OVERVIEW

Foreign investment activities in the PRC are mainly governed by the Special Management Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) (the "**Negative List**") and the Catalogue of Industries for Encouraging Foreign Investment (《鼓勵外商投資產業目錄》) (the "**Encouraged Catalogue**"), which were jointly promulgated by the MOFCOM and the NDRC and are amended. The Negative List and the Encouraged Catalogue divide certain industries into three categories with regard to foreign investment, namely, "encouraged", "restricted" and "prohibited". Industries not listed in the Encouraged Catalogue or the Negative List are generally deemed as falling into a fourth category, "permitted". The currently effective Negative List is the 2024 version, which became effective on November 1, 2024 (the "**2024 Negative List**").

Restricted Businesses

As advised by our PRC Legal Advisor, a summary of our businesses that are subject to foreign investment restriction in accordance with the 2024 Negative List (the "**Restricted Businesses**") is set out below:

Value-added telecommunication services

Weimai Technology operates as our primary online platform for whole-course healthcare management services through the WeiMai Apps and holds a Value-added Telecommunication Services Business Operation License (增值電信業務經營許可證) ("**ICP License**"). Weimai Yixun, which provides whole-course healthcare management services to corporate customers, holds a valid ICP License. Weimai Internet Hospital, which operates an internet hospital, also holds a valid ICP License.

As advised by our PRC Legal Advisor, the businesses of Weimai Technology, Weimai Yixun and Weimai Internet Hospital consist of the services that fall within the scope of "value-added telecommunication services business including Internet information services" under the Telecommunications Regulations of the People's Republic of China promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, and Regulations for the Administration of Foreign-Invested Telecommunications Enterprises promulgated by the State Council on December 11, 2001 and last amended on March 29, 2022. Therefore, each of Weimai Technology, Weimai Yixun and Weimai Internet Hospital is required to hold an ICP License under the applicable PRC laws and regulations.

According to the 2024 Negative List, the provision of value-added telecommunication services business is "restricted" for foreign investment, and foreign investors are not allowed to hold more than 50% of the equity interest in an enterprise conducting such business (excluding e-commerce, domestic multi-party communication services, store-and-forward services and call center services).

According to the interview with Zhejiang Communications Administration (浙江省通信管理局) conducted by the PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's PRC legal advisor in April 2025, the officer of Zhejiang Communications Administration confirmed that according to the 2024 Negative List and the applicable PRC Laws, foreign investors are prohibited from holding more than 50% of equity interests in an enterprise conducting the provision of value-added telecommunication services (excluding e-commerce, domestic multi-party communication services, store-and-forward services and call center services) business. According to the interview with Hainan Communications Administration (海南省通信管理局) conducted in May 2025 by the PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's PRC legal advisor, the officer of Hainan Communications Administration confirmed that there is no precedent for issuing an ICP License to foreign-invested internet hospitals in Hainan Province.

Our PRC Legal Advisor is of the view that the above officers of Zhejiang Communications Administration and Hainan Communications Administration have the competent authority to provide the above confirmation.

Online hospital and medical services

Weimai Internet Hospital and Weimai Telemedicine Center are primarily engaged in the provision of online hospital and medical services and each of them currently holds a valid Practicing License for Medical Institutions (醫療機構執業許可證) (the "**Medical Institution Practice License**").

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 cooperators 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%.

Insurance brokerage services

Each of Ronghai Insurance and Censhi Insurance is primarily engaged in the provision of insurance brokerage services and holds a valid Insurance Intermediary License (保險中介許可證).

Although there is no explicit foreign investment restriction on insurance intermediary industry on the 2024 Negative List, according to the Guidance on Approval of Insurance Brokerage Business License (《保險經紀業務經營許可審批事項服務指南》) and the Guidance on Approval of Insurance Agent Business License《保險代理業務經營許可審批事項服務指南》issued by the NFRA and based on the consultation with the NFRA (see the next paragraph), foreign investors are permitted to hold a maximum of 100% equity interest in an insurance brokerage company (保險經紀機構) or an insurance agency company (保險專業代理機構), however, if the foreign investors intend to hold 25% or more (directly or indirectly, on a cumulative basis) of the equity interests of an insurance intermediary company, including insurance brokerage company and insurance agency company, such company shall be deemed as a foreign-invested insurance broker, agent, and all such foreign investors must satisfy the requirements stipulated for foreign investors therein (the "**Foreign Investors Requirements**"): (i) insurance brokerage companies established in the PRC by overseas insurance brokerage companies which have practical business experience and comply with relevant regulations of NFRA; (ii) wholly owned insurance agency companies established in the PRC by Hong Kong and Macau insurance brokerage companies which have satisfied certain requirements; (iii) specialized insurance agencies established in the PRC by overseas specialized insurance agencies which have operated insurance agency business for more than 3 years; (iv) specialized insurance agencies established in the PRC by foreign insurance companies in PRC which have opened for more than 3 years; and (v) insurance professional intermediary established in the PRC by foreign insurance group companies and domestic foreign-funded insurance group companies. Our Group plans to maintain foreign ownership at 24.9% for both Ronghai Insurance and Censhi Insurance, thereby classifying them as domestic enterprises, as confirmed by our PRC Legal Advisor, they will not be required to fulfill the Foreign Investors Requirements.

