,924)	(8,707)
Decrease in inventories	693	5,861	2,421	1,066	814
Increase/(decrease) in contract liabilities	11,066	(10,398)	(2,393)	(1,742)	12,717
(Decrease)/increase in trade and bill payables	(14,710)	40,119	6,252	(29,062)	(11,818)
Increase/(decrease) in accruals and other payables	2,181	(6,344)	28,393	(4,380)	(3,805)
	11,198	(31,073)	(29,186)	(13,148)	(8,164)
Cash used in operations	(42,767)	(64,464)	(54,708)	(30,523)	(12,742)

(b) Non-cash investing and financing activities

Other than the recognition of right-of-use assets and lease liabilities resulting from lease accounting, early termination of leases, share swap in the Reorganization and the recognition and derecognition of redemption liabilities, there were no material non-cash investing and financing transactions during the Track Record Period.

(c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025.

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	37,748	57,555	58,266	68,447
Cash and cash equivalents included in assets classified as held for sale	1,340	–	–	–
Borrowings	(21,058)	(10,000)	(90,670)	(116,058)
Lease liabilities	(14,270)	(22,662)	(19,002)	(14,085)
Redemption liabilities	(294,183)	–	–	–
	(290,423)	24,893	(51,406)	(61,696)

	Cash and cash equivalents	Borrowings	Lease liabilities	Redemption liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	89,439	(40,585)	(18,199)	(284,608)
Net cash flows	(50,351)	21,592	8,794	–
Finance costs	–	(2,065)	(1,076)	(37,012)
Derecognition of redemption liabilities	–	–	–	27,437
Addition of lease liabilities	–	–	(4,023)	–
Early termination of leases	–	–	93	–
Classified as liabilities directly associated with assets as held for sale	–	–	141	–
As at December 31, 2022	39,088	(21,058)	(14,270)	(294,183)
As at January 1, 2023	39,088	(21,058)	(14,270)	(294,183)
Net cash flows	18,797	12,521	8,559	–
Finance costs	–	(1,463)	(834)	(9,069)
Recognition of redemption liabilities	–	–	–	(106,362)
Derecognition of redemption liabilities	–	–	–	409,614
Addition of lease liabilities	–	–	(16,117)	–
Effect of exchange difference	(330)	–	–	–
As at December 31, 2023	57,555	(10,000)	(22,662)	–
As at January 1, 2024	57,555	(10,000)	(22,662)	–
Net cash flows	711	(78,470)	8,341	–
Finance costs	–	(2,200)	(1,456)	–
Addition of lease liabilities	–	–	(3,435)	–
Early termination of leases	–	–	210	–
As at December 31, 2024	58,266	(90,670)	(19,002)	–
(Unaudited)				
As at January 1, 2024	57,555	(10,000)	(22,662)	–
Net cash flows	(9,556)	(31,165)	3,124	–
Finance costs	–	(374)	(391)	–
Addition of lease liabilities	–	–	(2,818)	–
As at March 31, 2024	47,999	(41,539)	(22,747)	–

	Cash and cash equivalents	Borrowings	Lease liabilities	Redemption liabilities
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2025	58,266	(90,670)	(19,002)	–
Net cash flows	10,181	(24,328)	502	–
Finance costs	–	(1,060)	(333)	–
Early termination of leases	–	–	4,748	–
As at March 31, 2025	68,447	(116,058)	(14,085)	–

35. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of interest in subsidiaries from non-controlling interests

In 2021, 160 Medicine acquired 10% shareholding of Ruiwentai Medicine from Mr. Zhang Renyi and Mr. Huang Caijun, the minority shareholders of Ruiwentai Medicine, with the cash consideration of RMB217,000. After this transaction, Ruiwentai Medicine became a wholly owned subsidiary of 160 Medicine.

The effect of transactions with non-controlling interests on the equity attributable to owners of the Company in 2021 is summarised as follows:

	RMB'000
Cash consideration to non-controlling interests	217
Less: Carrying amount of equity acquired from non-controlling interests	(55)
Losses on acquisition recognized in equity	272

In 2021, Shenzhen Ningyuan acquired 4.76% of the shares of 160 Medicine held by non-controlling interests with redemption rights at cash consideration of RMB12,684,000 (out of which, principal of RMB5,329,000 and RMB4,671,000 was settled in 2021 and 2022 respectively, and interest of RMB2,684,000 was settled in 2022).

There were also other transaction with non-controlling interests during 2022. Please see Note 32(e) for detail.

36. COMMITMENTS

The Group leases office properties and dormitories under non-cancellable operating lease agreements. The lease terms are between one month and 5 years.

The Group has recognized right-of-use assets for these leases, except for short-term and low-value leases. The corresponding leases liabilities as recognized have been set on Note 19.

The Group's future aggregate minimum lease payments under non-cancellable operating leases are immaterial.

The Group has no material capital commitments as at December 31, 2022, 2023 and 2024 and March 31, 2025.

37. CONTINGENCIES

As at December 31, 2022, 2023 and 2024 and March 31, 2025, save as disclosed in Note 31(ii), the Group had no other material contingent liabilities outstanding.

38. BUSINESS COMBINATIONS

Acquisition of Hailiantang Pharmacy

On November 14, 2022, 160 Medicine lost the lawsuit against a third party in a dispute case as described in Note 31(ii). To mitigate such adverse impact and resume the ordinary operations of retail business, the Group acquired Hailiantang Pharmacy in late 2022, which possesses a retail pharmacy license, to continue to carry out the retail business of 160 Medicine. The Group acquired 51% of the equity interest in Hailiantang Pharmacy at a consideration of RMB382,500 with a call option to purchase the remaining 49% equity interest at a consideration of not higher than RMB450,000. In 2023, the Group acquired the remaining 49% equity interest in Hailiantang Pharmacy.

As the call option was deeply in money, the risk and reward associated with the remaining 49% equity interest has transferred to the Group on acquisition date, therefore, it is regarded that the Group acquired 100% of the equity interest of Hailiantang Pharmacy on the date of the acquisition.

The following table summarises the consideration to be paid for the acquisition, the fair value of assets acquired, and liabilities assumed at the acquisition date:

	RMB'000
Purchase consideration	706
Total consideration payables by the Group	706

The identifiable assets and liabilities recognized as a result of the acquisition are as follows:

	Fair value
	RMB'000
Cash and cash equivalents	63
Prepayments and other receivables	264
Intangible assets	685
Trade and other payables	(405)
Total identifiable net assets	**607**
Goodwill	**99**

(i) Analysis of cash flows in respect of the acquisition of Hailiantang Pharmacy is as follows:

	RMB'000
Cash consideration paid at the date of acquisition (payable as at December 31, 2022)	–
Cash and cash equivalents acquired	63
Net inflow of cash and cash equivalents included in cash flows from investing activities	63

(ii) Revenue and profit contribution

Had Hailiantang Pharmacy been consolidated from January 1, 2022, consolidated revenue and consolidated net loss of the Group for the year ended December 31, 2022 would have been RMB525,646,000 and RMB120,065,000, respectively.

39. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The following significant transactions were carried out between the Group and its related parties during the reporting periods. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

The directors of the Company are of the view that the following parties were related parties that had transactions or balances with the Group for the years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2024 and 2025:

Name of related party	Relationship with the Company
Mr. Luo	The controlling shareholder, chairman and chief executive officer
Mr. Ji Cuilin	A director of the Company
Mr. Huang Lang	A director of the Company
Mr. Luo Yong	Vice president and manager of the medical affairs division of the Company
Mr. Wang Ming	General manager of pharmaceuticals and healthcare products sales division of the Company
Mr. Wang Lifa	A director of the Company
Mr. Peng Fang	Vice president of the Company
Qingdao Chengyu	Shareholder of the Company

(b) Key management compensation

Key management includes executive directors and senior management of the Group.

Compensation of the key management personnel of the Group, including directors' remuneration as disclosed in Note 40, was as follows:

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Wages, salaries and bonuses	5,120	5,834	5,149	1,377	1,641
Pension costs – defined contribution plans	53	53	63	18	23
Other social security costs, housing benefits	116	120	92	29	30
Shared-based payment expenses	–	31,603	37,533	13,146	6,199
	5,289	37,610	42,837	14,570	7,893

(c) Movements of amounts due from/to related parties

Amounts due from related parties — Non-trade

	Year ended December 31,			Three months ended March 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Beginning of the year/period	9,846	2,182	–	–	5,077
Loans to related parties	35,751	81,738	442,185	94,571	107,062
Loan repayments received	(43,415)	(83,920)	(437,685)	(90,071)	(107,062)
Interest income accrual	–	–	1,284	–	419
Offsetting with payable	–	–	(707)	–	–
End of the year/period	2,182	–	5,077	4,500	5,496

From November 1, 2019 to December 31, 2023, three entities within the Group, Mr. Luo and Shenzhen Yi Yi De Yi Information Technology Co., Ltd. ("Yi Yi De Yi") have entered into two loan agreements, pursuant to which the three entities provide Mr. Luo with certain term loans and revolving credit loans for Mr. Luo to repurchase Shenzhen Ningyuan's shares from other shareholders before the Reorganisation. It was also agreed that Yi Yi De Yi acts as the agent for handling the fund transfers. The outstanding loan amount under these agreements is RMB20,000 as at December 31, 2022 and was fully settled as at December 31, 2023.

Apart from above loans, the remaining amounts of RMB2,162,000 as at December 31, 2022 were unsecured, interest-free, repayable on demand and denominated in RMB and fully repaid in 2023.

During the year ended 2024, the Group entered into a new unsecured loan agreement with Yi Yi De Yi and Mr. Luo, pursuant to which the Group provided Mr. Luo with revolving credit facilities amounting to RMB60 million which are interest bearing at December 31, 2024, interest rates ranging from 3.45% to 6% per annum and repayable on demand and Yi Yi De Yi acts as the agent for handling the funds transfer between the Group and Mr. Luo. In the year of 2024 and the first three months ended March 31, 2025, Mr. Luo has drawdown the loan several times and repaid in short time for each drawdown. As at December 31, 2024 and March 31, 2025, the outstanding balance under this loan agreement is RMB1,284,000 and RMB1,703,000, respectively.

In January 2024, one shareholder of the Company, namely Qingdao Chengyu, and Shenzhen Ningyuan entered into a loan agreement pursuant to which Shenzhen Ningyuan provides Qingdao Chengyu with loan of RMB4,500,000. The loan is unsecured, repayable on January 2, 2025 and bears interest at a fixed rate of 6% per annum. In December 2024, the parties involved agreed to extend the loan maturity to September 30, 2025 and to offset that Shenzhen Ningyuan due to Qingdao Chengyu of an amount approximately RMB707,000 against the aforesaid loan balance.

