OUR HISTORY AND DEVELOPMENT

Overview

We are a recognized of integrated healthcare and eldercare (IHE) (醫養結合) services in North China, building upon our expertise in professional medical care. Unlike traditional eldercare asset operations, we are committed to serving middle-aged and elderly people in community settings with comprehensive offerings covering clinical diagnosis and treatment, rehabilitation, nursing, palliative care, and other extended services. Our history can be traced back to June 2004, when Puxiang Investment was founded by Mr. Wang as a subsidiary of Beijing Runfu Investment Co., Ltd. (北京潤富投資有限公司), currently known as Shenyu Art Culture ("Beijing Runfu"). Beijing Runfu was a wholly-owned subsidiary of Shuangquan Real Estate, which was in turn controlled by Mr. Wang. Mr. Wang is a distinguished entrepreneur and outstanding business leader in various industries. Under Mr. Wang's leadership over two decades, we achieved a stable development and ranked No. 2 among all integrated healthcare and eldercare service providers in North China in terms of in-network revenue* in 2025, achieving the highest revenue growth rate from 2022 to 2025 among the top five service providers in the market. We also ranked No. 1 among the top five integrated healthcare and eldercare service providers in North China in terms of the proportion of elderly patients in 2025, which underscores our significant exposure to and experience in serving the "silver economy" market.

As of the Latest Practicable Date, Mr. Wang, along with Mr. Xu who has taken instructions from Mr. Wang to act in concert with Mr. Wang, was entitled to control 73.99% of the voting power at the general meetings of our Company, comprising (1) 43.52% directly beneficially owned by Yangyuan BVI, which is wholly owned by Mr. Wang, (2) 17.41% directly beneficially owned by One Percent BVI, a wholly-owned subsidiary of Yangyuan BVI, and (3) 13.06% directly beneficially owned by Huayiyongsheng BVI, which is wholly owned by Mr. Xu. Upon [**REDACTED**], Mr. Wang, along with Mr. Xu, will control [**REDACTED**]% of the voting power at the general meetings of our Company, comprising (1) [**REDACTED**]% directly beneficially owned by Yangyuan BVI, (2) [**REDACTED**]% directly beneficially owned by One Percent BVI, and (3) [**REDACTED**]% directly beneficially owned by Huayiyongsheng BVI, assuming the [**REDACTED**] is not exercised and without taking into account the Shares which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme. Therefore, Mr. Wang, Mr. Xu, Yangyuan BVI, One Percent BVI and Huayiyongsheng BVI constituted as of the Latest Practicable Date and will continue to constitute upon [**REDACTED**] our Controlling Shareholders Group. See "— Acting-in-Concert Arrangements" for details of the acting-in-concert arrangements between Mr. Wang and Mr. Xu, "Relationship with Our Controlling Shareholders Group" for details of the controlling interest held by them, and "Directors and Senior Management — Board of Directors" for their biographical details.

Business Milestones

The following table illustrates our major business milestones:

Year	Major events and milestones
2004	Puxiang Investment was incorporated in June
2005	Dashanzi Hospital, our first hospital, was incorporated in March and came into operation as a for-profit medical institution
2006	We established Puxiang Oncology Hospital, our first Class II specialized hospital, in June
2014	We spun off from the group of Shuangquan Holdings and started to seek for independent development and fundraising
2019	Our Company was incorporated as a Cayman holding company in January
2021	We set up a system primarily focusing on basic generality with strong specialties (小綜合+大專科), empowering the development of academic disciplines and healthcare with our specialized departments and improving the healthcare services in the community

* Includes the aggregate revenue generated from providing integrated healthcare and eldercare services by all medical institutions within the network of relevant service providers.

Year	Major events and milestones
2023	We made a strategic investment in Puxiang Ophthalmology Hospital and established Beijing Puxin with other joint venture partners, exploring opportunities and gaining operation experience in the areas of ophthalmology and pain medicine
2024	We established a strategy of integrating healthcare and eldercare, and extended from healthcare to the fields of nursing, and integration of healthcare and eldercare
2026	We established Hainan Puxiang Kangyang Investment Co., Ltd. (海南普祥康養投資有限公司) in January, further deepening our strategic layout in the healthcare and wellness industry and strengthening the development foundation for the integrated healthcare and eldercare

OUR PRINCIPAL SUBSIDIARIES

The following entities were our subsidiaries which made a material contribution to our results of operation during the Track Record Period and up to the Latest Practicable Date.

Name	Place of Incorporation	Date of Incorporation	Date of commencement of operations	Principal Business Activities	Percentage of equity interest held by our Group as of the Latest Practicable Date
Puxiang Investment . . .	China	June 21, 2004	June 21, 2004	Shareholding platform of hospitals and sales of medical equipment and consumables	100%
Puxiang Oncology Hospital	China	June 21, 2006	June 21, 2006	Provision of integrated healthcare and eldercare services with a focus on oncology	70%
Dashanzi Hospital .	China	March 14, 2005	March 14, 2005	Provision of integrated healthcare and eldercare services	70%
Dahuangzhuang Hospital	China	September 30, 2017	November 13, 2019 *(Note)*	Provision of integrated healthcare and eldercare services	70%
Yanlong Hospital .	China	June 8, 2006	August 6, 2020 *(Note)*	Provision of integrated healthcare and eldercare services	70%
Puxiang TCM Hospital	China	March 24, 2016	July 1, 2022 *(Note)*	Provision of integrated healthcare and eldercare services with a focus on TCM	70%

Note: For Dahuangzhuang Hospital, Yanlong Hospital and Puxiang TCM Hospital, the date of commencement of operations refers to the date of our acquisition of majority interest.

OUR MAJOR CORPORATE DEVELOPMENT

Puxiang Investment was our major domestic holding company through which we controlled and managed our various hospitals and other medical institutions. Puxiang Investment was incorporated as a company with limited liability in the PRC on June 21, 2004, with a registered capital of RMB100,000,000 owned as to 60% and controlled by Beijing Runfu, a wholly-owned subsidiary of Shuangquan Real Estate which was in turn controlled by Mr. Wang. The remaining 40% of the equity interest in Puxiang Investment was owned by Beijing Huitai Real Estate Development Co., Ltd. (北京惠泰房地產開發有限公司) ("Beijing Huitai"), which was a company with limited liability incorporated in the PRC on February 25, 2004. Beijing Huatai was then in turn wholly owned by Cai Binquan (蔡斌泉), a financial investor and a business partner of Mr. Wang.

On April 21, 2006, Beijing Huitai entered into a share purchase agreement with Beijing Runfu to transfer all 40% of the equity interest in Puxiang Investment held by Beijing Huitai to Beijing Runfu at a consideration of RMB40.0 million, which was equivalent to the corresponding registered capital of Puxiang Investment. Such consideration was determined having considered that Beijing Huitai had not been involved in our operation at the early phase of our development. Upon completion of such equity transfer, Puxiang Investment became a wholly-owned subsidiary of Beijing Runfu.