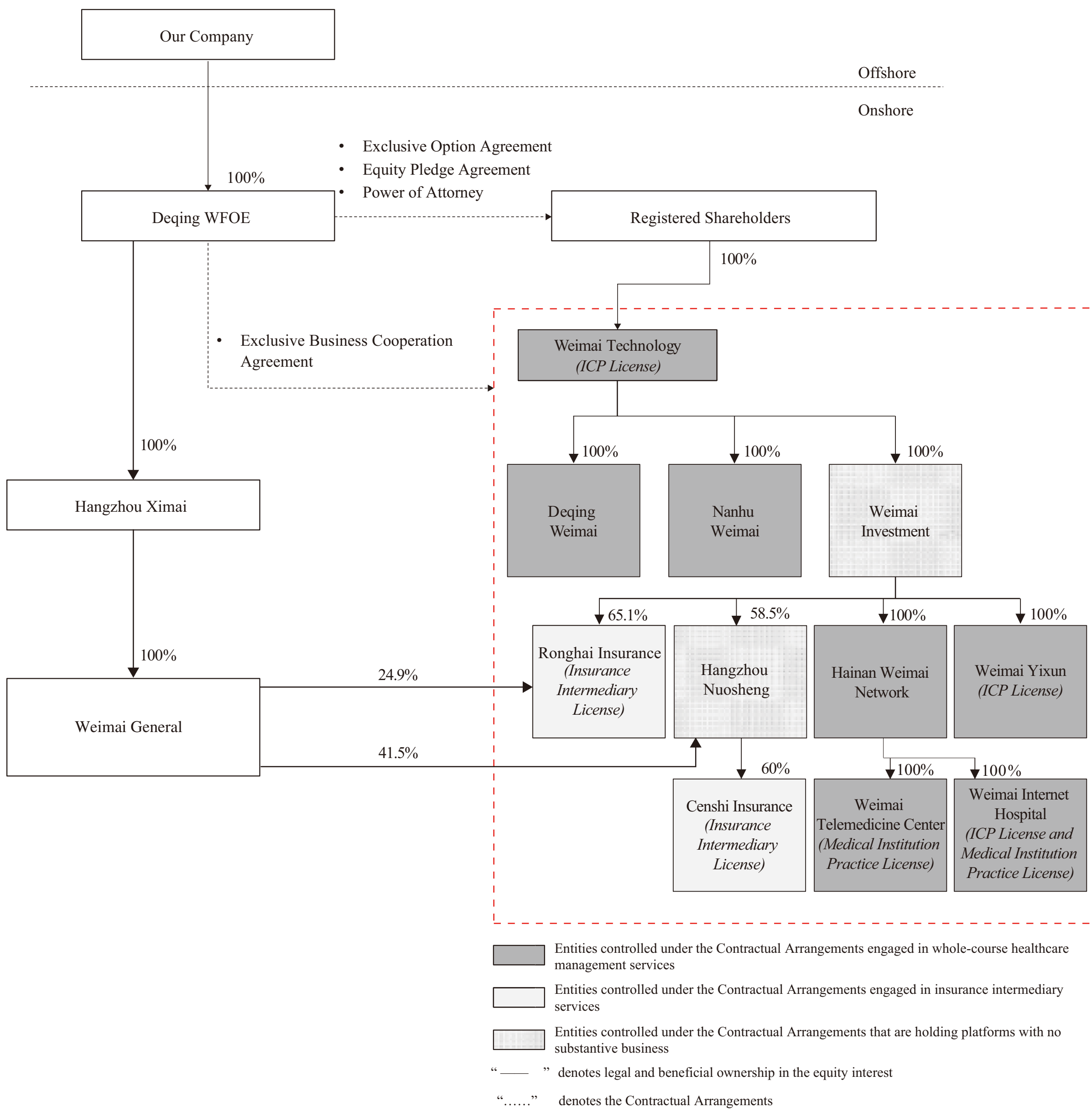
The PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's PRC legal advisor conducted a telephone consultation with the NFRA in June 2025, during which the officer of the NFRA confirmed that (i) foreign investors directly or indirectly holding an aggregate of 25% or more equity interests in them respectively would be subject to the Foreign Investors Requirements mentioned above; and (ii) in practice, the approval from the relevant insurance regulatory authorities is impossible to be obtained, even if the Foreign Investment Requirements have been met.

Our PRC Legal Advisor is of the view that the above officer of the NFRA has the competent authority to provide the above confirmations.

In light of the above regulatory requirements, we transferred 24.9% equity interests of Ronghai Insurance and 41.5% equity interests of Hangzhou Nuosheng (a platform holding 60% equity interest in Censhi Insurance) to Hangzhou General, an indirectly wholly-owned subsidiary of Deqing WFOE, so that both Ronghai and Censhi are held by Hangzhou General as to 24.9% and remain as domestic insurance intermediaries.