The directors of the Company confirmed that all balances of amounts due from related parties will be settled prior to Listing based on the management repayment schedule.

(d) Guarantee from related parties

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at December 31, 2022:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank C	Secured by: Shares of the Group held by Mr. Luo Guaranteed by: Mr. Luo and his spouse	8,000	22/11/2022	21/05/2023
Bank B	Guaranteed by: Mr. Luo and his spouse Shenzhen Ningyuan Guaranteed by: Mr. Peng Fang	2,000	13/12/2022	13/06/2023
Bank D	Guaranteed by: Mr. Luo and his spouse 160 Medicine Blue Dragonfly Internet Weikang Zhiyuan	6,000	14/10/2022	12/10/2023
Bank E	Guaranteed by: Mr. Luo	2,000	08/08/2022	07/08/2023
Bank F	Guaranteed by: Mr. Luo	3,058	06/12/2022	06/12/2024

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at December 31, 2023:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank A	Guaranteed by: Mr. Luo and his spouse 160 Medicine	5,000	16/01/2023	16/01/2024
Bank F	Guaranteed by: Mr. Luo	1,500 400 600	06/12/2022 07/09/2023 24/10/2023	06/12/2024 06/09/2025 06/11/2025

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at December 31, 2024:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank A	Guaranteed by: Shenzhen Ningyuan Weikang Zhiyuan	5,000	25/06/2024	18/06/2025
Bank E	Guaranteed by: Mr. Luo and his brother 160 Medicine Ruiwentai Weikang Zhiyuan	5,000	22/11/2024	21/11/2025
	Guaranteed by: Mr. Luo and his brother 160 Medicine Shenzhen Ningyuan Ruiwentai	3,000	22/01/2024	21/01/2025
	Guaranteed by: Mr. Luo and his brother 160 Medicine Weikang Zhiyuan	20,000	22/01/2024	21/01/2025
Bank F	Guaranteed by: Mr. Luo	172 314 147 428 162 2,267	07/09/2023 24/10/2023 19/06/2024 30/05/2024 16/07/2024 16/05/2024	06/09/2025 06/11/2025 06/06/2026 06/06/2026 06/07/2026 06/05/2026
Bank G	Guaranteed by: Weikang Zhiyuan Ruiwentai	5,110 2,190	07/03/2024 11/03/2024	07/03/2025 11/03/2025
	Guaranteed by: Blue Dragonfly Internet	3,000 1,820 5,000	11/11/2024 12/11/2024 14/11/2024	11/11/2025 12/11/2025 14/11/2025
Bank H	Guaranteed by: Weikang Zhiyuan Ruiwentai	10,000	29/03/2024	28/03/2025
Bank I	Guaranteed by: Weikang Zhiyuan Ruiwentai	8,700	30/09/2024	20/09/2025
Bank J	Guaranteed by: Mr. Luo	1,000	17/12/2024	17/12/2026

The following balances are guaranteed or counter guaranteed by related parties for the Group's borrowings as at March 31, 2025:

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank A	Guaranteed by: Shenzhen Ningyuan Weikang Zhiyuan	5,000	25/06/2024	18/06/2025
Bank E	Guaranteed by: Mr. Luo and his brother 160 Medicine Ruiwentai Weikang Zhiyuan	5,000	22/11/2024	21/11/2025
	Guaranteed by: Mr. Luo and his brother 160 Medicine Shenzhen Ningyuan Ruiwentai	3,000	22/01/2024	21/01/2025
	Guaranteed by: Mr. Luo and his brother 160 Medicine Weikang Zhiyuan	20,000	22/01/2024	21/01/2025
Bank F	Guaranteed by: Mr.Luo	114	07/09/2023	06/09/2025
		229	24/10/2023	06/11/2025
		121	19/06/2024	06/06/2026
		357	30/05/2024	06/06/2026
		137	16/07/2024	06/07/2026
		1,867	16/05/2024	06/05/2026
Bank G	Guaranteed by: Weikang Zhiyuan Ruiwentai	10,000	17/03/2025	17/03/2026
	Guaranteed by: Blue Dragonfly Internet	3,000	11/11/2024	11/11/2025
		1,280	12/11/2024	12/11/2025
		5,000	14/11/2024	14/11/2025
Bank H	Guaranteed by: Weikang Zhiyuan Ruiwentai	10,000	26/03/2025	26/03/2026
Bank I	Guaranteed by: Weikang Zhiyuan Ruiwentai	8,400	30/09/2024	20/09/2025
Bank J	Guaranteed by: Mr.Luo	888	17/12/2024	17/12/2026
Bank K	Guaranteed by: Mr. Peng Fang	1,500	24/03/2025	24/03/2027

	Guaranteed/secured by	Carrying amount of borrowing	Guarantees start date	Guarantees end date
		RMB'000		
Bank L	Guaranteed by: Mr.Luo	5,000	13/01/2025	12/01/2026
Bank M	Guaranteed by: Weikang Zhiyuan Ruiwentai	4,950	20/02/2025	19/02/2026
Bank N	Guaranteed by: 160 Internet Weikang Zhiyuan Ruiwentai	10,000	02/26/2025	02/26/2026
Bank O	Guaranteed by: Zhejiang Renren'ai Weikang Zhiyuan Ruiwentai	5,000	17/03/2025	16/03/2026

The guarantee provided by related parties is expected to be released prior to Listing or upon the repayment of such bank borrowings, whichever comes earlier.

40. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended December 31, 2022:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	558	–	5	15	578
Executive directors						
Mr. Ji Cuilin	–	1,080	–	5	7	1,092
Mr. Huang Lang	–	630	–	5	7	642
Mr. Wang Lifa	–	435	–	4	24	463
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Total	–	2,703	–	19	53	2,775

For the year ended December 31, 2023:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	558	–	5	15	578
Executive directors						
Mr. Ji Cuilin	–	1,260	5,184	5	7	6,456
Mr. Huang Lang	–	700	7,406	5	7	8,118
Mr. Wang Lifa	–	492	2,928	4	24	3,448
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	3,010	15,518	19	53	18,600

For the year ended December 31, 2024:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	812	–	8	14	834
Executive directors						
Mr. Ji Cuilin	–	1,080	7,961	8	6	9,055
Mr. Huang Lang	–	686	7,825	8	6	8,525
Mr. Wang Lifa	–	360	5,589	7	22	5,978
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	2,938	21,375	31	48	24,392

For the three months ended March 31, 2024:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)						
Chairman and executive director						
Mr. Luo	–	140	–	2	3	145
Executive directors						
Mr. Ji Cuilin	–	270	2,410	2	1	2,683
Mr. Huang Lang	–	155	2,357	2	1	2,515
Mr. Wang Lifa	–	90	1,695	2	6	1,793
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	655	6,462	8	11	7,136

For the three months ended March 31, 2025:

Name	Fees	Wages, salaries and bonuses	Share-based payment expense	Pension costs – defined contribution plans	Other social security costs, housing benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Chairman and executive director						
Mr. Luo	–	330	–	2	4	336
Executive directors						
Mr. Ji Cuilin	–	278	1,527	2	2	1,809
Mr. Huang Lang	–	165	858	2	2	1,027
Mr. Wang Lifa	–	150	1,269	2	6	1,427
Non-executive directors						
Mr. Zhang Ruxie	–	–	–	–	–	–
Ms. Sun Meng	–	–	–	–	–	–
Total	–	923	3,654	8	14	4,599

(i) Mr. Luo, Mr. Ji Cuilin, Mr. Huang Lang, and Mr. Wang Lifa have been appointed as the directors of the Company from October 20, 2023.

(ii) Mr. Zhang Ruxie and Ms. Sun Meng have been appointed as the non-executive directors of the Company from October 20, 2023.

(iii) Mr. Luo, Mr. Ji Cuilin, Mr. Huang Lang, and Mr. Wang Lifa are directors of Shenzhen Ningyuan before October 2023. Mr. Zhang Ruxie is the non-executive director of Shenzhen Ningyuan before October 2023.

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the Track Record Period.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the Track Record.

(d) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period except for loans to Mr. Luo as disclosed in Note 39(c).

(e) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

41. NOTES TO THE STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(a) Investment in subsidiaries

	RMB'000
As at January 1, 2023	–
Recognition of the investment in a subsidiary upon completion of the Reorganization	3,099,450
As at December 31, 2023	3,099,450
Addition	109,983
As at December 31, 2024	3,209,433
Addition	7,809
As at March 31, 2025	3,217,242

As at December 31, 2023 and 2024 and March 31, 2025, the Group performed impairment testing for the Company's investment in subsidiaries. No impairment was provided as according to the impairment assessment, as the recoverable amounts was higher than the carrying amount of the investment in subsidiaries. The recoverable amounts were determined based on value-in-use calculations using cash flow projections based on approved financial budgets.

(b) Prepayment and other receivables

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deposits and other receivables				
– Amounts due from subsidiaries	2	50,002	41	47
Prepayment				
– Deferred listing expenses	–	3,175	3,720	3,959
Total	2	53,177	3,761	4,006

(c) Share premium

	Share premium
	RMB'000
As at January 1, 2023	–
Capital injection from shareholders	50,000
Recognition of the investment in a subsidiary upon completion of the Reorganization	3,099,450
Derecognition of redemption liabilities	596
Share issuance cost	(1,485)
As at December 31, 2023, 2024 and March 31, 2025	3,148,561

(d) Accruals and other payables

	As at December 31,			As at March 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Amounts due to subsidiaries	–	15,106	13,102	37,735
Payables for listing expenses	–	9,605	11,135	6,896
Total	–	24,711	24,237	44,631

(e) Other reserve

The other reserve represented the share-based payment reserve arisen from the grant of share options under the share option schemes of the Company.

42. SUBSEQUENT EVENTS

There were no material events taken place subsequent to the end of the three months ended March 31, 2025.

43. SUMMARY OF OTHER ACCOUNTING POLICIES

43.1 Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including VIE companies and their subsidiaries) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

(ii) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amounts of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

If the ownership interest in or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

43.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and

- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

43.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM").

CODM who is responsible for making strategic decisions, allocating resources, and assessing performance of the operating segments, has been identified as the executive directors of the Company.

43.4 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

43.5 Intangible assets

(i) Office software

Office software is stated at cost less accumulated amortisation and impairment losses (if any). Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives.

(ii) License

Separately acquired licence are shown at historical cost. It has a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses (if any).

(iii) Research and development

Research expenditure is recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

(iv) Goodwill

Goodwill is measured as described in Note 43.2. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

43.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

43.7 Foreign currency translation

(i) Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is RMB, which is also the presentation currency of the Group. The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currencies. As the major operations of the Group are within the PRC, the Group determined to present the Historical Financial Information in RMB (unless otherwise stated).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within "Other gains/(losses), net."