On April 28, 2013, Mr. Xu and Mr. Yan Hengqiu (閻衡秋), the president of Puxiang Oncology Hospital and a key employee of our Group, acquired 12% and 4.5% of the equity interest in Puxiang Investment from Shuangquan Holdings, at a consideration of RMB6.0 million and RMB2.25 million, respectively, which is equivalent to the corresponding registered capital of Puxiang Investment. The consideration was determined having considered their respective contributions to our Group.

In order to explore opportunities of independent development and fundraising, we decided to spin off from Shuangquan Group. On September 28, 2014, Puxiang Consulting, which was then owned by Mr. Wang as to 99% and Mr. Xu as to 1%, acquired 60% of the equity interest in Puxiang Investment from Shuangquan Holdings at a consideration of RMB30.0 million, which is equivalent to the corresponding registered capital of Puxiang Investment. On the even date, Puxiang Consulting acquired 4% of the equity interest in Puxiang Investment from Mr. Xu at a consideration of RMB2.0 million, which is equivalent to the corresponding registered capital of Puxiang Investment.

On September 6, 2019, in recognition of the contributions of Mr. Yan Hengqiu to our Group and to reward the strategic guidance and contributions of Mr. Zhang Jianwei (張建偉) to our Group, Puxiang Consulting transferred 5.5% and 5% of the equity interest in Puxiang Investment to Mr. Yan Hengqiu and Mr. Zhang Jianwei at a consideration of RMB2.75 million and RMB2.5 million, respectively, which is equivalent to the corresponding registered capital of Puxiang Investment. Mr. Zhang Jianwei is the executive president of Shuangquan Investment and our non-executive Director. On April 1, 2020, in recognition of the contributions of Mr. Xu to our Group, Puxiang Consulting transferred 7% of the equity interest in Puxiang Investment to Mr. Xu at a consideration of RMB3.5 million, which is equivalent to the corresponding registered capital of Puxiang Investment. Upon completion of such equity transfers, Puxiang Investment was owned by Puxiang Consulting, Mr. Xu, Mr. Yan Hengqiu and Mr. Zhang Jianwei as to 70%, 15%, 10% and 5%, respectively.

On August 12, 2020, Mr. Xu, Mr. Yan Hengqiu and Mr. Zhang Jianwei transferred all equity interest held by them in Puxiang Investment to Beijing Ruichenxiang Management Consulting Co., Ltd. (北京瑞宸祥管理諮詢有限公司) ("Beijing Ruichenxiang"), Beijing Tianxing Junjian Management Consulting Co., Ltd. (北京天行君健管理諮詢有限公司) ("Tianxing Junjian") and Beijing Ruici Management Consulting Co., Ltd. (北京瑞慈管理諮詢有限公司) ("Beijing Ruici"), respectively, being their respective wholly-owned holding companies. Upon completion of such equity transfers, Puxiang Investment was owned by Puxiang Consulting, Beijing Ruichenxiang, Tianxing Junjian and Beijing Ruici as to 70%, 15%, 10% and 5%, respectively.

To facilitate our offshore fundraising and in anticipation of future [**REDACTED**] in the international stock market, we underwent a series of steps of the Reorganization and Puxiang Investment and our other operating entities in the PRC became subsidiaries of our Company incorporated in the Cayman Islands. See "— Reorganization" for details. In parallel of the Reorganization, we underwent three rounds of [**REDACTED**] investments to strengthen our capital base. See "— [**REDACTED**] Investments" for details.

Since the incorporation in March 2005 of Dashanzi Hospital, the first hospital founded and operated by us, we have continuously provided community-based healthcare services to our customers and gradually expanded our business to integrated healthcare and eldercare services through self-owned medical institutions and managed medical institutions. As of the Latest Practicable Date, we have a network of 13 medical institutions. See "— Our Principal Subsidiaries" for details of our principal subsidiaries.

OUR ACQUISITIONS AND DISPOSALS

Acquisition of Puxiang TCM Hospital

To expand our business into TCM services, we acquired the majority interest in Puxiang TCM Hospital in 2022 and 2023 by a series of equity transfers and the Contractual Arrangements. Located in Beijing, Puxiang TCM Hospital was primarily engaged in the provision of integrated healthcare and eldercare services with a focus on TCM. Prior to the acquisitions, Puxiang TCM Hospital operated departments including surgery, TCM physical therapy, and dermatology.

On December 26, 2021, Puxiang Investment entered into a share purchase agreement with Chengdu Furuihui Hospital Management Co., Ltd. (成都福瑞匯醫院管理有限公司), an Independent Third Party, pursuant to which, Puxiang Investment acquired 35% of the equity interest in Puxiang TCM Hospital from Chengdu Furuihui Hospital Management Co., Ltd. at a consideration of RMB35.0 million. Such consideration was determined with reference to the acquisition cost incurred by Chengdu Furuihui Hospital Management Co., Ltd. for acquiring the equity interest from the previous shareholder. On December 28, 2021 and on June 30, 2022, Puxiang Investment entered into share purchase agreements with Wang Jialing (王嘉陵), Xue Qiong (薛瓊), Li Xinchun (李信春), Yu Du (于都), Beijing Tianzuo Zhihe Economic and Technology Development Co., Ltd. (北京天作之合經濟技術開發有限公司) ("Tianzuo Zhihe") and other then shareholders, each an Independent Third Party at the time of such equity transfers, pursuant to which, Puxiang Investment acquired a total of 16% of the equity interest in Puxiang TCM Hospital from Wang Jialing, Xue Qiong, Li Xinchun, Yu Du and Tianzuo Zhihe at an aggregate consideration of RMB19.2 million. Such consideration was determined with reference to the valuation of 100% of the equity interest in Puxiang TCM Hospital of approximately RMB120.0 million, which was calculated based on, among others, the acquisition cost of the leasehold of RMB20.0 million, construction cost of RMB39.0 million, remuneration and benefits paid to employees of RMB13.6 million, other operating expenses of RMB26.3 million, and a premium of around 20% of the aggregate of the foregoing which represents the business prospect of Puxiang TCM Hospital. Upon completion of such equity transfers in July 2022, Puxiang TCM Hospital was owned by Puxiang Investment as to 51%, and became a subsidiary of Puxiang Investment.

