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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### OVERVIEW

The history of our Group can be traced back to 2008 when Yunkang Industry was established in Tianjin under the name of Gaoxin Daan Health Industry Investment Co., Ltd. (高新達安健康產業投資有限公司) by Da An Gene and Gaoxin Yangguang. Da An Gene is a biomedical company listed on the Shenzhen Stock Exchange (stock code: 002030) and primarily engaged in the research and development, production and sales of clinical test reagents and instruments as well as the provision of clinical test services to national chain independent medical laboratories in China. Da An Gene is controlled by The People’s Government of Guangzhou Municipality (廣州市人民政府). Gaoxin Yangguang is an investment holding company wholly-owned by Mr. Zhang Yong. Guosen Securities Co., Ltd. (國信證券股份有限公司), where Mr. Zhang Yong previously worked at, was involved in Da An Gene’s conversion into joint stock company and therefore Mr. Zhang Yong established a good relationship with Da An Gene. Our Company was incorporated as an exempted company in the Cayman Islands on July 20, 2018. For further details of the incorporation and major shareholding changes of our Company, see “—Major Shareholding Changes of Our Group—Our Company” below.

### KEY MILESTONES

The following is a summary of our Group’s key corporate and business development milestones.

<b>Year</b>	<b>Event</b>
2008	Yunkang Industry was established in Tianjin, the PRC, with Guangzhou and Shanghai ICLs.
2010	We built up an ICL service network covering Guangdong, Shanghai, Sichuan, Anhui, Jiangxi and Yunan through six ICLs.
2013	We cooperated with the CLSI and commenced the construction of the quality and technical standard guidance system.
2014	We undertook the “Technology Benefiting the People Project” (科技惠民計劃) of the Ministry of Science and Technology and constructed the model system of graded diagnosis and treatment of Guangdong Province.
2015	We were approved as a national pilot for clinical application of high-throughput gene sequencing. We led the construction of the national genetic testing demonstration center.

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Year	Event
2018	We took the lead in undertaking the “2018 Internet Plus, artificial intelligence innovation and development and digital economy pilot major projects” (2018年“互聯網+”、人工智能創新發展和數字經濟試點重大工程) of the NDRC and established a digital economy industry innovation center.
2018	Our Company was incorporated in the Cayman Islands.
2020	We were recognized by relevant authorities as the core participant of the national nucleic acid testing for the COVID-19.

### MAJOR SHAREHOLDING CHANGES OF OUR GROUP

#### Our Company

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on July 20, 2018 with an authorized share capital of US\$50,000 divided into 500,000,000 ordinary shares with a par value of US\$0.0001 each. Upon completion of the Reorganization, our Company will become the holding company of our Group. See “—Reorganization” below for details.

On February 3, 2021, YK Development, Huizekx Limited, Mr. Zhang Yong and SPDB HK entered into a share purchase agreement (the “**Share Purchase Agreement**”), pursuant to which SPDB HK purchased 100,000 ordinary Shares at a consideration of approximately US\$9.75 million (equivalent to RMB63.0 million) from YK Development (the “**Pre-[REDACTED]**”). Please see “—Pre-[REDACTED]” below for details.

#### Our Principal Subsidiaries and Consolidated Affiliated Entities

We conduct our business mainly through our Consolidated Affiliated Entities and subsidiaries. The following table sets out the information of our principal subsidiaries and Consolidated Affiliated Entities.

Name of Subsidiary/ Consolidated Affiliated Entity	Date of Incorporation	Place of Incorporation	Principal business activities
Yunkang Industry	May 28, 2008	PRC	holding company of subsidiaries engaged in diagnostic testing services involving clinical genetic testing service

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Name of Subsidiary/ Consolidated Affiliated Entity	Date of Incorporation	Place of Incorporation	Principal business activities
Yunkang Health	July 15, 2010	PRC	supporting services including information technology, medical logistics and medical equipment procurement services
Guangzhou Clinic	January 29, 2019	PRC	medical outpatient services

### *Yunkang Industry*

On May 28, 2008, Yunkang Industry was established in Tianjin with an initial registered capital of RMB136.66 million and previously known as Gaoxin Daan Health Industry Investment Co., Ltd. (高新達安健康產業投資有限公司). Upon establishment, Yunkang Industry was held as to 60% and 40% by Da An Gene and Gaoxin Yangguang. Da An Gene is a biomedical company listed on the Shenzhen Stock Exchange (stock code: 002030) and primarily engaged in the research and development, production and sales of clinical test reagents and instruments as well as the clinical test service of national chain independent medical laboratories in China. Gaoxin Yangguang is an investment holding company wholly-owned by Mr. Zhang Yong.