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investments in foreign entities are recognized in other comprehensive income.

43.8 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other losses, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses), net." Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income. The Group has no such debt investment during the reporting periods.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within "other gains/(losses), net" in the period in which it arises. The FVPL of the Group mainly consists of wealth management products during the Track Reporting Period.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

43.9 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

43.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases its equity instruments, for example as the result of an employee share scheme, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Treasury share is also recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reversed when the redemption liabilities are derecognized upon when the Group's obligations in connection with those redemption liabilities are discharged, cancelled or have expired which will then be reclassified back to equity (Note 32).

43.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

43.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

43.13 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(ii) Pension obligations

The Group makes employee benefit contributions based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organized by relevant government authorities in the PRC on a monthly basis, subject to certain ceiling. The government authorities undertake to assume the retirement benefit obligations payable to the existing and future retired employees under these plans and the Group has no further obligations for the post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from the Group.

(iii) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are also entitled to participate in various government-sponsored housing funds, medical insurances and other social insurances. The Group contributes on a monthly basis to those funds based on a certain percentage of the employee's salaries, subject to certain ceiling. The Group's liabilities in respect of these funds are limited to the contributions payable in each year and the Group has no further obligation beyond the contributions made.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

43.14 Share-based payments

The Group operates an equity-settled, share-based payment plan, under which the Group receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of equity instruments (including share scheme) is recognized as an expense on the consolidated statements of profit or loss and other comprehensive income. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- Including any market performance conditions;
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- Excluding the impact of any service and non-market performance vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. The information relating to the share incentive arrangement is set out in Note 28.

Besides above, the shareholders of the Group transferred shares to employees and other parties with the cash consideration which appears to be less than the fair value of the shares transferred, and this is viewed as share-based payment transactions in substance. Under these transactions, the difference between the shares' fair value at the transfer date and actual transaction amount is recognized as share-based payment expenses with a corresponding increase in equity in the consolidated financial statements.

43.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

43.16 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

43.17 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the year in which the dividends are approved by the entities' shareholders or directors, where appropriate.

43.18 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 12.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

43.19 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operation are presented separately in the statement of profit or loss.

43.20 (Losses)/earnings per share

(i) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing:

- the (loss)/profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted (losses)/earnings per share

Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2025 and up to the date of this report.

No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2025.

The information set out in this Appendix does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I in this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets prepared in accordance with paragraph 4.29 of the Listing Rules are set out below to illustrate the effect of the Global Offering on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as at March 31, 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at March 31, 2025 or at any future dates. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is based on the consolidated net tangible liabilities of the Group attributable to the owners of the Company as at March 31, 2025 as set out in the Accountant's Report of the Company, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at March 31, 2025	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at March 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets per Share	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on an Offer Price of HK$11.89 per Offer Share	(94,539)	327,158	232,619	0.69	0.76
Based on an Offer Price of HK$14.86 per Offer Share	(94,539)	413,766	319,227	0.95	1.04

Notes:

(1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 March, 2025 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the owners of the Company as at 31 March, 2025 of RMB92,822,000 with an adjustment for the intangible assets attributable to the owners of the Company as at March 31, 2025 of RMB1,717,000.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HKD11.89 and HKD14.86 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB38,982,000 which have been accounted for in the consolidated statement of profit or loss and other comprehensive income prior to 31 March, 2025) paid/payable by the Company takes no account of any Shares which may be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme, any Shares which may fall to be issued upon the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 336,452,810 Shares were in issue, assuming that the Share Subdivision and the Global Offering have been completed on 31 March, 2025 but takes no account of any Shares which may fall to be issued upon the exercise of options granted under the Pre-IPO Share Option Scheme, any Shares which may fall to be issued upon the exercise of the Over-allotment Option or any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

(4) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets per Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.9117 to HKD1. No representation is made that Renminbi has been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March, 2025.

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of 160 Health International Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of 160 Health International Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at March 31, 2025 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated September 9, 2025, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at March 31, 2025 as if the proposed initial public offering had taken place at March 31, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the period ended March 31, 2025, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars,* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at March 31, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
September 9, 2025

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on January 31, 2022 under the Companies Act. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on September 3, 2025 and will become effective on the Listing Date. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) Classes of Shares

The share capital of the Company consists of a single class of ordinary shares.

(b) Variation of Rights of Existing Shares or Classes of Shares

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person (whether physically or by virtual attendance with the use of technology) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person (whether physically or by virtual attendance with the use of technology), or by proxy may demand a poll.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

(c) Alteration of Capital

The Company may by ordinary resolution:

(i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;

(ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

(iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and

(iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

(d) Transfer of Shares

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognise any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Redemption of Shares

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) Power of the Company to Purchase its own Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorised by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) Power of any Subsidiary of the Company to own Shares in the Company

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

(h) Calls on Shares and Forfeiture of Shares

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days' notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by instalments, and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or instalment of a call after it has become due and payable, the Board may, for so long as any part of the call or instalment remains unpaid, give to such member not less than 14 clear days' notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) Appointment, Retirement and Removal

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

(i) the Director gives notice in writing to the Company that he resigns from his office as Director;

(ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;

(iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;

(v) the Director is prohibited from being or ceases to be a Director by operation of law;

(vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or

(vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) Power to Allot and Issue Shares and other Securities

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to Dispose of the Assets of the Company or any of its Subsidiaries

Subject to the provisions of the Companies Act and Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) Borrowing Powers

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) Remuneration

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) Compensation or Payments for Loss of Office

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) Loans to Directors

There are no provisions in the Articles relating to making of loans to Directors.

(h) Disclosure of Interest in Contracts with the Company or any of its Subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

(i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the Constitutional Documents and the Company's Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) Special and Ordinary resolutions

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company's constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any members which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) Voting Rights and Right to Demand a Poll

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote. For the avoidance of doubt, votes may be cast by members by electronic means.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other join holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of technology).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognised clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorise such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of technology).

All members of the Company (including a member which is a recognised clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of technology), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) Annual General Meetings and Extraordinary General Meetings

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company's financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) Notices of Meetings and Business to be Conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for members to attend the meeting virtually with the use of technology (if applicable).

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

(A) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;

(B) the Board shall determine the date, time, place and details for members to attend virtually with the use of technology for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened, details for members to attend such postponed meeting virtually with the use of technology (if applicable) and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

(C) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) Quorum for Meetings and Separate Class Meetings

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of technology), or in the case of a member being a corporation, by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) Proxies

Any member of the Company (including a member which is a recognised clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of technology) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorised representative. The appointor should be allowed to send the instrument appointing a proxy by electronic means.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be sent by electronic means (if such means are provided) or deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorised by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

(a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarised in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

(a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and

(b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company's paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

3. COMPANY LAWS OF THE CAYMAN ISLANDS

The Company was incorporated in the Cayman Islands as an exempted company on January 31, 2022 subject to the Companies Act and, therefore, operates subject to laws of the Cayman Islands. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) any manner provided in section 37 of the Companies Act;

(d) writing-off the preliminary expenses of the company; and

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of Minorities and Shareholders' Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a "fraud on the minority."

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a "relevant entity" and is conducting one or more of the nine "relevant activities" then that company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities and if it is, it must satisfy an economic substance test.

4. GENERAL

Harney Westwood & Riegels, the Company's legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarising the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed "Documents on display" in Appendix V. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on January 31, 2022. Our Company has established a place of business in Hong Kong at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on August 22, 2023. Ms. Yu Wing Sze (余詠詩) has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Cayman Companies Act and its constitution comprises the Memorandum and Articles of Association. A summary of the Memorandum and Articles of Association and relevant aspects of the Cayman Companies Act is set forth in Appendix III to this prospectus.

2. Changes in the share capital of our Company

For details of changes in the share capital of our Company, see "History, Reorganization and Corporate Structure" in this prospectus.

Save as disclosed herein and in "— 3. Resolutions in writing of all our Shareholders passed on September 3, 2025" below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of all our Shareholders passed on September 3, 2025

Pursuant to the written resolutions passed by our Shareholders on September 3, 2025, it was resolved, among others:

(a) our Company approved and adopted the Memorandum and Articles of Association, which will come into effect upon the listing of our Shares on the Stock Exchange;

(b) conditional on (i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares in issue and Shares to be issued (pursuant to the Global Offering, the exercise of the Over-allotment Option and the exercise of outstanding options granted under the Pre-IPO Share Option Scheme) and such listing and permission not having been subsequently revoked prior to the commencement of dealings in the Shares on the Stock Exchange; (ii) the Offer Price being determined; (iii) the execution and delivery of the Underwriting Agreements; and (iv) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Overall Coordinators (for themselves and on behalf of the Underwriters)) and remaining unconditional and the Underwriting Agreements not being terminated in accordance with their terms or otherwise:

(i) the Global Offering and the Over-allotment Option were approved and our Directors were authorized to effect the same (including but not limited to agreeing the structure of the Global Offering, increasing or reducing the number of Shares initially offered for subscription in the Global Offering and agreeing the Offer Price range of the Global Offering and final Offer Price) and to allot and issue the Offer Shares pursuant to the Global Offering and the Over-allotment Option;

(ii) the grant of the Over-allotment Option by our Company to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters); and

(iii) the proposed Listing was approved and our Directors were authorized to implement the Listing.

(c) a general unconditional mandate was granted to our Directors to, *inter alia*, allot, issue and deal with Shares, securities convertible into Shares (the "**Convertible Securities**") or options, warrants or similar rights to subscribe for any Shares or such Convertible Securities (the "**Options and Warrants**") and to make or grant offers, agreements or options which might require such Shares, the Convertible Securities or the Options and Warrants to be allotted and issued or dealt with, and to resell treasury shares of the Company, at any time subject to the requirement that the aggregate nominal value of the Shares or the underlying Shares relating to the Convertible Securities or the Options and Warrants so allotted and issued or agreed conditionally or unconditionally to be allotted and issued and treasury shares to be resold, shall not exceed the sum of 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Share Subdivision and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the exercise of outstanding options granted under the Pre-IPO Share Option Scheme and treasury shares of the Company (if any)).

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders. Such mandate will remain in effect until:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Memorandum and Articles of Association; or

(iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest;

(d) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Share Subdivision and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the exercise of outstanding options granted under the Pre-IPO Share Option Scheme and treasury shares of the Company (if any)).