On December 1, 2023, (i) Puxiang Investment entered into a share purchase agreement with Wang Jialing, Xue Qiong, Li Xinchun and Yu Du, pursuant to which, Puxiang Investment acquired 19% of the equity interest in Puxiang TCM Hospital from such individual shareholders at an aggregate consideration of approximately RMB22.8 million, and (ii) Puxiang Ren'ai entered into a share purchase agreement with Xue Qiong, pursuant to which, Puxiang Ren'ai acquired 11% of the equity interest from Xue Qiong at a consideration of approximately RMB13.2 million. Such consideration was determined with reference to the same valuation and factors as the previous acquisitions completed in July 2022. The Contractual Arrangements were entered into by, among others, Puxiang TCM Hospital, Puxiang Investment and Beijing Ren'ai in December 2023. Subsequently on January 26, 2024, Puxiang Ren'ai acquired from Wu Puding (武普定), an Independent Third Party at the time of the equity transfer, 4.46% of equity interest in Puxiang TCM Hospital at a consideration of RMB5.3 million. Such consideration was determined with reference to the investment cost for establishing a hospital with comparable operating scale, medical insurance qualification and other necessary licenses in Beijing, and the business prospect of the Puxiang TCM Hospital.

Under our management and after a strategic clinical transformation subsequent to the acquisitions, Puxiang TCM Hospital has successfully transitioned from a loss-making position prior to acquisition to achieving a revenue of RMB149.9 million and a net profit of RMB9.3 million in 2024.

Disposals of Tangshan Hospitals

Prior to the disposal, Tangshan Weikang Hospital Co., Ltd. (唐山維康醫院有限公司) ("Tangshan Weikang Hospital") was owned by Puxiang Investment and Xue Junli (薛俊利) as to 70% and 30%, respectively, and Tangshan Puxiang TCM Hospital Co., Ltd. (唐山普祥中醫醫院有限公司) ("Tangshan TCM Hospital," together with Tangshan Weikang Hospital, "Tangshan Hospitals") was wholly owned by Tangshan Weikang Hospital. Located in Tangshan, Hebei, Tangshan Hospitals specialized in the provision of TCM therapies, with a focus on orthopedics and pain care. During the year ended December 31, 2024, Tangshan Weikang Hospital and Tangshan TCM Hospital recorded revenue of RMB8.9 million and RMB7.9 million, and net loss of RMB2.8 million and RMB2.8 million, respectively. In the first half of 2025, having considered that Tangshan Hospitals continued to incur losses during the Track Record Period and their business and financial performance of Tangshan Hospitals did not meet our expectations, we decided to dispose of Tangshan Hospitals and strategically exit the markets in Tangshan. We believe such disposal will have a positive impact on our financial results and help us to be more focused on the markets that are more profitable.

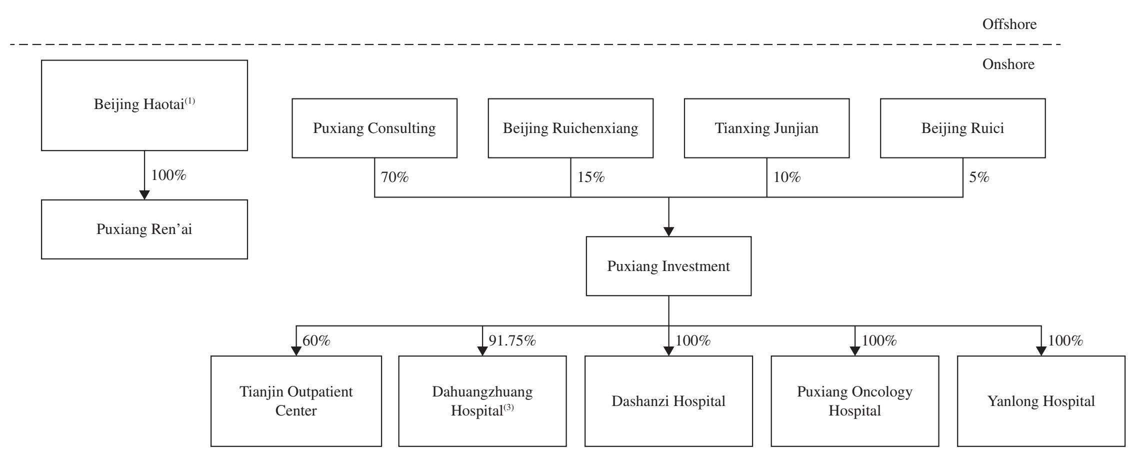
In June 2025, Hainan Hanchen Starlight Culture Communication Co., Ltd. (海南瀚辰星光文化傳播有限公司) ("Hanchen Starlight"), an Independent Third Party, entered into share purchase agreements with Puxiang Investment and Xue Junli, pursuant to which, Hanchen Starlight acquired the entire equity interest in Tangshan Weikang Hospital from Puxiang Investment at a consideration of RMB1.2 million, and Xue Junli at a consideration of RMB0.5 million, respectively. In May 2025, Hanchen Starlight entered into a share purchase agreement with Tangshan Weikang Hospital, pursuant to which, Hanchen Starlight acquired the entire equity interest in Tangshan TCM Hospital from Tangshan Weikang Hospital at a nominal consideration of RMB1. The consideration for disposals of Tangshan Hospitals was determined after arm's length negotiations between the parties having considered (1) the fact that both hospitals were longtime loss-making and a net liability as of December 31, 2024 was recorded by Tangshan Weikang Hospital on a consolidated basis and (2) the value of qualifications as public health insurance providers held by Tangshan Hospitals. Upon the completion of disposals of Tangshan Hospitals in June 2025, Tangshan Hospital ceased to be Puxiang Investment's subsidiaries and a loss of RMB1.0 million was recorded as a result of the disposals.

Each of the above-mentioned acquisitions and disposals has been properly and legally completed and settled, and all necessary approvals, permits and licenses required in connection with the above-mentioned acquisitions and disposals have been obtained.

During the Track Record Period and up to the Latest Practicable Date, we did not have material acquisitions or disposals.

REORGANIZATION

The following chart sets forth a simplified shareholding structure of our Group before Puxiang Investment became a subsidiary of our Company through a series of steps of the Reorganization:



(1) Beijing Haotai was owned by Mr. Xu and Ms. Bian as to 1% and 99%, respectively.

(2) Tianjin Outpatient Center was owned by Puxiang Investment, Liu Yanshan (劉燕山), Yang Hong (楊洪) and Fu Jia (付佳), each an Independent Third Party, as to 60%, 18.16%, 15.68% and 6.16%, respectively.

(3) Dahuangzhuang Hospital was owned by Puxiang Investment and Tianjin Huayi Qiren Enterprise Management Partnership (Limited Partnership) (天津華伊啟仁企業管理合夥企業(有限合夥)) ("Tianjin Huayi"), the employee shareholding platform of Dahuangzhuang Hospital, as to 91.75% and 8.25%, respectively.