For further details of the limitations on foreign ownership in PRC companies conducting above businesses under applicable PRC laws and regulations, see "Regulatory Overview — Regulations on Company Establishment and Foreign Investment."

We have entered into a set of Contractual Arrangements with the Registered Shareholders for conducting the Restricted Businesses. The Consolidated Affiliated Entities under our Contractual Arrangements are engaged in the provision of (i) whole-course healthcare management service, which are provided by Weimai Technology, Weimai Yixun, Hainan Weimai Network, Weimai Telemedicine Center and Weimai Internet Hospital, and (ii) insurance intermediary services, which are provided by Ronghai Insurance and Censhi Insurance. The following simplified diagram illustrates the structure of our Contractual Arrangements:



Inseparable Businesses

Apart from Ronghai Insurance, Censhi Insurance and two holding platforms, seven of our Consolidated Affiliated Entities are collectively responsible for providing whole-course healthcare management services. These services include both Restricted Businesses that require the aforementioned licenses and qualifications, as well as other unrestricted businesses that are essential components to the whole-course healthcare management services. The services provided by our Consolidated Affiliated Entities are inseparable and inherently interconnected.

Weimai Technology

The principal business of Weimai Technology is whole-course healthcare management business, which significantly relies on our partnership with hospitals. As of the Latest Practicable Date, Weimai Technology and its subsidiaries have collaborated with over 180 hospitals for the provision of whole-course healthcare management in China.

As advised by our PRC Legal Advisor, the direct supervising authority of a hospital in China is the local health commission. During the interview with Health Commission of Zhejiang Province (浙江省衛生健康委員會) conducted in April 2025 by the PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's PRC legal advisor, the officer of Health Commission of Zhejiang Province confirmed that (i) normally, only domestic companies may successfully bid for tenders related to the collaboration with hospitals for internet medical business, due to concerns about compliance with medical data protection, patient privacy and data security when foreign investment is involved in such hospital partnerships; (ii) if Weimai Technology or any of its subsidiaries was to have any portion of foreign investment, either directly or indirectly, or if the relevant business currently conducted by Weimai Technology and its subsidiaries is transferred to be conducted together with another company controlled by Deqing WFOE or its subsidiaries, the existing collaboration between Weimai Technology (or its subsidiaries) and the hospitals in Zhejiang Province may be terminated, and Weimai Technology and its relevant subsidiaries may be disqualified from renewing contracts with relevant hospitals, or participating in future hospital tenders within Zhejiang Province, resulting in a material adverse impact on our principal business. The PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's PRC legal advisor also conducted an interview with Health Commission of Guangdong Province (廣東省衛生健康委員會) in June 2025, and the officer of Health Commission of Guangdong Province confirmed the same. In June, the PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's legal advisor conducted a telephone consultation with the officer of Health Commission of Sichuan Province (四川省衛生健康委員會), who confirmed that, (i) although there is no explicit rules or regulations of restrictions on foreign investments in entities that have collaboration with hospitals, there exists a clear preference for engaging service providers with no foreign investments, and such preference is in line with prevailing policies regarding data protection; (ii) in the event that there is any foreign investment in the relevant service providers, the suitability of the service providers must be re-assessed, and such assessment shall be on an on-going basis from the perspective of data protection. Our PRC Legal Advisor is of the view that the above officers of the health commissions of Zhejiang, Guangdong and Sichuan provinces have the competent authority to provide the above confirmations.

In light of the above policies and views from the government authorities, the Sole Sponsor and the Sole Sponsor's PRC legal advisor conducted interviews with a majority (in terms of revenue) of our existing hospital partners with whom we collaborated to provide whole-course healthcare management services in each year during the Track Record Period. Each of these hospital interviewed confirmed that, (i) the hospital will only partner with domestic service providers to provide whole-course healthcare management services, (ii) the existing business collaboration between Weimai Technology (together with its subsidiaries) and the hospital may be terminated if any portion of the equity interests of Weimai Technology and its relevant subsidiaries are transferred to foreign investors, and (iii) Weimai Technology and its relevant subsidiaries may be disqualified from renewing contracts with the hospital, or participating in future tenders of the hospital. The above confirmations from hospitals are in line with the confirmations from the health commissions.

According to Frost & Sullivan, based on industry practices and policy trends, hospitals in China will choose service providers with domestic shareholders when implementing whole-course healthcare management services, for the reasons that: (i) whole-course healthcare management heavily relies on the processing and analysis of health management and treatment-related data of patients, and in accordance with PRC regulations, medical data must be stored and processed domestically; (ii) since effective implementation of whole-course healthcare management demands a deep understanding and adaptation to the domestic healthcare system, policy environment and patient behavior, domestic enterprises, with their long-term experience, can demonstrate stronger compatibility and service capabilities in the relevant areas; and (iii) China's information technology innovation strategy encourages domestic technology in critical sectors such as healthcare, driven by which, domestic enterprises deeply integrate into the information technology innovation ecosystem, forming a closed loop of technology-application-service.