This mandate only relates to repurchase made on the Stock Exchange or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose) and which are in accordance with all applicable laws and regulations. Such mandate will remain in effect until:

(i) the conclusion of our next annual general meeting; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Memorandum and Articles of Association; or

(iii) the date on which it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,

whichever is the earliest;

(e) the general unconditional mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued and treasury shares may be resold by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Share Subdivision and the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the exercise of outstanding options granted under the Pre-IPO Share Option Scheme and treasury shares of the Company (if any))); and

(f) our Directors be authorized to subdivide each of our issued and unissued Shares of par value of US$0.00001 each into 25,000,000,000 Shares of par value of US$0.000002, such that following the Share Subdivision, the authorized share capital of our Company became US$50,000 divided into 25,000,000,000 Shares of par value of US$0.000002 each, effective immediately prior to the Listing.

4. Corporate reorganization

The companies comprising our Group underwent the Reorganization in preparation for the Listing. For further details, please refer to "History, Reorganization and Corporate Structure — Corporate Reorganization" in this prospectus.

5. Changes in the share capital of our subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountant's Report in Appendix I to this prospectus.

Save as disclosed below, there has been no alteration in the share capital or the registered capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus:

Shenzhen Ningyuan

On March 1, 2023, the registered capital of Shenzhen Ningyuan was increased from RMB58,187,710 to RMB59,226,779.

On September 27, 2023, the registered capital of Shenzhen Ningyuan was increased from RMB59,226,779 to RMB59,434,593.

Zhejiang Renren'ai

On May 8, 2023, the registered capital of Zhejiang Renren'ai was increased from US$30,000,000 to RMB250,000,000.

Weikang Zhiyuan

On December 12, 2023, the registered capital of Weikang Zhiyuan was increased from RMB20,000,000 to RMB100,000,000.

160 Internet

On August 29, 2023, the registered share capital of 160 Internet was increased from RMB3,000,000 to RMB3,160,000.

Qingdao Renren'ai Medicine Technology Co., Ltd. (青島人人愛醫藥科技有限公司) (formerly known as Qingdao Ningyuan Technology Co., Ltd. (青島寧遠科技有限公司))

On January 17, 2023, Qingdao Renren'ai Medicine Technology Co., Ltd. was established in the PRC with a registered capital of RMB30,000,000.

Weikang Lanyuan

On April 18, 2023, Weikang Lanyuan was established in the PRC with a registered capital of US$5,000,000.

Hunan Ninglan

On May 15, 2023, Hunan Ninglan was established in the PRC with a registered capital of RMB3,000,000.

Ningji Medicine

On August 11, 2023, Ningji Medicine was established in the PRC with a registered capital of RMB10,000,000.

On September 14, 2023, the registered share capital of Ningji Medicine was increased from RMB10,000,000 to RMB50,000,000.

6. Repurchase of Shares by our Company

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listings are on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' approval

All proposed repurchases of securities on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the resolutions in writing of all our Shareholders passed on September 3, 2025 a general unconditional mandate (the "**Repurchase Mandate**") was granted to our Directors authorizing the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following the completion of the Share Subdivision and the Global Offering (excluding treasury shares of the Company (if any)), at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Memorandum and Articles of Association to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange as amended from time to time.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate nominal value of the company's shares in issue on the date the repurchase mandate is granted. A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities disclose to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

(iv) Status of Repurchased Securities

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) might be cancelled and the relative certificates might be cancelled and destroyed. The repurchased shares might be held as treasury shares subject to market conditions and the Company's capital management needs at the relevant time of the repurchases. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the company resolve to hold the shares purchased by the company as treasury shares, shares purchased by the company shall be treated as cancelled and the amount of the company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorised share capital under Cayman Companies Act.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its securities on the Stock Exchange other than in exceptional circumstances.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year reviewed, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive, or substantial shareholder of the company or any of its subsidiaries or their respective close associates and a core connected person is prohibited from knowingly selling his securities to the company, on the Stock Exchange.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to receive the general authority from our Shareholders to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will be in the interest of our Company and our Shareholders. Such repurchases may, depending on market conditions, funding arrangements and other circumstances at the time, lead to an enhancement of the net value of our Company and its assets and/or its earnings per Share.

(c) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws of the Cayman Islands.

Any payment for the repurchase of Shares will be drawn from the profits or share premium of our Company or from the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if authorized by the Memorandum and Articles of Association and subject to the Companies Act, out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Memorandum and Articles of Association and subject to the Companies Act, out of capital.

Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, under the circumstances, have a material adverse effect in the opinion of our Directors on the working capital requirements of our Company or its gearing levels. However, there might be a material adverse impact on the working capital or gearing position of our Company as compared with the position disclosed in this prospectus in the event that the Repurchase Mandate is exercised in full.

(d) Share capital

Exercise in full of the Repurchase Mandate, on the basis of 336,452,810 Shares in issue immediately after the listing of the Shares, could accordingly result in up to 33,645,281 Shares being repurchased by our Company during the period until:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Memorandum and Articles of Association to be held; or

(iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting,

whichever occurs first.

(e) General

None of our Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of the increase of our Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result. Save as aforesaid, our Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than 25% of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances. No core connected person (as defined in the Listing Rules) of our Company has notified our Company that he/she or it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of our business) have been entered into by us within the two years preceding the date of this prospectus and are or may be material:

(1) an exclusive business cooperation agreement dated October 20, 2023 entered into by and among Shenzhen Ningyuan and Zhejiang Renren'ai, as further described in "Contractual Arrangements;"

(2) an exclusive option agreement dated October 20, 2023 entered into by and among Zhejiang Renren'ai, Qifu Chuangye, Heyuan Chuangye, Weikang Yuanju, Sanya Caixi, Qifu Zhongsheng, Wuhu Linghang, Weikang Kairui, Guangzhou Lingkang, Fenxiang Zeshan, Fenxiang Yidao, Shenzhen Toposcend, Qifu Jiarong, Zhongshan Fuying, Chongqing Southern Fund, Jiangsu Jiequan, Huzhou Yashang, Qingdao Litan Haipeng, Qingdao Litan, Nanjing Furui, Zhuhai Xuhua, Tianxin Jiuyue, Shenzhen Yuanzhi, Yingxin Guofu, Zero2IPO Jiaqi, Zero2IPO Yiju, Zero2IPO Xiaochi, Zhuhai Hengqin, Lezhi Xiamen, Qingdao Chengyu, Zhejiang Zhonghui, Mr. Luo, Wang Ming, Zhou Wen, Wang Senlin, Fu Zhekuan, Wang Ling, Yu Yanni, Huang Xiyin, Zhang Ruxie, Huang Fanzhi, Chen Shaohuai and Shenzhen Ningyuan, as further described in "Contractual Arrangements;"

(3) an equity pledge agreement dated October 20, 2023 entered into by and among Zhejiang Renren'ai, Qifu Chuangye, Heyuan Chuangye, Weikang Yuanju, Sanya Caixi, Qifu Zhongsheng, Wuhu Linghang, Weikang Kairui, Guangzhou Lingkang, Fenxiang Zeshan, Fenxiang Yidao, Shenzhen Toposcend, Qifu Jiarong, Zhongshan Fuying, Chongqing Southern Fund, Jiangsu Jiequan, Huzhou Yashang, Qingdao Litan Haipeng, Qingdao Litan, Nanjing Furui, Zhuhai Xuhua, Tianxin Jiuyue, Shenzhen Yuanzhi, Yingxin Guofu, Zero2IPO Jiaqi, Zero2IPO Yiju, Zero2IPO Xiaochi, Zhuhai Hengqin, Lezhi Xiamen, Qingdao Chengyu, Zhejiang Zhonghui, Mr. Luo, Wang Ming, Zhou Wen, Wang Senlin, Fu Zhekuan, Wang Ling, Yu Yanni, Huang Xiyin, Zhang Ruxie, Huang Fanzhi, Chen Shaohuai and Shenzhen Ningyuan, as further described in "Contractual Arrangements;"

(4) a shareholders' right entrustment agreement dated October 20, 2023 entered into by and among Qifu Chuangye, Heyuan Chuangye, Weikang Yuanju, Sanya Caixi, Qifu Zhongsheng, Wuhu Linghang, Weikang Kairui, Guangzhou Lingkang, Fenxiang Zeshan, Fenxiang Yidao, Shenzhen Toposcend, Qifu Jiarong, Zhongshan Fuying, Chongqing Southern Fund, Jiangsu Jiequan, Huzhou Yashang, Qingdao Litan Haipeng, Qingdao Litan, Nanjing Furui, Zhuhai Xuhua, Tianxin Jiuyue, Shenzhen Yuanzhi, Yingxin Guofu, Zero2IPO Jiaqi, Zero2IPO Yiju, Zero2IPO Xiaochi, Zhuhai Hengqin, Lezhi Xiamen, Qingdao Chengyu, Zhejiang Zhonghui, Mr. Luo, Wang Ming, Zhou Wen, Wang Senlin, Fu Zhekuan, Wang Ling, Yu Yanni, Huang Xiyin, Zhang Ruxie, Huang Fanzhi, Chen Shaohuai, Zhejiang Renren'ai and Shenzhen Ningyuan, as further described in "Contractual Arrangements;"

(5) an exclusive option agreement dated May 20, 2024 entered into by and among Zhejiang Renren'ai, Renren Weikang and Chengdu Renren Weikang, as further described in "Contractual Arrangements;"

(6) an equity pledge agreement dated May 20, 2024 entered into by and among Zhejiang Renren'ai, Renren Weikang and Chengdu Renren Weikang, as further described in "Contractual Arrangements;"

(7) an exclusive option agreement dated May 20, 2024 entered into by and among Zhejiang Renren'ai, Shenzhen Ningyuan and Blue Dragonfly Internet, as further described in "Contractual Arrangements;"

(8) an equity pledge agreement dated May 20, 2024 entered into by and among Zhejiang Renren'ai, Shenzhen Ningyuan and Blue Dragonfly Internet, as further described in "Contractual Arrangements;" and

(9) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

Trademarks

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following trademarks which we consider to be or may be material to our business:

(i) Trademark registered in the PRC

No.	Trademark	Place of Registration	Registration number	Registered owner	Class	Registration date	Expiry date
1.	健康160	PRC	58594586	Shenzhen Ningyuan	9	July 28, 2022	July 27, 2032
2.	健康160	PRC	58605444	Shenzhen Ningyuan	5	July 28, 2022	July 27, 2032
3.	健康160	PRC	58581758	Shenzhen Ningyuan	5	May 28, 2022	May 27, 2032
4.	健康160	PRC	58581779	Shenzhen Ningyuan	9	May 21, 2022	May 20, 2032
5.	160医生	PRC	55299552A	Shenzhen Ningyuan	44	March 7, 2022	March 6, 2032
6.	160会员中心	PRC	55303664A	Shenzhen Ningyuan	44	March 7, 2022	March 6, 2032
7.	160体检	PRC	55286280A	Shenzhen Ningyuan	44	March 7, 2022	March 6, 2032
8.	160医药	PRC	55274088	Shenzhen Ningyuan	44	February 21, 2022	February 20, 2032
9.	160云诊所	PRC	55204177	Shenzhen Ningyuan	9	February 21, 2022	February 20, 2032
10.	160医生	PRC	55237545	Shenzhen Ningyuan	42	January 28, 2022	January 27, 2032
11.	160医生	PRC	55205107	Shenzhen Ningyuan	9	January 21, 2022	January 20, 2032
12.	160医生	PRC	55219130	Shenzhen Ningyuan	10	January 21, 2022	January 20, 2032
13.	160医生	PRC	55220969	Shenzhen Ningyuan	9	January 21, 2022	January 20, 2032
14.	160医生	PRC	55243154	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032
15.	160体检	PRC	55243163	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032
16.	160云诊所	PRC	55249071	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032

No.	Trademark	Place of Registration	Registration number	Registered owner	Class	Registration date	Expiry date
17.	160医药	PRC	55249079	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032
18.	160医药	PRC	55249083	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032
19.	160体检	PRC	55249659	Shenzhen Ningyuan	42	January 21, 2022	January 20, 2032
20.	160会员中心	PRC	55253722	Shenzhen Ningyuan	42	January 21, 2022	January 20, 2032
21.	160云诊所	PRC	55261145	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032
22.	160医生 高效的患者沟通管理工具	PRC	55265308	Shenzhen Ningyuan	5	January 21, 2022	January 20, 2032
23.	160云诊所	PRC	55271794	Shenzhen Ningyuan	42	January 21, 2022	January 20, 2032
24.	160医药	PRC	55272912	Shenzhen Ningyuan	42	January 21, 2022	January 20, 2032
25.	160云诊所	PRC	55207896	Shenzhen Ningyuan	10	January 14, 2022	January 13, 2032
26.	160医药	PRC	55214448	Shenzhen Ningyuan	10	January 14, 2022	January 13, 2032
27.	160体检 专属医生服务体检平台	PRC	55261170	Shenzhen Ningyuan	5	January 14, 2022	January 13, 2032
28.	160体检	PRC	55216067	Shenzhen Ningyuan	9	January 7, 2022	January 6, 2032
29.	160医药	PRC	55193732	Shenzhen Ningyuan	41	November 28, 2021	November 27, 2032
30.	160云诊所	PRC	55236120	Shenzhen Ningyuan	38	November 21, 2021	November 20, 2032
31.	160医生 高效的患者沟通管理工具	PRC	55212218	Shenzhen Ningyuan	38	November 21, 2021	November 20, 2031
32.	160云诊所	PRC	55178467	Shenzhen Ningyuan	41	November 14, 2021	November 13, 2031
33.		PRC	13833809	Shenzhen Ningyuan	44	February 15, 2015	February 13, 2035

(ii) Trademarks registered in Hong Kong

No.	Trademark	Place of Registration	Registration number	Registered owner	Class	Registration date	Expiry date
1.	健康160 传递爱的力量·让健康更简单	Hong Kong	306255009	Shenzhen Ningyuan	5, 9, 10, 35, 42, 44	October 10, 2023	October 9, 2033
2.	A 160health B 160health C 160health	Hong Kong	305621058	Shenzhen Ningyuan	5, 9, 10, 35, 36, 38, 41, 42, 44	June 1, 2021	May 31, 2031
3.	就医160 就医160 就医160	Hong Kong	305621067	Shenzhen Ningyuan	5, 9, 10, 35, 36, 38, 41, 42, 44	June 1, 2021	May 31, 2031
4.	健康160 健康160 健康160	Hong Kong	305620950	Shenzhen Ningyuan	9	June 1, 2021	May 31, 2031
5.	健康160 健康160 健康160	Hong Kong	305620969	Shenzhen Ningyuan	10	June 1, 2021	May 31, 2031
6.	健康160 健康160 健康160	Hong Kong	305620978	Shenzhen Ningyuan	35	June 1, 2021	May 31, 2031
7.	健康160 健康160 健康160	Hong Kong	305620987	Shenzhen Ningyuan	36	June 1, 2021	May 31, 2031
8.	健康160 健康160 健康160	Hong Kong	305620996	Shenzhen Ningyuan	38	June 1, 2021	May 31, 2031
9.	健康160 健康160 健康160	Hong Kong	305621003	Shenzhen Ningyuan	44	June 1, 2021	May 31, 2031
10.	健康160 健康160 健康160	Hong Kong	305621012	Shenzhen Ningyuan	42	June 1, 2021	May 31, 2031
11.	健康160 健康160 健康160	Hong Kong	305621021	Shenzhen Ningyuan	41	June 1, 2021	May 31, 2031
12.	健康160 健康160 健康160	Hong Kong	305621030	Shenzhen Ningyuan	5	June 1, 2021	May 31, 2031

No.	Trademark	Place of Registration	Registration number	Registered owner	Class	Registration date	Expiry date
13.		Hong Kong	305621049	Shenzhen Ningyuan	5, 9, 10, 35, 36, 38, 41, 42, 44	June 1, 2021	May 31, 2031
14.		Hong Kong	305621085	Shenzhen Ningyuan	5, 9, 10, 35, 36, 38, 41, 42, 44	June 1, 2021	May 31, 2031
15.		Hong Kong	305621094	Shenzhen Ningyuan	5, 9, 10, 35, 36, 38, 41, 42, 44	June 1, 2021	May 31, 2031
16.		Hong Kong	305621111	Shenzhen Ningyuan	5, 9, 10, 35, 36, 38, 41, 42, 44	June 1, 2021	May 31, 2031

Patents

As of the Latest Practicable Date, we have registered the following patents:

No.	Patent	Patentee	Place of registration	Class of Patent	Patent Number	Application Date	Grant Date
1.	A medical gastric lavage tube cleaning and disinfection system utilized by the gastroenterology department (一種消化科醫用洗胃軟管清潔消毒系統)	Blue Dragonfly Internet	PRC	Invention patent	ZL201810082953.5	January 29, 2018	November 6, 2020
2.	EMR feature selection method based on the within-class and between-class distribution of words (基於單詞的類內分佈與類間分佈的電子病歷特徵選擇方法)	Blue Dragonfly Internet	PRC	Invention patent	ZL201810208599.6	March 14, 2018	September 28, 2021

No.	Patent	Patentee	Place of registration	Class of Patent	Patent Number	Application Date	Grant Date
3.	A hierarchical feature selection method, system and application based on SBS (一種基於SBS的層次化特徵選擇方法、系統及應用)	Shenzhen Ningyuan	PRC	Invention patent	ZL201910342155.6	April 26, 2019	August 27, 2021
4.	An Internet intelligent and automatic diagnosis and treatment response system based artificial intelligence technology (基於AI技術的互聯網智慧自動診療應答系統)	Weikang Zhiyuan	PRC	Invention patent	ZL202211563978.X	December 7, 2022	December 29, 2023
5.	A big data human body data monitoring method device (大數據的人體數據監測方法裝置)	Weikang Zhiyuan	PRC	Invention patent	ZL202311133797.8	September 4, 2023	June 21, 2024
6.	A vague matching based intelligent user entity search system for healthcare platforms (基於模糊匹配的醫療平台智慧用戶實體搜索系統)	Shenzhen Ningyuan	PRC	Invention patent	ZL202211450180.4	November 19, 2022	July 25, 2023
7.	A method to restrict the profit-making behavior of snapping up numbers on Internet reservation and registration platforms (互聯網預約掛號平台限制搶號牟利行為的方法)	Shenzhen Ningyuan	PRC	Invention patent	ZL202211301583.2	October 24, 2022	June 21, 2024

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered owner	Registration number	Place of Registration	Registration Date
1.	160 cloud hospital system (160雲醫院系統)	Shenzhen Ningyuan	2023SR0315082	PRC	March 10, 2023
2.	Intelligent escort system (智能陪診系統)	Shenzhen Ningyuan	2023SR0308696	PRC	March 9, 2023
3.	Chronic disease management system (慢病管理系統)	Shenzhen Ningyuan	2023SR0308749	PRC	March 9, 2023
4.	160 obstetrics department management system (160產科管家系統)	Shenzhen Ningyuan	2022SR0940684	PRC	July 18, 2022
5.	System of precising advertisement push based on big data analysis (基於大數據分析的廣告精準推送系統)	Shenzhen Ningyuan	2022SR0702598	PRC	June 6, 2022
6.	Healthcare physical examination online service platform (大健康體檢線上服務平台)	Shenzhen Ningyuan	2022SR0701647	PRC	June 6, 2022
7.	Healthcare social and sharing platform (大健康社交及分享平台)	Shenzhen Ningyuan	2022SR0702597	PRC	June 6, 2022
8.	Healthcare service medical insurance settlement management system (大健康服務醫保結算管理系統)	Shenzhen Ningyuan	2022SR0701604	PRC	June 6, 2022
9.	Healthcare product e-commerce platform (醫療健康產品電子商務平台)	Shenzhen Ningyuan	2022SR0516570	PRC	April 24, 2022
10.	160 open resources platform (160資源開放平台)	Shenzhen Ningyuan	2022SR0501068	PRC	April 21, 2022
11.	160 medical professional – lifetime free practicing platform (160醫護 – 終身自由執業平台)	Weikang Zhiyuan	2023SR1461223	PRC	November 17, 2023

No.	Copyright	Registered owner	Registration number	Place of Registration	Registration Date
12.	Lanjixing nosocomial infection intelligent detection system (藍極星醫院感染智能檢測系統)	Blue Dragonfly Internet	2021SR1795601	PRC	November 18, 2021
13.	160 online consultation and referral platform (160線上會診轉診平台)	Shenzhen Ningyuan	2020SR1868942	PRC	December 21, 2020
14.	Big data 160 medical guidance service system (大數據160導醫導診服務系統)	Shenzhen Ningyuan	2020SR1868941	PRC	December 21, 2020
15.	160 physician-patient interaction and communication platform (160醫患互動交流平台)	Shenzhen Ningyuan	2020SR1868903	PRC	December 21, 2020
16.	Intelligent hospitalization service system (智慧住院服務系統)	Shenzhen Ningyuan	2020SR1595959	PRC	November 17, 2020
17.	Healthcare 160 WeChat mini program software (健康160微信小程序軟件)	Shenzhen Ningyuan	2020SR0617113	PRC	June 12, 2020
18.	160 finance healthcare platform (160金融大健康平台)	Shenzhen Ningyuan	2020SR0617105	PRC	June 12, 2020
19.	Big data personalized recommendation platform (大數據個性化推薦平台)	Shenzhen Ningyuan	2020SR0617097	PRC	June 12, 2020
20.	Intelligent hospital service system (智慧醫院服務系統)	Shenzhen Ningyuan	2020SR0499174	PRC	May 22, 2020
21.	Healthy city citizen convenience service system (健康城市便民服務系統)	Shenzhen Ningyuan	2020SR0467810	PRC	May 18, 2020
22.	Internet hospital system (互聯網醫院系統)	Shenzhen Ningyuan	2020SR0468084	PRC	May 18, 2020
23.	Ningyuan 160 APP appointment system software (Android version) (寧遠160APP預約掛號系統軟件(Android版))	Weikang Zhiyuan	2023SR1461191	PRC	June 27, 2019
24.	160 medicine ERP system (160醫藥ERP系統)	160 Medicine	2018SR793112	PRC	September 29, 2018