The major steps of the Reorganization are as follows:

Step 1: Incorporation of our Company

As an offshore holding company and the [**REDACTED**] vehicle, our Company was incorporated in the Cayman Islands as an exempted company with limited liability on January 23, 2019. Upon incorporation, the authorized share capital of our Company was US$50,000 divided into 50,000 ordinary Shares at par value of US$1 each, and one ordinary Share was allotted and issued to the initial subscriber, Harneys Fiduciary (Cayman) Limited.

Step 2: Incorporation of Puxiang BVI, Puxiang Hong Kong and WFOE

On August 6, 2020, Puxiang BVI was incorporated in the British Virgin Islands as a wholly-owned subsidiary of our Company, with one share allotted and issued to our Company, credited as fully-paid.

On August 27, 2020, Puxiang Hong Kong was incorporated in Hong Kong as a wholly-owned subsidiary of Puxiang BVI, with one share allotted and issued to Puxiang BVI, credited as fully-paid.

On December 21, 2020, WFOE was incorporated in the PRC as a wholly-owned subsidiary of Puxiang Hong Kong with a registered capital of RMB1,000,000.

Step 3: Acquisitions of equity interest in Dashanzi Hospital, Puxiang Oncology Hospital, Yanlong Hospital and Dahuangzhuang Hospital by Puxiang Ren'ai

In preparation of entering into the Contractual Arrangements and to satisfy the "narrowly-tailored" requirement, Puxiang Ren'ai acquired minority interest in our PRC subsidiaries which operate restricted businesses under the 2024 Negative List.

On December 4, 2020, Puxiang Ren'ai acquired 30% of the equity interest in Dashanzi Hospital from Puxiang Investment at an aggregate consideration of RMB4.8 million. Such consideration was determined with reference to the net assets of Dashanzi Hospital as of August 31, 2020. Upon completion of the equity transfer, Dashanzi Hospital was owned by Puxiang Investment and Puxiang Ren'ai as to 70%, and 30%, respectively.

On November 20, 2020, Puxiang Ren'ai acquired 30% of the equity interest in Puxiang Oncology Hospital from Puxiang Investment at an aggregate consideration of RMB5.8 million. Such consideration was determined with reference to the net assets of Puxiang Oncology Hospital as of August 31, 2020. Upon completion of the equity transfer, Puxiang Oncology Hospital was owned by Puxiang Investment and Puxiang Ren'ai as to 70% and 30%, respectively.

On December 7, 2020, Puxiang Ren'ai and Tianjin Huayi Qiren Enterprise Management Partnership (L.P.) (天津華醫啟仁企業管理合夥企業(有限合夥)) ("Huayi Qiren"), the employee shareholding platform of Yanlong Hospital, acquired 25.25% and 4.75% of the equity interest in Yanlong Hospital from Puxiang Investment at a consideration of RMB6.1 million and RMB1.1 million, respectively. Such consideration was determined with reference to original consideration for acquisition of the equity interest by Puxiang Investment. Upon completion of the equity transfers, Yanlong Hospital was owned by Puxiang Investment, Puxiang Ren'ai and Huayi Qiren as to 70%, 25.25% and 4.75%, respectively.

On November 25, 2020, Puxiang Ren'ai acquired 21.75% of the equity interest in Dahuangzhuang Hospital from Puxiang Investment at an aggregate consideration of RMB9.4 million. Such consideration was determined with reference to the previous acquisition cost incurred by Puxiang Investment for acquiring the equity interest in Dahuangzhuang Hospital from third parties in November 2019. Upon completion of the equity transfer, Dahuangzhuang Hospital was owned by Puxiang Investment, Puxiang Ren'ai and Tianjin Huayi as to 70%, 21.75% and 8.25%, respectively.

Step 4: Adjustment of our Company's shareholding

Through a series of allotments and transfers of Shares from January 2019 to March 2021 (among which, in July 2020, Yangyuan BVI transferred 60% of the equity interest in our Company to One Percent BVI, and subsequently, in March 2021, One Percent BVI transferred 40% of the equity interest in our Company back to Yangyuan BVI, for the purpose of adjustment in his own shareholding and personal asset arrangement by Mr. Wang (being the ultimate beneficial owner of both Yangyuan BVI and One Percent BVI) at discretions), the shareholding structure of our Company had been adjusted to reflect the equity interest held by the respective then registered shareholders in Puxiang Investment. As of March 2, 2021, our Company was owned by Yangyuan BVI, One Percent BVI, Huayiyongsheng BVI, Tianqian Investment Limited and Ruici Investment Limited as to 50%, 20%, 15%, 10% and 5%, respectively.

On June 28, 2021, Tianqian Investment Limited transferred 0.3 ordinary Shares, representing 0.3% of the issue share capital of our Company at the time of transfer to Ruici Investment Limited at nil consideration, as agreed between the parties.

On November 26, 2021, our then Shareholders resolved on the Share subdivision, pursuant to which, each of our issued and unissued Shares with par value of US$1 each was subdivided into 10,000 Shares with par value of US$0.0001 each, and upon completion, the authorized share capital of our Company became US$50,000 divided into 500,000,000 Shares with par value of US$0.0001 each. Subsequently, our Company was owned by Yangyuan BVI, One Percent BVI, Huayiyongsheng BVI, Tianqian Investment Limited and Ruici Investment Limited as to 50%, 20%, 15%, 9.7% and 5.3%, respectively.

On December 7, 2021, Yangyuan BVI, One Percent BVI, Huayiyongsheng BVI, Tianqian Investment Limited and Ruici Investment Limited subscribed for 49,500,000 Ordinary Shares, 19,800,000 Ordinary Shares, 14,850,000 Ordinary Shares, 9,603,000 Ordinary Shares and 5,247,000 Ordinary Shares at par value, respectively. Subsequently, our Company was owned by Yangyuan BVI, One Percent BVI, Huayiyongsheng BVI, Tianqian Investment Limited and Ruici Investment Limited as to 50%, 20%, 15%, 9.7% and 5.3%, respectively.

Step 5: Puxiang Hong Kong and WFOE acquired Puxiang Investment

On September 18, 2020, Mr. Wang acquired 10% of the equity interest in Puxiang Investment from Puxiang Consulting at a consideration of RMB6.6 million. Upon completion, Puxiang Investment became a foreign investment enterprise. On March 28, 2021, (1) Puxiang Hong Kong entered an equity transfer agreement with Mr. Wang to acquire 10% of the equity interest in Puxiang Investment from Mr. Wang at a consideration of HK$7.9 million, and (2) WFOE entered an equity transfer agreement with Puxiang Consulting to acquire 90% of the equity interest in Puxiang Investment from Puxiang Consulting, Beijing Ruichenxiang, Tianxing Junjian and Beijing Ruici at an aggregate consideration of approximately RMB59.8 million. Such above consideration was determined with reference to the valuation of Puxiang Investment as of August 31, 2020. Upon completion of the equity transfers on April 1, 2021, Puxiang Investment was owned by WFOE and Puxiang Hong Kong as to 90% and 10%, respectively.