Based on the above, our Directors believe that it is not feasible for us to transfer any equity interests of Weimai Technology and its subsidiaries that are currently engaged in whole-course management services to Deqing WFOE or any of its subsidiaries, since it may materially adversely affect our existing business with hospitals and we may face significant risks in losing future business opportunities.

Deqing Weimai and Nanhu Weimai

Each of Deqing Weimai and Nanhu Weimai is a wholly-owned subsidiary of Weimai Technology established in the PRC pursuant to the business collaboration agreements with relevant Pre-**[REDACTED]** Investors in Series D+ Financing, namely, Deqing County Industrial Development Investment Fund Co., Ltd. (德清縣產業發展投資基金有限公司) and Jiaxing Nanhu District Creative Services Equity Investment Partnership (Limited Partnership) (嘉興市南湖區創服股權投資合夥企業(有限合夥)). The principal business of Deqing Weimai and Nanhu Weimai include patient education, rehabilitation guidance, medication management and post-treatment care, which constitutes an indispensable part of our whole-course healthcare management and is subject to the requirements from hospitals and local health commissions on restrictions on foreign investments.

The inseparability of Deqing Weimai and Nanhu Weimai from Weimai Technology is further substantiated by the confirmation from Deqing County Investment Promotion Bureau (德清縣投資促進局) and Nanhu District Investment Promotion Bureau (南湖區投資促進局), which are the entities responsible for formulating local government investment policies. In June 2025, the two entities confirmed to the Company that (i) Weimai Technology, Deqing Weimai and Nanhu Weimai operate as an inseparable group, (ii) Weimai Technology was required to establish new subsidiaries (i.e., Deqing Weimai and Nanhu Weimai) to jointly provide whole-course healthcare management services; and (iii) Deqing Weimai and Nanhu Weimai are required to comply with local policies of investment promotion that prohibit any foreign investment in the enterprises engaged in whole-course healthcare management, as most of the partnered hospitals are public hospitals. Any transfer of equity interests in Deqing Weimai and Nanhu Weimai may subject us to a breach of key commercial terms with our Pre-**[REDACTED]** Investors, which could result in our liabilities for breach of contract and would be detrimental to our business operations and financial position.

Based on the above requirements from competent authorities, hospitals and shareholders, our Directors believe that transfer of the existing agreements or any equity interests of Deqing Weimai and Nanhu Weimai to another entity out of the Contractual Arrangements is not feasible.

Weimai Internet Hospital, Weimai Telemedicine Center and Hainan Weimai Network

Weimai Internet Hospital is currently engaged in internet hospital services, which serves as a key component of our whole-course healthcare management services. Weimai Telemedicine Center and Hainan Weimai Network were established concurrently with Weimai Internet Hospital in accordance with local regulatory requirements. Weimai Internet Hospital and Weimai Telemedicine Center are wholly-owned subsidiaries of Hainan Weimai Network. Weimai Internet Hospital currently holds an ICP License, while each of Weimai Internet Hospital and Weimai Telemedicine Center holds a Medical Institution Practice License.

During the interview with Health Commission of Hainan Province (海南省衛生健康委員會) conducted by our PRC Legal Advisor, the Sole Sponsor and the Sole Sponsor's PRC legal advisor in May 2025, the officer of the Health Commission of Hainan Province confirmed that (i) the tripartite corporate structure of Hainan Weimai Network, Weimai Telemedicine Center and Weimai Internet Hospital was established in accordance with local requirements and guidance for operating internet hospitals in Hainan Province, and such three entities are regulated by Health Commission of Hainan Province as a single unit, and (ii) pursuant to local policies in Hainan Province, these three entities within the tripartite corporate structure for operating internet hospital business is not permitted to undergo any direct or indirect change in its equity structure to convert from a domestic company into a sino-foreign joint venture, and any transfer of equity interests in the operating entity of the internet hospital or its shareholders to foreign investors may result in the revocation or termination of the Medical Institution Practice License held by the operating entity. In addition, the officer of Hainan Communications Administration confirmed in the interview conducted in May 2025 that (i) there is no precedent for issuing an ICP License to foreign-invested internet hospitals in Hainan Province and (ii) foreign ownership restriction in internet hospitals shall also be in compliance with the requirements of the competent industry authority (i.e., Health Commission of Hainan Province).

As such, in order to maintain our existing internet hospital operations as well as the entire whole-course healthcare management services, it is not feasible for us to alter the current structure of Weimai Internet Hospital, Weimai Telemedicine Center and Hainan Weimai Network, or transfer any equity interests in any of the three entities to Deqing WFOE or its subsidiaries.

Weimai Yixun

Weimai Yixun primarily collaborates with corporate customers such as telecom operators to provide their users with whole-course healthcare management services through mobile platforms in the form of membership-based value-added service packages.

Since the services included in these service packages are whole-course healthcare management services, foreign investment is not allowed to hold any portion of the equity interest of Weimai Yixun in practice. Any introduction of foreign investment would materially jeopardize the Company's ability to continue providing whole-course healthcare management through membership-based value-added service packages, and would lead to a significant risk in losing existing business opportunities, which would materially adversely affect the business and financial position of Weimai Yixun.