No.	Copyright	Registered owner	Registration number	Place of Registration	Registration Date
25.	Jiuyitong whole process management software (就醫通全流程管理軟件)	Shenzhen Ningyuan	2018SR400711	PRC	May 30, 2018
26.	160 merchant platform software (160商戶平台軟件)	Weikang Zhiyuan	2023SR1461207	PRC	November 17, 2023
27.	Software of Ningyuan Jiuyitong WeChat management during consultation (寧遠就醫通診中微信管理軟件)	Shenzhen Ningyuan	2017SR541253	PRC	September 25, 2017
28.	Ningyuan 160 physician APP software (IOS version) (寧遠160醫生APP軟件(IOS版))	Shenzhen Ningyuan	2017SR541244	PRC	September 25, 2017
29.	Ningyuan 160 physician APP software (Android version) (寧遠160醫生APP軟件(Android版))	Shenzhen Ningyuan	2017SR543846	PRC	September 25, 2017
30.	Ningyuan medical treatment 160 payment system software (寧遠就醫160支付系統軟件)	Shenzhen Ningyuan	2017SR456001	PRC	August 18, 2017
31.	Ningyuan medical treatment 160 APP patient registration software (IOS version) (寧遠就醫160 APP掛號軟件(IOS版))	Shenzhen Ningyuan	2017SR304680	PRC	June 23, 2017
32.	Blue dragonfly infectious disease real-time monitoring and management system (藍蜻蜓醫院傳染病實時監控管理系統)	Blue Dragonfly Internet	2016SR307541	PRC	October 26, 2016
33.	Ningyuan medical treatment 160 payment system software (寧遠就醫160支付系統軟件)	Shenzhen Ningyuan	2016SR282478	PRC	September 30, 2016
34.	Blue dragonfly nosocomial infection real-time monitoring and management system (藍蜻蜓醫院感染實時監控管理系統)	Blue Dragonfly Internet	2016SR053014	PRC	March 15, 2016

No.	Copyright	Registered owner	Registration number	Place of Registration	Registration Date
35.	Blue dragonfly nosocomial infection real-time monitoring and management system (藍蜻蜓醫院感染實時監控管理系統)	Shenzhen Ningyuan	2014SR047945	PRC	April 23, 2014
36.	Infectious disease monitoring and data reporting system (傳染病監測及數據直報系統)	Shenzhen Ningyuan	2013SR160874	PRC	December 28, 2013
37.	Nosocomial infection management software (醫院感染管理軟件)	Shenzhen Ningyuan	2006SR12948	PRC	September 19, 2006
38.	Prescription circulation platform software (處方流轉平台軟體)	Weikang Zhiyuan	2023SR1772720	PRC	December 26, 2023
39.	Public hospital aesthetic medical service management software (公立醫院醫美服務管理軟體)	Weikang Zhiyuan	2023SR1773719	PRC	December 26, 2023
40.	Automatic review software based on Bert Language (基於Bert語言模型的點評自動審核軟體)	Weikang Zhiyuan	2023SR1776016	PRC	December 27, 2023

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registrant	Date of Registration	Expiry Date
1.	91160.com	Shenzhen Ningyuan	August 6, 2005	August 6, 2028
2.	gklqt.com	Blue Dragonfly Internet	November 9, 2015	November 9, 2025

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests

(a) Disclosure of interests — interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following the completion of the Share Subdivision and the Global Offering (but without taking into account the exercise of the Over-allotment Option and the Shares to be issued under the Pre-IPO Share Option Scheme), the interests or short positions of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once the Shares are listed, will be as follows:

(i) Interests in the Shares of our Company

Name of Director/chief executive	Nature of interest	Number of Shares immediately following the Share Subdivision and the Global Offering	Approximate percentage of interest in the total share capital of our Company
Mr. Luo[(1)(2)]	Interest in a controlled corporation	102,912,905	30.59%
	Interested of a party to an agreement regarding interest in the Company	11,726,665	3.49%
Mr. Zhang Ruxie[(3)]	Interest in a controlled corporation	3,139,490	0.93%

Notes:

(1) Luo Holdings Limited is wholly-owned by LNZ Management Limited, which is in turn wholly-owned by Mr. Luo. Therefore, Mr. Luo is deemed to be interested in the Shares directly held by Luo Holdings Limited.

(2) Pursuant to the Voting Deed, Mr. Luo has controlled approximately 3.49% of the voting power at general meeting of our Company, being the voting rights attached to all Shares directly held by Ming Holdings Limited. For details, see the section headed "History, Reorganization and Corporate Structure — Voting Deed."

(3) QF Morris Limited is wholly-owned by Mr. Zhang Ruxie. Therefore, Mr. Zhang Ruxie is deemed to be interested in the Shares directly held by QF Morris Limited.

(ii) Interests in our associated corporation

Name of Director/ chief executive	Nature of interest	Name of associated corporation	Approximate percentage of shareholding
Mr. Luo	Beneficial interest	Shenzhen Ningyuan[(1)]	29.20%
	Interest in a controlled corporation	Shenzhen Ningyuan[(1)]	10.18%
	Interest in a controlled corporation	Weikang Zhiyuan[(1)]	50.00%
	Interest in a controlled corporation	Renren Weikang[(1)]	10.00%
Mr. Zhang Ruxie	Beneficial interest	Shenzhen Ningyuan[(1)]	0.13%

Note:

(1) Shenzhen Ningyuan, Weikang Zhiyuan and Renren Weikang are subsidiaries of our Company by virtue of the Contractual Arrangements.

(b) Disclosure of interests — interests and short positions of the substantial shareholders in the Shares and underlying Shares of our Company

Save as disclosed in "Substantial Shareholders" of this prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Share Subdivision and the Global Offering, have an interest or short position in the Shares or underlying Shares of our Company which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

As of the Latest Practicable Date, so far as is known to our Directors, the following person was interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of any member of our Group other than us or had option in respect of such capital:

Name of shareholder	Name of member of our Group	Approximate percentage of shareholding
Mr. Luo	Shenzhen Ningyuan[(1)]	39.38%
	Weikang Zhiyuan[(1)]	50.00%
	Renren Weikang[(1)]	10.00%
Hunan Blue Dragonfly Assets Management Partnership (Limited Partnership) (湖南省藍蜻蜓資產管理合夥企業(有限合夥)) (“**Blue Dragonfly Assets**”)	Blue Dragonfly Internet	25%
Peng Fang	Blue Dragonfly Internet	30%[(2)]
Li Dongping (李東平)	Shenzhen Wuchuang Health Consultation Management Co., Ltd. (深圳市五創健康諮詢管理有限公司) (“**Wuchuang Health Consultation**”)	24.10%
Shenzhen Wuchuang Health Management Corporation (Limited Partnership) (深圳市五創健康管理企業(有限合夥))	Wuchuang Health Consultation	15.83%
Shenzhen Yichelian Internet Technology Co., Ltd. (深圳市易車聯網絡科技有限公司)	Leting Medical Technology (Shenzhen) Co., Ltd. (樂庭醫學科技(深圳)有限公司)	40.00%
Luo Yincan (羅銀燦)	Shenzhen Yimengwang Information Technology Co., Ltd. (深圳醫盟網信息技術有限公司)	40.00%
Shenzhen Qifu Zhonglian Investment Management Partnership (Limited Partnership) (深圳市啟賦眾聯投資管理合夥企業(有限合夥))	Shenzhen Anxin Technology Co., Ltd. (深圳安欣科技有限公司) (“**Shenzhen Anxin**”)	10%

Notes:

(1) Shenzhen Ningyuan, Weikang Zhiyuan, Renren Weikang are subsidiaries of our Company by virtue of the Contractual Arrangements.

(2) Peng Fang is directly interested in 5% of the equity interest in Blue Dragonfly Internet. Meanwhile, Peng Fang is the general partner of Blue Dragonfly Assets.

2. Particulars of service contracts and letters of appointment

Each of Mr. Luo, Mr. Ji Cuilin, Mr. Huang Lang and Mr. Wang Lifa, being our executive Directors, has entered into a service contract with our Company on September 3, 2025. The service contract is for an initial term of three years commencing from the Listing Date. The service contracts may be renewed in accordance with our Memorandum and Articles of Association and the applicable laws, rules, and regulations.

Each of Mr. Zhang Ruxie, Ms. Sun Meng, Mr. Zou Jun, Dr. Fan Ming and Dr. Xu Weiguo, being our non-executive Directors or independent non-executive Directors, has entered into a letter of appointment with our Company on September 3, 2025. Each letter of appointment is for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with our Memorandum and Articles of Association and the applicable laws, rules, and regulations.

3. Directors' remuneration

The aggregate amounts of remuneration (including fees, salaries, contributions to social security and provident fund, share-based compensation, and other benefits) paid to our Directors for the years ended December 31, 2022, 2023, 2024 and the three months ended March 31, 2025 were RMB2.8 million, RMB18.6 million, RMB24.4 million and RMB4.6 million, respectively.

None of our Directors has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this prospectus.

Save as disclosed above, no other payments have been made or are payable in respect of the three years ended December 31, 2022, 2023 and 2024 by any member of our Group to any of our Directors.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group.

It is estimated that remuneration equivalent to approximately RMB34.37 million in aggregate will be paid to the Directors (inclusive of benefits in kind but exclusive of any discretionary bonuses) by our Company for the year ending December 31, 2025, based on the arrangements currently in force.

4. Personal Guarantees

Save as disclosed in this prospectus, our Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted or to be granted to any member of our Group.

5. Agency fees or commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages, or other special terms were granted within the two years preceding the date of this prospectus in connection with the issue or sale of any capital of any member of our Group.