Step 6: Entering into the Contractual Agreements

In order to comply with relevant foreign investment restrictions under the PRC laws and to maintain effective maximum control as commercially practicable over our VIE Hospitals which operate restricted businesses under the 2024 Negative List, in April 2021 and December 2023, Puxiang Investment, Puxiang Ren'ai, Ms. Bian, Mr. Xu and our VIE Hospitals entered into a series of the Contractual Agreements. See "Contractual Arrangements" for details.

Our PRC Legal Advisor confirmed that, all necessary approvals, permits and licenses required for the transfers of the equity interest in the registered capital of the subsidiaries incorporated under PRC laws and regulations in connection with the Reorganization have been obtained.

ACTING-IN-CONCERT ARRANGEMENTS

Mr. Wang and Mr. Xu agreed on July 15, 2019 that Mr. Xu shall take instructions from Mr. Wang to act in concert with him at the board meetings and the shareholders meetings of the Group companies until Mr. Xu ceases to hold any equity interest in our Company and any other Group companies (where applicable) or (with respect to such relevant Group company only) the relevant Group company is decided to be liquidated by its shareholders or competent courts or tribunals.

[REDACTED]

[REDACTED] INVESTMENTS

1. Principal Terms of the [REDACTED] Investments

To fund our rapid business expansion and diversify our shareholder base, we have conducted three rounds of [**REDACTED**] investments, which benefits us in various respects, including, among others, the capital funds they invested as well as their business resources, networks, knowledge and experience.

The table below sets forth a summary of the shareholding of our [**REDACTED**] investors in our Company immediately prior to [**REDACTED**]:

Name of [REDACTED] Investor	Date of agreement	Date of settlement	Number of Shares subscribed	Consideration	Cost per Share	Post-money valuation of our Company	Discount to the [REDACTED][1]
				(RMB million)	*(RMB)*	*(RMB million)*	
Series A							
Chongqing CICC Keyuan Equity Investment Fund Partnership (L.P.) (重慶中金科元私募股權投資基金合夥企業(有限合夥)) ("CICC Keyuan")	October 28, 2021	January 25, 2022	6,944,444 Series A Preferred Shares	100.0	14.40	1,700.0	[REDACTED]%
Series A+							
Chongqing Yunsheng Huahsi Equity Investment Partnership (L.P.) (重慶雲昇華西股權投資合夥企業(有限合夥) ("Yunsheng Huahsi")	March 24, 2023	June 12, 2023	2,083,333 Series A+ Preferred Shares	30.0	14.40	1,770.0	[REDACTED]%
Singapore Paincare Capital Pte Ltd ("Paincare Capital")	March 24, 2023	June 13, 2023	2,777,778 Series A+ Preferred Shares	40.0	14.40	1,770.0	[REDACTED]%
Series B							
CICC Keyuan	December 19, 2023	April 12, 2024	3,072,917 Series B Preferred Shares	50.0	16.27	2,050.0	[REDACTED]%

Note:

(1) The discount to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**].

Use of proceeds from the [**REDACTED**] investments:	Our Company utilized the proceeds from the subscriptions under the [**REDACTED**] investments for our general operation and business development. As of December 31, 2025, all of the proceeds had been utilized.
Strategic benefits the [**REDACTED**] investments brought to our Company	Our Company would benefit from the additional capital injected to our Company from the [**REDACTED**] investments, our [**REDACTED**] Investors' business resources, knowledge and experience, and potential business opportunities and benefits that may be provided by them.
Basis for determination of the consideration paid:	The consideration for the [**REDACTED**] investments were determined based on arm's length negotiations between the Company and the [**REDACTED**] Investors, taking into account the timing of the investments and the then business operations and financial performance of our Group.
Lock-up period:	All [**REDACTED**] investors will be subject to a lock-up at the time of [**REDACTED**] for a period of 180 days following the [**REDACTED**].

2. [REDACTED]

Upon completion of the [**REDACTED**], the Shares held by our core connected persons will not be counted towards the [**REDACTED**]. Such Shareholders would include (1) Yangyuan BVI, One Percent BVI and Huayiyongsheng BVI, being the members of our Controlling Shareholders Group, (2) Tianqian Investment Limited, which is wholly owned by Mr. Yan Hengqiu, the president (equivalent to the chief executive) of Puxiang Oncology Hospital, (3) Ruici Investment Limited, which is wholly owned by Mr. Zhang Jianwei, our non-executive Director, and (4) Singapore Paincare, a close associate of our subsidiary's substantial shareholder. Assuming an [**REDACTED**] of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**], being the low-end, mid-point and high-end of the indicative [**REDACTED**] range in this document, the minimum prescribed [**REDACTED**] applicable to our Company as required under the Listing Rules is 25% (assuming the [**REDACTED**] is not exercised and without taking into account any Share which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme). Excluding the Shares held by the foregoing Shareholders, upon completion of the [**REDACTED**], an aggregate of [**REDACTED**] Shares, representing [**REDACTED**]% of the total issued share capital of our Company (assuming the [**REDACTED**] is not exercised and without taking into account any Share which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme), will be counted towards the [**REDACTED**], which is in compliance with the requirement under Rule 8.08(1) of the Listing Rules.

[**REDACTED**]

3. Special Rights of the [REDACTED] Investors

In connection with the [**REDACTED**] investments, our [**REDACTED**] investors were granted certain special rights, including but not limited to anti-dilution right, pre-emption right, right of first refusal, tag-along right, redemption right, preference in liquidation and information right. Only series B [**REDACTED**] investor was granted the redemption right to require our Company to redeem series B preferred Shares upon the occurrence of certain events. In anticipation of the [**REDACTED**], all special rights granted to our [**REDACTED**] investors will be terminated upon the [**REDACTED**] except that the redemption right had been terminated immediately prior to the first submission of our Company's application for the [**REDACTED**].

4. Information relating to Our [REDACTED] Investors

Set out below is a description of our [**REDACTED**] investors, including equity funds and investment companies in the medical care related industry. All such [**REDACTED**] investors are Independent Third Parties.

CICC Keyuan

CICC Keyuan is a limited liability partnership established under the PRC laws which is primarily engaged in equity investment. The general partner of CICC Keyuan is CICC Capital Operation Co., Ltd. (中金資本運營有限公司), which is in turn wholly owned by China International Capital Corporation Limited (中國國際金融股份有限公司) ("CICC"). CICC is a reputed state-owned financial conglomerate listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995). There are 13 limited partners of CICC Keyuan, none of which holds more than 20% of the partnership interest in CICC Keyuan.