Therefore, transferring any equity interest in Weimai Yixun to Deqing WFOE or its subsidiaries is not feasible in practice.

Other Inseparable Businesses

Weimai Investment and Hangzhou Nuosheng are two Consolidated Affiliated Entities controlled by us through the Contractual Arrangements but do not have any business that is subject to foreign investment restriction under the applicable PRC laws. Weimai Investment serves as a holding company of the subsidiaries of Weimai Technology other than Deqing Weimai and Nanhu Weimai, and had no substantive business as of the Latest Practicable Date. Hangzhou Nuosheng was acquired as the holding company of Censhi Insurance and had no substantive business as of the Latest Practicable Date.

Although Weimai Investment and Hangzhou Nuosheng do not directly provide any restricted business, they are management platforms for relevant operating entities. Transferring or deregistering these two platforms would incur unnecessary costs for our business operations.

In light of the foregoing reasons and taking into account the non-transferability of the Consolidated Affiliated Entities engaged in whole-course healthcare management business, and the material adverse impact on our business operations from transferring any equity interests of the relevant Consolidated Affiliated Entities to WFOE or any of its subsidiaries, our Directors are of the view that the Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, are necessary have been narrowly tailored to achieve our business purpose and minimize the potential for conflict with relevant PRC laws and regulations.

OUR CONTRACTUAL ARRANGEMENTS

In view of the PRC regulatory background, after consultation with our PRC Legal Advisor, we determined that it is not viable for our Company to hold our Consolidated Affiliated Entities directly through equity ownership. In line with common practice in the PRC subject to foreign investment restrictions, and in order to conduct the Restricted Businesses in the PRC, our Company, through Deqing WFOE, entered into the Contractual Arrangements with Weimai Technology and the Registered Shareholders The Contractual Arrangements allow our Company to acquire effective control over our Consolidated Affiliated Entities, and become entitled to all the economic benefits derived from our Consolidated Affiliated Entities. Accordingly, the results of operations and assets and liabilities of our Consolidated Affiliated Entities can be consolidated into our results of operations and assets and liabilities as if they were the subsidiaries of our Company.

Further, our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between Deqing WFOE, Weimai Technology and the Registered Shareholders; (ii) by entering into the Exclusive Business Cooperation Agreements (as defined below) with Deqing WFOE, which is our subsidiary incorporated in the PRC, Weimai Technology will enjoy better economic and technical support from us, as well as a better market reputation after the **[REDACTED]**; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

SUMMARY OF THE CONTRACTUAL ARRANGEMENTS

Exclusive Business Cooperation Agreement

Deqing WFOE, and Weimai Technology entered into an exclusive business cooperation agreement on December 15, 2024 (the “**Exclusive Business Cooperation Agreement**”), pursuant to which Deqing WFOE agreed to be engaged as the exclusive provider to Weimai Technology of technical and consulting services, including, among others, computer software production, development technical services, technical consulting, and other services, in exchange for service fees. Under these arrangements, the service fees, subject to Deqing WFOE’s adjustment, are equal to 100% of the total net profit of Weimai Technology.

During the term of the Exclusive Business Cooperation Agreement, Deqing WFOE enjoys and assumes all the economic benefits in relation to Weimai Technology’s business operation.

Pursuant to the Exclusive Business Cooperation Agreement, Weimai Technology shall not (directly or indirectly) engage in any business beyond the scope permitted by its business license and operating permits, conduct any business in the PRC that competes with Deqing WFOE's business, and refrain from engaging in any other business beyond the scope approved by Deqing WFOE in writing.

Intellectual property rights are developed during the normal course of business of Weimai Technology. Pursuant to the Exclusive Business Cooperation Agreement, Deqing WFOE has the exclusive and proprietary rights to all intellectual properties developed by Weimai Technology, given Deqing WFOE provides consulting services to Weimai Technology.

The Exclusive Business Cooperation Agreement shall remain effective unless the expiration of the operation term of Weimai Technology and/or Deqing WFOE if the application for renewal of its operation term is not approved or consented to by relevant government authorities.

Exclusive Option Agreement

Deqing WFOE, Weimai Technology and the Registered Shareholders, entered into an exclusive option agreement on December 15, 2024 (the "**Exclusive Option Agreement**"), pursuant to which Deqing WFOE (or its designee) has an irrevocable and exclusive right to purchase from the Registered Shareholders all or any part of its equity interests in Weimai Technology. At Deqing WFOE's request, the Registered Shareholders will promptly and unconditionally transfer their respective equity interests to Deqing WFOE (or its designee) after Deqing WFOE exercises its option.

In order to prevent the flow of the assets and value of Weimai Technology to the Registered Shareholders, during the terms of the Exclusive Option Agreement, none of the business, asset, revenue or interest of Weimai Technology shall be sold, gifted, transferred, pledged, established a trust over or otherwise disposed of without the prior written consent of Deqing WFOE.