Pursuant to a capital increase agreement entered into between Yunkang Industry and Mouduanshan on July 5, 2015, Mouduanshan subscribed for the increased registered capital of Yunkang Industry of RMB20.499 million, for a total consideration of approximately RMB378 million. The consideration was determined after arms’ length negotiations between the parties with reference to the net asset value and the profitability and growth prospects of Yunkang Industry, and was fully paid in cash. Immediately after such capital increase, the registered capital of Yunkang Industry was increased from RMB136.66 million to RMB157.159 million, and Yunkang Industry was held as to 52.18%, 34.78% and 13.04% by Da An Gene, Gaoxin Yangguang and Mouduanshan, respectively.

On December 5, 2015, the then shareholders of Yunkang Industry resolved to introduce nine investors, namely Tongfu Zhongchuang, Guangzhou Anjianxin, Yujiang Anjin, Heyuan Rongwei, Guangzhou Huigang, Dacheng Innovative Capital Management Co., Ltd. (大成創新資本管理有限公司) (“**Dacheng Capital**”), Kefeng Touan, Hengqin Haochuang, and Shenzhen Tiancheng Chuangfu Equity Investment Center (Limited Partnership) (深圳市天成創富股權投資中心(有限合伙)) (“**Tiancheng Chuangfu**”) (collectively the “**Investors**”). Pursuant to the capital increase agreement entered into among Yunkang Industry, the then shareholders of Yunkang Industry and the Investors, the Investors subscribed and paid up the increased registered capital of the Yunkang Industry of approximately RMB17.46 million at a consideration of RMB460 million. The consideration was determined after arms’ length negotiations between the parties with reference to the net asset value and the profitability and

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growth prospects of Yunkang Industry, and was fully paid in cash. Immediately after such capital increase, the registered capital of Yunkang Industry was increased to approximately RMB174.62 million. Details of the investment amount and shareholding percentage of each investor are set out below.

<b>Investor</b>	<b>Investment amount</b> <i>(RMB in millions)</i>	<b>Percentage of shareholding</b>
Tongfu Zhongchuang	160.0	3.48%
Guangzhou Huigang	107.5	2.34%
Guangzhou Anjianxin	48.0	1.04%
Heyuan Rongwei	46.0	1.00%
Dacheng Capital	45.0	0.98%
Hengqin Haochuang	23.0	0.50%
Tiancheng Chuangfu	14.0	0.30%
Kefeng Touan	11.5	0.25%
Yujiang Anjin	5.0	0.11%
<b>Total</b>	<b>460.0</b>	<b>10.00%</b>

Pursuant to a series of share transfer agreements entered into among relevant investors, (i) on April 29, 2016, Guangzhou Huigang transferred 0.25%, 0.1304% and 0.8696% equity interest in Yunkang Industry held by it to Hengqin Jinjunying Investment Management Center (Limited Partnership) (橫琴晉均贏投資管理中心(有限合伙)) (“**Hengqin Jinjunying**”), Guangzhou Qiyi and Guangzhou Guoju at a consideration of RMB11.5 million, RMB6.0 million and RMB40.0 million, respectively; (ii) on April 29, 2016, Tiancheng Chuangfu transferred all equity interest in Yunkang Industry held by it to Guangzhou Huigang at a consideration of RMB14.0 million; (iii) on September 30, 2017, Dacheng Capital transferred all equity interest in Yunkang Industry held by it to Kangcheng Daan at a consideration of RMB45.0 million; and (iv) on December 28, 2018, Hengqin Jinjunying decided not to roll over its interest in Yunkang Industry to offshore shareholding due to its strategic adjustment and transferred all equity interest in Yunkang Industry held by it to Mr. Lan Fu, a limited partner of Hengqin Jinjunying, at a consideration of RMB11.5 million, the amount of which was the same as Hengqin Jinjunying’s initial acquisition costs. Hengqin Jinjunying is controlled by Mr. Deng Jiangbao (鄧江寶) and Mr. Yang Ruiqin (楊瑞芹), both of whom are Independent Third Parties. The shareholding of each investor upon completion of above share transfers is set out below.