Yunsheng Huahsi

Yunsheng Huahsi is a limited liability partnership established under the PRC laws which is primarily engaged in the equity investments with a focus on energy, biotechnology and other technological fields. The general partner of Yunsheng Huahsi is Chongqing Huahsi Hongci Equity Investment Fund Management Co., Ltd. (重慶華西宏賜股權投資基金管理有限公司), which is owned by Chengdu Huahsi Equity Investment Fund Management Co., Ltd. (成都華西能航股權投資基金管理有限公司) ("Chengdu Huahsi"), Chengdu Jinzuan Engineering Consulting Co., Ltd. (成都金鑽工程諮詢有限公司) ("Chengdu Jinzuan") and Chongqing Hongsheng Aluminum Foil Packaging Materials Co., Ltd. (重慶宏聲鋁箔包裝材料有限責任公司) as to 65%, 30% and 5%, respectively. Chengdu Huahsi is owned by Li Xiaolin (黎小林), who is an Independent Third Party, and Chengdu Leitu Technology Service Co., Ltd. (成都累土科技服務有限公司) as to 80% and 20%, respectively. Chengdu Jinzuan is owned by Chen Jun (陳珺) and Cong Yan (叢岩), each an

Independent Third Party, as to 60% and 40%, respectively. Chongqing Hongsheng Aluminum Foil Packaging Materials Co., Ltd. was ultimately controlled by Fuling District State-owned Assets Supervision and Administration Commission of Chongqing Municipality (重慶市涪陵區國有資產監督管理委員會). Chengdu Leitu Technology Service Co., Ltd. was owned by Cai Yongbin (蔡永彬), Luo Xiaojun (羅小君), Deng Jieyuan (鄧杰元) and Chen Ping (陳平), each an Independent Third Party, as to 39.50%, 32.50%, 14% and 14%, respectively. The sole limited partner of Yunsheng Huahsi is Chongqing Guangyang Island Industrial Development Co., Ltd. (重慶廣陽島產業發展有限公司) ("Chongqing Guangyang Island"), holding 99.01% of the partnership interest of Yunsheng Huahsi. Chongqing Guangyang Island is wholly owned by Chongqing Economic and Technological Development Zone Management Committee (重慶經濟技術開發區管理委員會), a PRC governmental body under the government of Chongqing city, being responsible for, among others, supervising economic promotion, construction and development, and investment promotion in Chongqing Economic and Technological Development Zone.

Paincare Capital

Paincare Capital is a company incorporated in Singapore and a subsidiary of Singapore Paincare Holdings Limited ("Paincare Holdings"), a medical service group incorporated in Singapore and listed on the Catalist board of the Singapore Exchange (stock code: FRQ) with several pain specialist centers as well as other specialist centers focusing on, among others, general practice, traditional Chinese medicine, rehabilitation and dermatology. Among such medical specialist centers, the pain specialist centers specialize in treating and managing chronic and acute pain conditions across multiple medical disciplines. Paincare Capital is owned by Paincare Holdings, Trident Investment Pte. Ltd. and Glory Partners Capital Pte. Ltd. as to 51%, 44% and 5%, respectively. According to the 2025 annual report of Paincare Holdings, the substantial shareholders of Paincare Holdings included Lee Mun Kam Bernard, Sian Chay Medical Institution and Loh Foo Keong Jeffrey, each an Independent Third Party, who held 28.48%, 17.13% and 16.29% of the equity interest in Paincare Holdings, respectively. Trident Investment Pte. Ltd. is wholly owned by Lim Soon Huat, an Independent Third Party, and Glory Partners Capital Pte. Ltd. is wholly owned by Tan Siew Kiang Jasmine, an Independent Third Party.

5. Compliance with the Guide

On the basis that (1) the considerations for the [**REDACTED**] investments were settled more than 28 clear days before the date of submission of the [**REDACTED**] application to the Stock Exchange; and (2) the special rights granted to the [**REDACTED**] investors had been terminated prior to the submission of the application for the [**REDACTED**] and/or will be terminated upon the [**REDACTED**], the Joint Sponsors confirm that the [**REDACTED**] investments are in compliance with Chapter 4.2 of the Guide.

[**REDACTED**] SHARE OPTION SCHEME

To provide incentive to our Directors, senior management, employees and other eligible persons, in December 2024, we adopted the [**REDACTED**] Share Option Scheme. According to the [**REDACTED**] Share Options Scheme, the options underlying no more than 11,111,111 Shares may be granted, representing 9.67% of the issued share capital of our Company as of the Latest Practicable Date. The options underlying 5,089,925 Shares were granted and remained outstanding, representing 4.43% and [**REDACTED**]% of the issued share capital of our Company as of the Latest Practicable Date and immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account any Share which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme), respectively. No option is expected to be exercised prior to the [**REDACTED**]. See "Appendix IV — Statutory and General Information — 5. [**REDACTED**] Share Option Scheme" for details.

CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure as of the Latest Practicable Date and immediately upon completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised and without taking into account any Share which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme:

Shareholder	Ordinary Shares	Series A Preferred Shares	Series A+ Preferred Shares	Series B Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date	Aggregate ownership percentage as of the Latest Practicable Date	Aggregate ownership percentage upon completion of the [REDACTED](1)
Controlling Shareholders Group							
Yangyuan BVI(2)	50,000,000	–	–	–	50,000,000	43.52%	[REDACTED]%
One Percent BVI(3)	20,000,000	–	–	–	20,000,000	17.41%	[REDACTED]%
Huayiyongsheng BVI(4)	15,000,000	–	–	–	15,000,000	13.06%	[REDACTED]%
Subtotal	85,000,000	–	–	–	85,000,000	73.99%	[REDACTED]%
Other connected persons							
Tianqian Investment Limited(5)	9,700,000	–	–	–	9,700,000	8.44%	[REDACTED]%
Ruici Investment Limited(6)	5,300,000	–	–	–	5,300,000	4.61%	[REDACTED]%
[REDACTED] ***investors and other Shareholders***							
CICC Keyuan(7)	–	6,944,444	–	3,072,917	10,017,361	8.72%	[REDACTED]%
Yunsheng Huahsi(8)	–	–	2,083,333	–	2,083,333	1.81%	[REDACTED]%
Paincare Capital(9)	–	–	2,777,778	–	2,777,778	2.42%	[REDACTED]%
Participants in the [REDACTED]	–	–	–	–	–	–	[REDACTED]%
Total	**100,000,000**	**6,944,444**	**4,861,111**	**3,072,917**	**114,878,472**	**100%**	**100%**

Notes:

(1) Assuming the [**REDACTED**] is not exercised and without taking into account the Shares which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme.