6. Disclaimers

Save as disclosed in this section:

(a) none of our Directors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed;

(b) none of our Directors or any of the experts referred to under paragraph headed "— E. Other Information — 7. Qualification of experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

(d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(e) taking no account of any Shares which may be taken up under the Global Offering, so far as is known to our Directors or chief executive of our Company, no person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Share Subdivision and the Global Offering, have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(f) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

D. PRE-IPO SHARE OPTION SCHEME

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme effective from August 31, 2023. The terms of the Pre-IPO Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Pre-IPO Share Option Scheme will not involve the grant of options by us to subscribe for Shares after the Listing.

We have applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — The Pre-IPO Share Option Scheme."

1. Purpose

The purpose of the Pre-IPO Share Option Scheme is to promote the success of our Company and the interests of its Shareholders by providing a means through which our Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons of our Group and to further link the interests of options (the "**Options**") recipients with those of the Shareholders generally.

2. Sources of the Pre-IPO Share Option Scheme

Option granted pursuant to the Pre-IPO Share Option Scheme is funded by both (a) existing Shares held by the trustee (transferred from Mr. Luo and Wang Ming) and (b) new Shares to be allotted and issued by our Company.

3. Participants

Options may be granted only to those persons that the Board determines to be eligible persons (the "**Eligible Persons**"), meaning (a) the grantees who were granted under the 2016 Share Incentive Scheme, (b) an officer or employee of our Group, (c) any member of the Board, (d) any director of subsidiaries of our Company or (e) any individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of our Group, as applicable, in a capital raising transaction or as a market maker or promoter of that entity's securities) to our Group.

4. Maximum number of Shares

The total number of new Shares and existing Shares that may be allotted and issued by our Company or transferred from the trustee upon the exercise of all Options under the Pre-IPO Share Option Scheme must each not exceed 2,897,598 Shares (or 14,487,990 Shares as adjusted after the Share Subdivision) and 3,339,319 Shares (or 16,696,595 Shares as adjusted after the Share Subdivision) (the "**Scheme Limit**"), respectively, accounting for 4.31% and 4.96% of the total issued Shares immediately following the completion of the Share Subdivision and the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the Pre-IPO Share Option Scheme), respectively.

5. Administration

The Pre-IPO Share Option Scheme shall be administered by the Board. Subject to the express provisions of the Pre-IPO Share Option Scheme, the Board is authorized and empowered to do all things necessary or desirable in connection with the authorization of Options and the administration of the Pre-IPO Share Option Scheme.

6. Grant of Options

Each Option shall be evidenced by a grant letter (the "**Grant Letter**") in the form and substance approved by the Board. The Grant Letter evidencing an offer shall contain the terms established by the Board for that offer (including but not limited to the exercise price, vesting schedule and performance objectives (if any)), as well as any other terms, provisions, or restrictions that the Board may impose on the offer. The Board may require that the recipient of an offer promptly execute and return to our Company his or her duly counter-signed Grant Letter evidencing the offer.

7. Exercise price for Shares

The Board will determine the exercise price per Share of the Shares covered by each Option at the time of grant of the Option. In no case will such purchase price be less than the nominal value of the Shares.

8. Exercise of the Option

Unless otherwise determined by the Board, and subject to applicable laws and regulations and the conditions set forth in the Pre-IPO Share Option Scheme and the Grant Letter, each Eligible Participant shall have the right to exercise all or any portion of the vested Options by fully paying the exercise price (i) after the Listing Date, (ii) on the basis that the Eligible Participant provides service to our Group without termination of employment or service for cause of the Eligible Participant, (iii) after our Company and such Eligible Participant shall have obtained any and all approvals, consents and waivers necessary for consummation of the exercise of the Option(s), and (iv) within the window period of time specified by the Board during which each Eligible Participant is allowed to exercise the Option(s) and trade in Shares.

The Option(s) must be exercised, if at all, within ten (10) years upon the date on which it becomes exercisable after which it will be lapsed.

9. Transferability

Except for the prior written approval of the Board, the Eligible Participant may not directly or indirectly, offer, sell or transfer or dispose of any of the Options or any interest therein during the period commencing on the date of grant of such Option, or such lesser period of time as the Board may permit.

10. Voting rights

The Options held by Eligible Participants have no voting rights before being exercised. Further, neither the Eligible Participants nor the trustee may exercise any of the voting rights in respect of any existing Shares held by the trustee that have not yet vested or exercised. The trustee shall not exercise any voting rights in respect of any Shares held by the trustee for the purpose of the Pre-IPO Share Option Scheme and will therefore abstain from voting on any Shareholders' general meeting of our Company.

11. Amendments

The Board may, at any time, terminate or, from time to time, amend, modify or suspend the Pre-IPO Share Option Scheme, in whole or in part. Further, the Board may by agreement or resolution waive conditions of or limitations on Options to Eligible Participants that the Board in the prior exercise of its discretion has imposed, without the consent of an Eligible Participant, and may make other changes to the terms and conditions of Options.

However, no amendment, suspension or termination of the Pre-IPO Share Option Scheme or amendment of any outstanding Options shall, without written consent of the Eligible Participant, affect in any manner materially adverse to the Eligible Participant any rights or benefits of the Eligible Participant or obligations of our Company under any Options granted under the Pre-IPO Share Option Scheme prior to the effective date of such change.

12. Others

The exercise of the Options is conditional on the Stock Exchange granting or agreeing to grant approval of (subject to such condition as the Stock Exchange may impose) the listing of and permission to deal in such number of Shares to be issued pursuant to the exercise of any Options and the commencement of dealings in the Shares on the Stock Exchange. Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of any Options.

13. Outstanding Options granted

As of the Latest Practicable Date, Options to subscribe for 6,236,917 Shares (or 31,184,585 Shares as adjusted after the Share Subdivision) under the Pre-IPO Share Option Scheme had been granted to a total of 105 grantees by our Company, representing 9.27% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme).

Among the 105 grantees, 10 grantees are members of the Directors, senior management and connected persons of our Company, who had been granted (a) Options to subscribe for 1,578,679 new Shares (or 7,893,395 new Shares as adjusted after the Share Subdivision) and (b) Options to acquire 1,680,653 existing Shares (or 8,403,265 existing Shares as adjusted after the Share Subdivision) held by the trustee under the Pre-IPO Share Option Scheme, representing 2.35% and 2.50% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme). Further, one grantee, who are not Director, senior management or connected persons of our Company, had been granted (a) Options to subscribe for 532,514 new Shares (or 2,662,570 new Share as adjusted after the Share Subdivision) and (b) Options to acquire 54,015 existing Shares (or 270,075 existing Share as adjusted after the Share Subdivision), representing 0.79% and 0.08% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme). Our Company will not grant further Options under the Pre-IPO Share Option Scheme after the Listing. Save as disclosed herein, no consideration was paid by the grantees for the Options granted under the Pre-IPO Share Option Scheme.

Below are the details of Options granted to our Directors, senior management and connected persons under the Pre-IPO Share Option Scheme.

	Name of grantee	Role	Address	Number of Shares under the Option granted as adjusted after the Share Subdivision			Exercise Price (per Share)		Date of grant		Vesting period		Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Share Subdivision and the Global Offering[1]	
				New Shares	Existing Shares	Total	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares
Directors and senior management														
1.	Ji Cuilin (冀翠琳)	Executive Director and vice president	Room 2505, Block 2, Haixuan Square, Jinlong Road, Longgang District, Shenzhen, Guangdong Province, PRC	2,336,250	778,750	3,115,000	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.69%	0.23%
2.	Huang Lang (黃浪)	Executive Director and general manager of the intelligent medical center	Room 18D, Building B, Elite Territory, Bao'an District, Shenzhen, Guangdong Province, PRC	1,312,500	1,802,500	3,115,000	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.39%	0.54%
3.	Wang Lifa (王立法)	Executive Director and director of the president office	Room 708, Building D, Golden Mansion, Yuehai Road, Nanshan District, Shenzhen, Guangdong Province, PRC	261,180	288,820	550,000	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	2 years[4]	3 years[5]	0.08%	0.09%

	Name of grantee	Role	Address	Number of Shares under the Option granted as adjusted after the Share Subdivision			Exercise Price (per Share)		Date of grant		Vesting period		Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Share Subdivision and the Global Offering[1]	
				New Shares	Existing Shares	Total	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares
4.	Luo Yong (羅勇)	Vice president and manager of the medical affairs division	Room A1806, Mengxiang Jiayuan, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, PRC	412,500	137,500	550,000	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.12%	0.04%
5.	Peng Fang (彭訪)	Vice president	Room 1103, Unit 2, Block 5, Xinhualian Mengxiang City, Yueliangdao Street, Wangcheng District, Changsha, Hunan Province, PRC	1,961,250	653,750	2,615,000	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.58%	0.19%
6.	Tang Shihua (唐世華)	Board secretary and joint company secretary	3/F, No. 1004, Huafu Road, Futian District, Shenzhen, Guangdong Province, PRC	N/A	3,117,890	3,117,890	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	N/A	N/A[3]	N/A	0.93%
			Subtotal	*6,283,680*	*6,779,210*	*13,062,890*							**1.87%**	**2.01%**

	Name of grantee	Role	Address	Number of Shares under the Option granted as adjusted after the Share Subdivision			Exercise Price (per Share)		Date of grant		Vesting period		Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Share Subdivision and the Global Offering[1]	
				New Shares	Existing Shares	Total	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares
Connected persons														
7.	Luo Ningli (羅寧理)	Deputy director of the president office	Room 403, Block 9, Shangyou Village, Yuelu District, Changsha, Hunan Province, PRC	1,520,630	1,594,370	3,115,000	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.45%	0.47%
8.	Liang Yuguang (梁宇光)	Deputy general manager	No. 9A-15B, Shenyun Village, Nanshan District, Shenzhen, Guangdong Province, PRC	72,715	24,235	96,950	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.02%	0.007%
9.	Zhu Guanghua (朱廣華)	Purchasing director	Room 1213, Block 2, Xinyi Lingyu, Liuxianyi Road, Bao'an District, Shenzhen, Guangdong Province, PRC	11,690	3,895	15,585	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.003%	0.001%

	Name of grantee	Role	Address	Number of Shares under the Option granted as adjusted after the Share Subdivision			Exercise Price (per Share)		Date of grant		Vesting period		Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Share Subdivision and the Global Offering[1]	
				New Shares	Existing Shares	Total	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares
10.	Huang Caijun (黃彩俊)	General Manager	Room 702, No. 6, Huanggangxin Village, Futian Street, Futian District, Shenzhen, Guangdong Province, PRC	4,680	1,555	6,235	US$0.00001	US$0.00001	September 1, 2023	September 1, 2023	3 years[2]	N/A[3]	0.001%	0.0005%
			Subtotal	*1,609,715*	*1,624,055*	*3,233,770*							0.48%	0.48%
			Total	7,893,395	8,403,265	16,296,660							2.35%	2.50%

Notes:

(1) Calculated based on 336,452,810 Shares in issue immediately after the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme).