In addition, without the prior written consent of Deqing WFOE, Weimai Technology are not allowed to make any distributions to the Registered Shareholders. In the event that the Registered Shareholders receives any profit distribution or dividend, or proceed from the liquidation, from Weimai Technology, the Registered Shareholders must pay or transfer such amount to Deqing WFOE (or its designee).

The Exclusive Option Agreement will not terminate until the purchased equity interests have been transferred to Deqing WFOE (or its designee) in accordance with the Exclusive Option Agreement. However, Deqing WFOE has the right to terminate the Exclusive Option Agreement. Subject to applicable PRC laws, Weimai Technology and the Registered Shareholders do not have the right to unilaterally terminate this agreement.

Equity Pledge Agreement

Deqing WFOE, the Registered Shareholders and Weimai Technology entered into an Equity Pledge Agreement on December 15, 2024 (the "**Equity Pledge Agreement**"). Under the Equity Pledge Agreement, the Registered Shareholders agreed to pledge all of their respective equity interests (including the dividends arising from such equity interests) in Weimai Technology to Deqing WFOE as collateral security for all of its payments due to Deqing WFOE and to secure performance of all obligations of Weimai Technology and the Registered Shareholders under the Contractual Arrangements.

Should an event of default (as provided in the Equity Pledge Agreement) occur, unless it is successfully resolved to Deqing WFOE's satisfaction within 30 days upon being notified by Deqing WFOE, Deqing WFOE may issue a notice of default to the Registered Shareholders in writing at any time thereafter, demanding to immediately exercise the pledge.

The Equity Pledge Agreement will not terminate until (i) the fulfillment of all contract obligations and the full payment of all secured indebtedness; or (ii) the termination of Weimai Technology's obligations under the Contractual Arrangements.

The pledges under the Equity Pledge Agreement have been registered with the relevant PRC authority pursuant to PRC laws and regulations prior to the **[REDACTED]**.

Power of Attorney

Each of the Registered Shareholders and Deqing WFOE respectively entered into an irrevocable power of attorney on December 15, 2024 (each, a "**Power of Attorney**" and collectively, the "**Powers of Attorney**"). Pursuant to the Power of Attorney, each of the Registered Shareholders appointed Deqing WFOE as its exclusive agent and attorney to act on its behalf to exercise all of its rights. These rights include but not limited to (i) the right to attend shareholders' meetings; (ii) the right to exercise all shareholder rights and voting rights in accordance with the PRC law and the articles of association, including but not limited to the right to sell, transfer, pledge, or dispose of part or all of the equity interests; and (iii) the right to nominate, elect, designate, appoint or remove the legal representatives, directors, supervisors (if applicable), chief executive officer and other senior management members of Weimai Technology and decide on remuneration. As a result of the Power of Attorney, our Company, through Deqing WFOE, is able to exercise management control over the activities that most significantly impact the economic performance of Weimai Technology.

The Power of Attorney shall automatically terminate when (i) the Registered Shareholders and/or Weimai Technology no longer serve as shareholders; (ii) the expiration of Company's operation term; or (iii) the expiration of Company's extension of business term.

Spouse Undertaking

The spouse of Mr. Qiu, one of the individual Registered Shareholders, executed irrevocable undertaking dated December 15, 2024, whereby she expressly acknowledged and undertook that, among others, (i) she unconditionally and irrevocably agreed on the execution of the Exclusive Business Cooperation Agreement, the Exclusive Option Agreement, the Equity Pledge Agreement, and the Power of attorney; (ii) she acknowledged the equity interest in Weimai Technology held by her spouse was entitled to dispose of her own and he waived any right or interest on the equity interest; (iii) she acknowledged her spouse was entitled to his rights and perform her obligation under the transaction documents and the execution, performance, amendment to or termination of the transaction documents by her spouse does not require his authorization or consent; (iv) she will take all necessary action to ensure appropriate performance of the transaction documents; (v) she agrees and undertakes that if she obtains any equity interest for any reason, she shall be bound by the Contractual Arrangements (as amended from time to time) and comply with the obligations of a shareholder under the transaction documents (as amended from time to time); and (vi) for such purpose, upon the request of Deqing WFOE, she shall execute a series of written documents in substantially the same form and content as the transaction documents (as amended from time to time).

Dispute Resolution

Each of the Contractual Arrangements stipulates that the parties shall negotiate in good faith to resolve the dispute in the event of any dispute with respect to the construction and performance of the provisions. In the event the parties fail to reach an agreement on the resolution of such a dispute within 30 days after any party's request for resolution of the dispute through negotiations, any party may submit the relevant dispute to China International Economic and Trade Arbitration Commission, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Shanghai, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to the courts with competent jurisdiction for enforcement of arbitration rulings after the arbitration rulings come into force.

Succession

Pursuant to the Contractual Arrangements, any successor of the Registered Shareholders shall assume any and all rights and obligations of the Registered Shareholders under the Contractual Arrangements under the circumstances which would affect its exercise of equity interest in Weimai Technology, as if the successor was a signing party to such Contractual Arrangements.