(2) Yangyuan BVI is wholly owned by Mr. Wang.

(3) One Percent BVI is wholly owned by Yangyuan BVI, which is in turn wholly owned by Mr. Wang.

(4) Huayiyongsheng BVI is wholly owned by Mr. Xu.

(5) Tianqian Investment Limited is wholly owned by Mr. Yan Hengqiu.

(6) Ruici Investment Limited is wholly owned by Mr. Zhang Jianwei.

(7) See "— [**REDACTED**] Investments — 4. Information relating to Our [**REDACTED**] Investors — CICC Keyuan" for more details of CICC Keyuan.

(8) See "— [**REDACTED**] Investments — 4. Information relating to Our [**REDACTED**] Investors — Yunsheng Huahsi" for more details of Yunsheng Huahsi.

(9) See "— [**REDACTED**] Investments — 4. Information relating to Our [**REDACTED**] Investors — Paincare Capital" for more details of Paincare Capital.

REGULATORY REQUIREMENTS OF THE PRC

According to the Regulations for Merger 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 MOFCOM, the SASAC, the STA, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, if a PRC company or individual intends to acquire its/his/her related domestic company through an offshore company which it/he/she lawfully established or controls, such acquisition shall be subject to the examination and approval of MOFCOM. The M&A Rules, among other things, further purports 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.

Our PRC Legal Advisor is of the opinion that, Mr. Wang was a permanent resident of Hong Kong when he acquired 10% of the equity interest in Puxiang Investment. When Puxiang Hong Kong and WFOE acquired 100% of the equity interest in Puxiang Investment, Puxiang Investment had been changed into a FIE. Unless new laws and regulations are promulgated in the future or MOFCOM, the CSRC or other competent authorities make new regulations or interpretations on the M&A Rules, the Company does not need to obtain the approval of MOFCOM or the CSRC for the [**REDACTED**] application in accordance with the M&A Rules.

SAFE REGISTRATION IN THE PRC

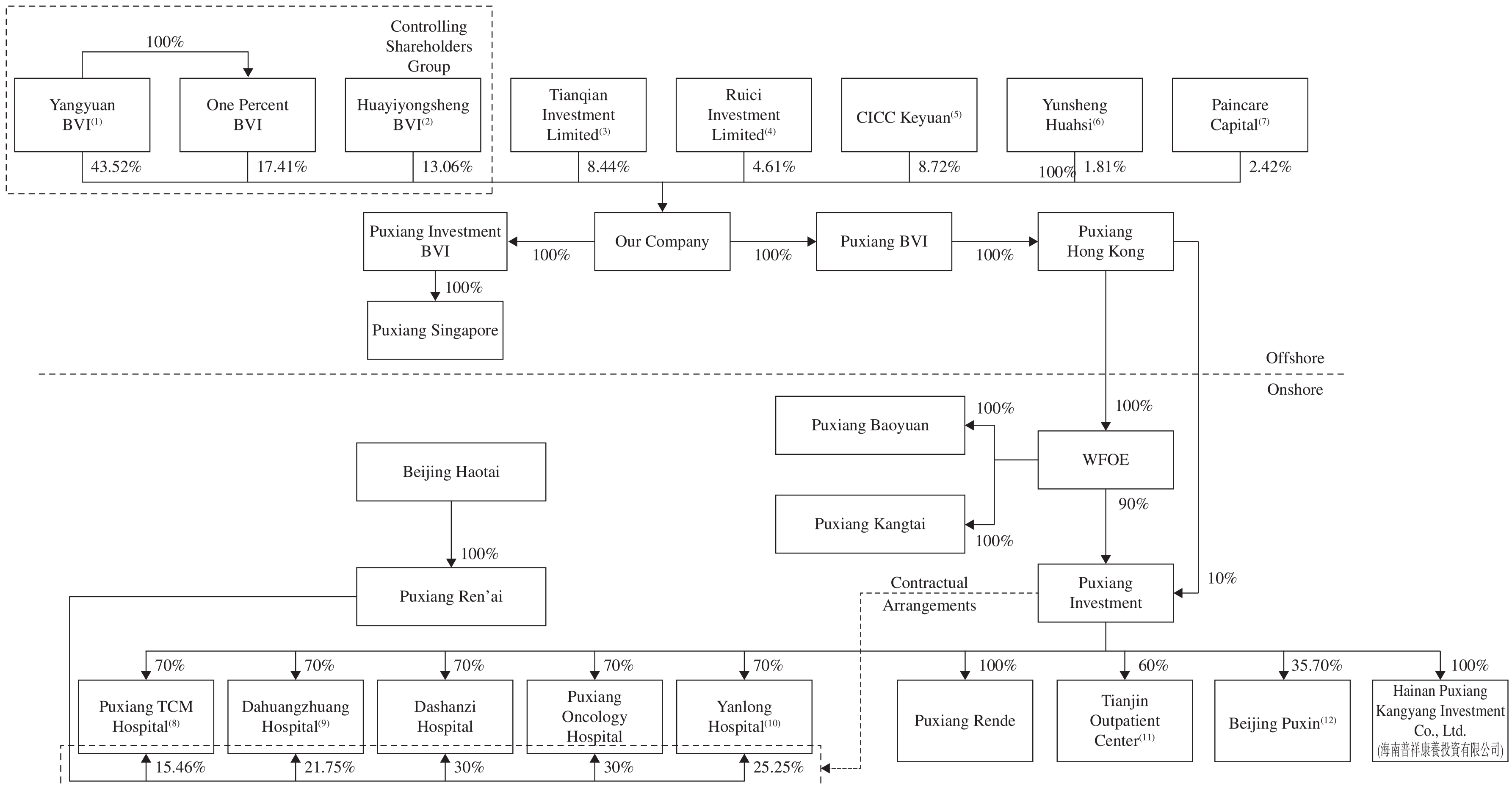
Pursuant to the SAFE Circular on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles 《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》 (the "SAFE Circular 37") which became effective on July 14, 2014, promulgated by SAFE and which replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Corporate Financing and Roundtrip Investment through Offshore Special Purpose Vehicles《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》 which was promulgated on October 21, 2005 and became effective on November 1, 2005, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in 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. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the SAFE Circular on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment 《關於進一步簡化和改進直接投資外匯管理政策的通知》 (the "SAFE Circular 13"), promulgated by SAFE which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity are located.

Mr. Wang, Mr. Xu, Mr. Yan Hengqiu and Mr. Zhang Jianwei have completed the registration under the SAFE Circular 37 in November 2020.

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our corporate structure immediately prior to the [**REDACTED**]:



Notes:

(1) Yangyuan BVI is wholly owned by Mr. Wang.