(2) The Options will be evenly vested in three years on January 1, 2025, January 1, 2026 and January 1, 2027.

(3) The relevant Options will be vested on the Listing Date.

(4) The relevant Options will be vested in two years on January 1, 2026 and January 1, 2027.

(5) The relevant Options will be vested in three years on January 1, 2024, January 1, 2025 and January 1, 2026.

As of the Latest Practicable Date, other than the 10 members of our Directors, senior management and connected persons disclosed above, no Options were granted to any Directors, senior management or connected persons of our Group under the Pre-IPO Share Option Scheme.

Further, below are details of Options granted to person(s) who are entitled to 586,529 Shares (or 2,932,645 Shares as adjusted after the Share Subdivision) of the Company or more underlying the options granted under the Pre-IPO Share Option Scheme.

	Name of grantee	Role	Address	Number of Shares under the Option granted as adjusted after the Share Subdivision			Exercise Price (per Share)		Date of grant		Vesting period		Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Share Subdivision and the Global Offering[(1)]	
				New Shares	Existing Shares	Total	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares
Person other than our Directors, senior management and connected persons														
1.	Cai Ximei (蔡喜梅)	Director of human resources	No. 10, Gaoxin South 1st Road, Nanshan District, Shenzhen	2,662,570	270,075	2,932,645	US$0.00001	US$0.00001	September 1, 2023 & July 17, 2025	September 1, 2023	2 years[(1)]	2 years[(2)]	0.79%	0.08%
			Total	**2,662,570**	**270,075**	**2,932,645**							**0.79%**	**0.08%**

Notes:

(1) The relevant Options will be vested in two years on January 1, 2025 and January 1, 2026.

(2) The relevant Options will be vested in two years on January 1, 2024 and January 1, 2025.

Save as the 11 grantees disclosed above, the remaining 94 grantees had been granted (a) Options to subscribe for 786,405 new Shares (or 3,932,025 new Shares as adjusted after the Share Subdivision) and (b) Options to acquire for 1,604,651 existing Shares (or 8,023,255 existing Shares as adjusted after the Share Subdivision) held by the trustee under the Pre-IPO Share Option Scheme, representing 1.17% and 2.38% of the issued share capital of our Company immediately upon the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme).

The table below sets out the details of Options granted to the remaining 94 grantees under the Pre-IPO Share Option Scheme.

Range of outstanding Shares for Options granted (after the Share Subdivision)	Total number of grantees	Total number of outstanding Shares for Options granted as adjusted after the Share Subdivision			Exercise price		Date of grant		Approximate percentage of enlarged issued share capital of our Company immediately after the completion of the Share Subdivision and the Global Offering[(1)]		Vesting schedule	
		New Shares	Existing Shares	Total	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares	New Shares	Existing Shares
1 – 25,000	38	203,860	200,115	403,975	US$0.00001	US$0.00001	September 1, 2023 or July 17, 2025	September 1, 2023 or July 17, 2025	0.06%	0.06%	3 years[(2)]	N/A[(5)]
25,001 – 50,000	11	187,500	290,945	478,445	US$0.00001	US$0.00001			0.06%	0.09%	3 years[(2)]	N/A[(5)]
50,001 – 250,000	33	1,465,665	2,414,335	3,880,000	US$0.00001	US$0.00001			0.44%	0.72%	3 years[(2)]	N/A[(5)]
250,001 – 500,000	6	375,000	1,798,010	2,173,010	US$0.00001	US$0.00001			0.11%	0.53%	3 years[(2)]	N/A[(5)]
500,001 or above	6	1,700,000	3,319,850	5,019,850	US$0.00001	US$0.00001			0.51%	0.99%	2 years[(4)]	N/A[(5)]
	94	**3,932,025**	**8,023,255**	**11,955,280**					**1.17%**	**2.38%**		

Notes:

(1) Calculated based on 336,452,810 Shares in issue immediately after the completion of the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the Pre-IPO Share Option Scheme).

(2) Among the 94 grantees who had been granted Options to acquire 1,658,666 existing Shares (or 8,293,330 Shares as adjusted after the Share Subdivision) from the trustee, 25 grantees were former employees of our Group, who were participants of the 2016 Share Incentive Scheme. Since the 2016 Share Incentive Scheme was terminated on April 25, 2021, Options to acquire for 1,202,662 Shares (or 6,013,310 Shares as adjusted after the Share Subdivision) had been granted to these 25 grantees to serve as a continuation of the vested but unexercised options under the 2016 Share Incentive Scheme.

(3) The Options will be vested in three years on January 1, 2025, January 1, 2026 and January 1, 2027.

(4) The Options will be vested in two years on January 1, 2025 and January 1, 2026.

(5) The relevant options will be vested on the Listing Date.

Save and except as set out above, no other Options have been granted or agreed to be granted by our Company under the Pre-IPO Share Option Scheme.

As of the Latest Practicable Date, all the Options were not exercised and remained outstanding. Assuming the full vesting and exercise of the outstanding Options granted under Pre-IPO Share Option Scheme, the shareholding of our Shareholders immediately following the Share Subdivision and the Global Offering (assuming that the Over-allotment Option is not exercised) will be diluted by approximately 4.13%. As our Group incurred losses for the years ended December 31, 2022, the dilutive potential ordinary Shares, namely the Options under the Pre-IPO Share Option Scheme, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended December 31, 2022 was the same as basic loss per share for the corresponding period.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance (to our Group's financial condition or results of operation) is pending or threatened against any member of our Group.

3. Joint Sponsors and Joint Sponsors' fees

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued as mentioned in this prospectus.

Shenwan Hongyuan Capital (H.K.) Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Pursuant to Rule 3A.07 of the Listing Rules, Zero2IPO Capital Limited ("**Zero2IPO Capital**") has declared that as regards to their relationship with our Company, they are not or do not expect to be independent because Ni Zhengdong (倪正東) ("**Mr. Ni**"), who is the director of Zero2IPO Capital, is also the beneficial owner of Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) ("**Zero2IPO Consulting**"). Therefore, Zero2IPO Consulting is a close associate of Mr. Ni. Since Zero2IPO Consulting is indirectly interested in the Shares held by Zero2IPO Jiaqi, Zero2IPO Yiju and Zero2IPO Xiaochi, the aggregate fair values of which exceed HK$5 million, by virtue of being their general partners, Zero2IPO Capital considered that such relationship would be reasonably considered to affect their independence in performing their duties as set out in Chapter 3A of the Listing Rules, or might reasonably give rise to a perception that their independence would be so affected, pursuant to Rule 3A.07(7)(c) of the Listing Rules. The sponsor fee payable to the Joint Sponsors by our Company is US$500,000 each.

4. Preliminary expenses

Our preliminary expenses incurred by us in relation to our incorporation were approximately RMB28,000 and have been paid by our Company.

5. Promoter

We do not have any promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities, or other benefit has been paid, allotted, or given nor are any proposed to be paid, allotted, or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

6. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

There is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisors

Intending holders of the Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors or the other parties involved in the Global Offering will accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

7. Qualification of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
Shenwan Hongyuan Capital (H.K.) Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Zero2IPO Capital Limited	A licensed corporation under the SFO for Type 6 (advising on corporate finance) regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
CM Law Firm	PRC Legal Advisors to our Company
Harney Westwood & Riegels	Cayman Islands legal advisors to our Company
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

8. Consents of experts

Each of the experts referred to in "— 7. Qualification of experts" above in this prospectus has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

9. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance on the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Miscellaneous

(a) save as otherwise disclosed in this section, within the two years immediately preceding the date of this prospectus:

  (i) no share or loan capital of our Company or any of our subsidiaries had been issued or agreed to be issued or proposed to be fully or partly paid either for cash or a consideration other than cash;

  (ii) no commissions, discounts, brokerages, or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

  (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription, or agreeing to procure subscription of any share in our Company or any of our subsidiaries;

(b) save as otherwise disclosed in this section, no share or loan capital of our Company or any of our subsidiaries had been under option or agreed conditionally or unconditionally to be put under option;

(c) save as otherwise disclosed in this section, there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries;

(d) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2024 (being the date to which the latest audited consolidated financial statements of our Group were made up);

(e) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;

(f) our principal register of members will be maintained by our principal registrar, Harneys Fiduciary (Cayman) Limited, in the Cayman Islands and our Hong Kong register of members will be maintained by Computershare Hong Kong Investor Services Limited. All transfer and other documents of title of the Shares must be lodged for registration with and registered by our share register in Hong Kong;

(g) all necessary arrangements have been made to enable the Shares to be admitted to CCASS;

(h) no company within our Group is listed on any stock exchange or traded on any trading system at present, and our Group is not seeking or proposing to seek any listing of, or permission to deal in, the share or loan capital of our Company on any other stock exchange; and

(i) there is no arrangement under which future dividends are waived or agreed to be waived.

A. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in the section headed "Appendix IV — Statutory and General Information — E. Other Information — 8. Consents of experts;" and

(b) a copy of each of the material contracts referred to in the section headed "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of material contracts."

B. DOCUMENTS ON DISPLAY

Copies of the following documents will be published at the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.91160.com** up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum of Association and Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in "Appendix I — Accountant's Report" to this prospectus;

(c) the audited consolidated financial statements of our Group for each of the three years ended December 31, 2022, 2023 and 2024 and the three months ended March 31, 2025;

(d) the report on unaudited pro forma financial information from PricewaterhouseCoopers, the text of which is set out in "Appendix II — Unaudited Pro Forma Financial Information" to this prospectus;

(e) the letter of advice prepared by Harney Westwood & Riegels, our legal advisors as to Cayman Islands laws, summarizing certain aspects of the Cayman Islands Companies Act as referred to in "Appendix III — Summary of the Constitution of the Company and Cayman Companies Act" in this prospectus;

(f) the Cayman Companies Act;

(g) the material contracts referred to in the section headed "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in this prospectus;

(h) the service contracts and letters of appointment with Directors, referred to in the section headed "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders" in this prospectus;

(i) the industry report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant;

(j) the written consents referred to in the section headed "Appendix IV — Statutory and General Information — E. Other Information — 8. Consents of experts" in this prospectus;

(k) the legal opinion issued by CM Law Firm, our legal advisors as to PRC laws, in respect of certain aspects of our Group and our property interests in the PRC; and

(l) the terms of the Pre-IPO Share Option Scheme.

C. DOCUMENT AVAILABLE FOR INSPECTION

A copy of a full list of grantees under the Pre-IPO Share Option Scheme, containing all the particulars as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Tian Yuan Law Firm LLP at Suites 3304-3309, 33/F, Jardine House, One Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus.

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