On the basis sets forth below, our PRC Legal Advisor is of the view that, subject to applicable laws and regulations in the PRC, the Contractual Arrangements provide protection to the Group even in the event of liquidation or bankruptcy of the Registered Shareholders, and liquidation or bankruptcy of the Registered Shareholders would not affect the validity of the Contractual Arrangements, and Deqing WFOE can enforce its right under the Contractual Arrangements against the successors of the Registered Shareholders:

(i) under the Civil Code of the PRC, where the Registered Shareholders are involved in a merger or division subsequent to the entering into the Contractual Arrangements, the legal person or other entity created by the merger or division shall enjoy all rights and perform all obligations under the Contractual Arrangements in principle;

(ii) according to the Exclusive Option Agreement, the Registered Shareholders have undertaken, in the event of any division, transfer, or inheritance of their equity interests in Weimai Technology for any reason, the successors of the Registered Shareholders shall execute all documents as required by Deqing WFOE and continuously obey and perform the Contractual Arrangements;

(iii) the Contractual Arrangements have also stipulated that (a) the Registered Shareholders shall not dispose of their equity interests in Weimai Technology without the prior written consent of Deqing WFOE; (b) the Registered Shareholders shall not transfer any of their rights and obligations under the Contractual Arrangements for any reason without the written consents of Deqing WFOE to the Contractual Arrangements, and the Registered Shareholders shall ensure that their successors continue to abide by and perform their rights and obligations under the Contractual Arrangements and shall not affect or hinder the performance of the Contractual Arrangements, despite that the successors of the Registered Shareholders are not parties to the Contractual Arrangements; and

(iv) the spouses of each of the individual Registered Shareholders have executed an irrevocable undertaking, details of which have been set out in "— Summary of the Contractual Arrangements — Spouse Undertaking" in this section.

Arrangements to Address Potential Conflicts of Interests

The Registered Shareholders have undertaken that during the period that the Contractual Arrangements remain effective:

(i) unless otherwise agreed by Deqing WFOE in writing, the Registered Shareholders would not, directly or indirectly participate, or be interested, or engage in, any business which is or may potentially be in competition with the businesses of Weimai Technology where Deqing WFOE has the sole absolute discretion to determine whether such conflict arises;

(ii) they shall not execute any documents with or make any undertaking to any third parties that may have conflicts of interests with any agreements entered into by Weimai Technology or Deqing WFOE; and

(iii) any of their actions or omissions would not lead to any conflict of interest between it and Deqing WFOE (including but not limited to its shareholders). Furthermore, in the event of the occurrence of a conflict of interests (where Deqing WFOE has the sole absolute discretion to determine whether such conflict arises), they agree to take any appropriate actions upon the consents of Deqing WFOE or its designee to eliminate such conflicts, failing which Deqing WFOE has the right to exercise the option under the Exclusive Option Agreement.

Loss Sharing

None of the agreements constituting the Contractual Arrangements provides that our Company or Deqing WFOE, is obligated to share the losses of Weimai Technology, but if Weimai Technology suffers any losses or material difficulties of business, Deqing WFOE may provide financial support as permitted under PRC laws at its discretion to Weimai Technology under the terms of the Exclusive Business Cooperation Agreement. Further, Weimai Technology are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. Under PRC laws and regulations, our Company or Deqing WFOE, is not expressly required to share the losses of Weimai Technology or provide financial support to Weimai Technology. Despite the foregoing, given that the Group conducts Restricted Businesses in the PRC through Weimai Technology which holds the requisite PRC licenses and approvals, and that Weimai Technology' financial condition and results of operations are consolidated into our financial condition and results of operations under the applicable accounting principles, our Company's business, financial condition and results of operations would be adversely affected if Weimai Technology suffers losses.

However, as provided in the Exclusive Option Agreement, without the prior written consent of Deqing WFOE, Weimai Technology shall not (i) sell, transfer, pledge or dispose of in any manner any of its assets, business and economic rights; (ii) execute any contract, except the contracts in the ordinary course of business or contracts entered into with subsidiaries of our Company; (iii) merge, consolidate with, acquire or invest in any entity; (iv) provide any loan, credit or guarantees in any form to any party, or allow any party create any other security interest on its assets or equity; (v) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business; or (vi) 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, the potential adverse effect on Deqing WFOE and our Company in the event of any loss suffered from Weimai Technology can be limited to certain extent.

Liquidation

Pursuant to the Exclusive Option Agreement, in the event of a mandatory liquidation required by the laws of PRC, Weimai Technology shall sell all of its assets and any residual interest through a non-reciprocal transfer to the extent permitted by the laws of PRC to Deqing WFOE or another qualifying entity designated by Deqing WFOE, at the lowest selling price permitted by applicable laws of the PRC. Any obligation for Deqing WFOE to pay Weimai Technology as a result of such transaction shall be waived by Weimai Technology or any proceeds from such transaction shall be paid to Deqing WFOE or the qualifying entity designated by Deqing WFOE in partial satisfaction of the service fees under the Exclusive Business Cooperation Agreement, as applicable under the then effective laws of the PRC.