(2) Huayiyongsheng BVI is wholly owned by Mr. Xu.

(3) Tianqian Investment Limited is wholly owned by Mr. Yan Hengqiu, the president of Puxiang Oncology Hospital.

(4) Ruici Investment Limited is wholly owned by Mr. Zhang Jianwei, our non-executive Director.

(5) See "— [**REDACTED**] Investments — 4. Information relating to Our [**REDACTED**] Investors — CICC Keyuan" for the shareholding structure of CICC Keyuan.

(6) See "— [**REDACTED**] Investments — 4. Information relating to Our [**REDACTED**] Investors — Yunsheng Huahsi" for the shareholding structure of Yunsheng Huahsi.

(7) See "— [**REDACTED**] Investments — 4. Information relating to Our [**REDACTED**] Investors — Paincare Capital" for the shareholding structure of Paincare Capital.

(8) Puxiang TCM Hospital is owned by Puxiang Investment, Puxiang Ren'ai, Huayou Qiren, Tianzuo Zhihe and Beijing Gengyun Management Consulting Co., Ltd. (北京庚鋆管理諮詢有限公司) ("Beijing Gengyun") as to 70%, 15.46%, 6.54%, 5% and 3%, respectively. To the best knowledge of the Directors, each of Huayou Qiren, Tianzuo Zhihe and Beijing Gengyun is an Independent Third Party.

(9) Dahuangzhuang Hospital is owned by Puxiang Investment, Puxiang Ren'ai and Tianjin Huayi as to 70%, 21.75% and 8.25%, respectively. To the best knowledge of the Directors, Tianjin Huayi is an Independent Third Party.

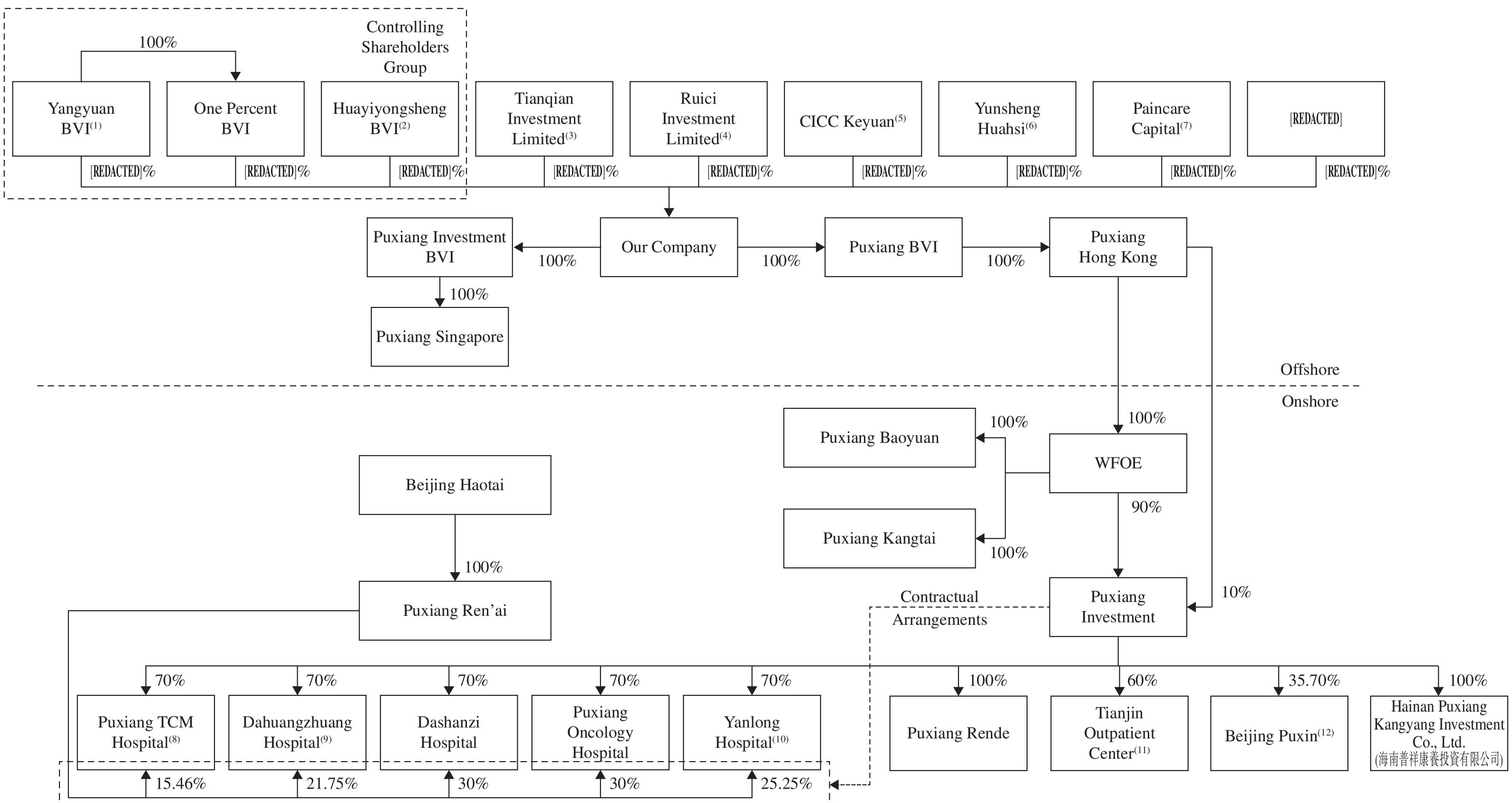
(10) Yanlong Hospital is owned by Puxiang Investment, Puxiang Ren'ai and Huayi Qiren as to 70%, 25.25% and 4.75%, respectively. To the best knowledge of the Directors, Huayi Qiren is an Independent Third Party.

(11) Tianjin Outpatient Center is owned by Puxiang Investment, Liu Yanshan, Yang Hong and Fu Jia as to 60%, 18.16%, 15.68% and 6.16%, respectively. To the best knowledge of the Directors, each of Liu Yanshan. Yang Hong and Fu Jia is an Independent Third Party.

(12) Beijing Puxin is owned by Puxiang Investment, Paincare Holdings and Puxin Ruian as to 35.70%, 34.30% and 30%, respectively. Puxiang Investment controls the voting rights owned by Puxin Ruian through proxy arrangements. To the best knowledge of the Directors, each of Paincare Holdings and Puxin Ruian is an Independent Third Party.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following chart sets forth our corporate structure immediately after the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and without taking into account the Shares which may be issued pursuant to the exercise of options granted under the [**REDACTED**] Share Option Scheme):



Notes:

(1)-(12) Please refer to the notes to the charts set out in "Corporate structure immediately prior to the [**REDACTED**]" above.