Termination

Pursuant to the Contractual Arrangements, Deqing WFOE has the unilateral right to terminate these agreements at any time by providing written notice to the Registered Shareholders and/or Weimai Technology. The Contractual Arrangements shall terminate once Deqing WFOE holds the entire equity interests in Weimai Technology and/or the entire assets of Weimai Technology in the event that Deqing WFOE or its subsidiaries are allowed to conduct the Restricted Businesses directly that Weimai Technology operates under the then PRC laws.

Insurance

We do not maintain an insurance policy to cover the risks relating to the Contractual Arrangements. For further details, see "Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage which could expose us to significant costs and business disruption" in this document.

Company's Confirmation

As of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating the Restricted Businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

Circumstances under which we will Adjust or Unwind the Contractual Arrangements

Our Group will adjust or unwind (as the case maybe) the Contractual Arrangements as soon as practicable in respect of the operation of the Restricted Businesses to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation and compliance of the Contractual Arrangements:

(i) major issues arising from the implementation 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 on an occurrence basis;

(ii) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;

(iii) our Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports and interim reports to update our Shareholders and potential **[REDACTED]**;

(iv) because the Contractual Arrangements will constitute continuing connected transactions of our Group upon **[REDACTED]**, our Company has applied to the Stock Exchange, and the Stock Exchange [has granted] a waiver, in relation to the Contractual Arrangements, details of which are set out in the section headed "Connected Transactions" in this document. Our Company will comply with the conditions prescribed by the Stock Exchange under the waiver given; and

(v) 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 Deqing WFOE and our Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the FIL

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.

The Potential Impact of the FIL on the Contractual Arrangements

The FIL specifically stipulates three specific forms of foreign investment, namely, (1) establishment of a foreign invested enterprise in the PRC by a foreign investor, either individually or collectively with any other investor; (2) obtaining shares, equity interests, assets, interests or any other similar rights or interests of an enterprise in the PRC by a foreign investor; and (3) investment in any new construction project in the PRC by a foreign investor, either individually or collectively with any other investor.

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 Deqing WFOE through which we operate our business in the PRC. As advised by our PRC Legal Advisor, 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."

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the above, our PRC Legal Advisor is of the opinion that the Contractual Arrangements minimize the potential conflict with relevant PRC laws and regulations to the maximum extent and that:

(i) each of the agreements under the Contractual Arrangements is legal, valid and binding on the parties thereto;

(ii) no agreements under the Contractual Arrangements violate any provisions of the articles of association of Deqing WFOE or any of our Consolidated Affiliated Entities;

(iii) the Contractual Arrangements do not require any approvals from the PRC governmental authorities, except that

(a) the Registered Shareholders have registered the equity pledge contemplated under the Equity Pledge Agreement with the competent authority pursuant to the PRC laws and regulations;

(b) the Exclusive Option Agreement is subject to approval and/or registration with local administration bureau for SAMR, the MIIT or its branch, and/or other governmental authorities as applicable upon the exercise by Deqing WFOE or its designee of its option rights under the Exclusive Option Agreement to acquire all or part of the equity interests in or assets of our Consolidated Affiliated Entities;

(c) the Contractual Arrangements are not in violation of and do not constitute a breach 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 our Consolidated Affiliated Entities, injunctive relief and/or winding up of our 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 our 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; and

(d) the parties to each of the agreements under the Contractual Arrangements are entitled to execute the agreements and perform their respective obligations thereunder. None of the agreements under the Contractual Arrangements would fall within the contract void circumstances as stipulated in the Civil Code of People's Republic of China (《中華人

民共和國民法典》) (the "**Civil Code**"). Pursuant to Articles 144, 146, 153 and 154 of the Civil Code, a contract is void if the civil juristic act: (i) is performed by a person who has no capacity for performing civil juristic acts; (ii) is performed by a person and another person based on a false expression of intent; (iii) is in violation of the mandatory provisions of laws or administrative regulations, unless such mandatory provisions do not lead to invalidity of such a civil juristic act; (iv) offends the public order or good morals; or (v) is conducted through malicious collusion between a person who performs the act and a counterparty thereof and thus harms the lawful rights and interests of another person. The Contract Law stipulates that "*concealing illegal intentions with a lawful form*" constitutes a reason for invalidating a contract. However, after the implementation of the Civil Code, significant adjustments were made to the contract invalidity system. The clause "*concealing illegal intentions with a lawful form*" was removed as a reason for contract invalidity, and the Contract Law has already become invalid.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

According to IFRS 10 — Consolidated Financial Statements, a subsidiary is an entity that is controlled by another entity (known as the parent). An investor controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Although our Company does not directly or indirectly own our Consolidated Affiliated Entities, the Contractual Arrangements as mentioned above enable our Company to exercise control over our Consolidated Affiliated Entities.

As a result of the Contractual Arrangements, we have obtained control of our Consolidated Affiliated Entities through Deqing WFOE and, under our sole discretion, can receive substantially all of the economic interest returns generated by our Consolidated Affiliated Entities. Accordingly, our Consolidated Affiliated Entities' results of operations, assets and liabilities, and cash flows are consolidated into our financial statements.