<b>Investor</b>	<b>Percentage of shareholding</b>
Da An Gene	46.96%
Gaoxin Yangguang	31.30%
Mouduanshan	11.74%
Tongfu Zhongchuang	3.48%

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Investor	Percentage of shareholding
Guangzhou Huigang	1.39%
Guangzhou Anjianxin	1.04%
Heyuan Rongwei	1.00%
Kangcheng Daan	0.98%
Guangzhou Guoju	0.87%
Hengqin Haochuang	0.50%
Kefeng Touan	0.25%
Mr. Lan Fu	0.25%
Guangzhou Qiyi	0.13%
Yujiang Anjin	0.11%

As a step of the Reorganization, Kangcheng Daan and Hengqin Haochuang entered into an equity transfer agreement with Gaoxin Yangguang on February 18, 2021 and February 20, 2021, respectively, pursuant to which Kangcheng Daan and Hengqin Haochuang transferred their interest in Yunkang Industry to Gaoxin Yangguang at a consideration of approximately RMB48.8 million and RMB24.9 million. On December 29, 2020, Guangzhou Qiyi entered into an equity transfer agreement with Guangzhou Huigang, pursuant to which Guangzhou Qiyi transferred its interest in Yunkang Industry to Guangzhou Huigang at a consideration of RMB6.5 million. On April 30, 2021, Kefeng Touan entered into an equity transfer agreement with Gaoxin Yangguang, pursuant to which Kefeng Touan transferred its interest in Yunkang Industry to Guangzhou Huigang at a consideration of approximately RMB12.46 million.

Please refer to “—Reorganization—Steps of the Reorganization—Onshore Reorganization—Step 5: Share Transfer of Yunkang Industry” for details.

### *Conversion into a Joint Stock Company*

Pursuant to the resolution passed by the shareholders’ general meeting of Yunkang Industry on October 11, 2017, Yunkang Industry was converted into a joint stock company on October 27, 2017 with its name changed to Yunkang Health Industry Investment Co., Ltd. (雲康健康產業投資股份有限公司). The authorized share capital of Yunkang Industry was RMB920 million divided into 920,000,000 Shares of RMB1.00 each.

### *The Concert Party Agreement*

On September 27, 2018, Gaoxin Yangguang entered into a concert party agreement (the “**Concert Party Agreement**”) with seven of the then shareholders of Yunkang Industry, namely Mouduanshan, Tongfu Zhongchuang, Guangzhou Huigang, Heyuan Rongwei, Kangcheng Daan, Hengqin Haochuang and Hengqin Jinjunying (collectively the “**Other Concert Parties**”, together with Gaoxin Yangguang, the “**Concert Parties**”). On December 28, 2018, Hengqin Jinjunying transferred its interests in Yunkang Industry to Mr. Lan Fu, and Mr. Lan Fu undertook to assume all rights and obligations of Hengqin Jinjunying under the Concert Party Agreement on the same day. Pursuant to the Concert Party Agreement, each of the Other

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Concert Parties agreed to act in concert with Gaoxin Yangguang, at general meetings of Yunkang Industry, by way of (i) exercising its voting rights based on the opinion of Gaoxin Yangguang, or (ii) entrusting Gaoxin Yangguang with full power to exercise its shareholder rights. Accordingly, Gaoxin Yangguang is entitled to control 50.64% of the voting rights at the general meetings of Yunkang Industry. On March 31, 2021, Gaoxin Yangguang entered into a supplemental agreement to the Concert Party Agreement with Mouduanshan, Tongfu Zhongchuang, Guangzhou Huigang, Heyuan Rongwei and Mr. Lan Fu, pursuant to which, the Concert Party Agreement will be valid for an indefinite period unless the parties are no longer the shareholders of Yunkang Industry.

### *Yunkang Health*

On July 15, 2010, Yunkang Health was established with an initial registered capital of RMB1.0 million. Upon establishment, it was owned as to 90% by Yunkang Industry and 10% by Guangzhou Daan. Its registered capital was increased from RMB1.0 million to RMB10.0 million in September 2015 and further increased to RMB50.0 million on April 2016. In April 2016, Guangzhou Daan transferred 10% equity interest of Yunkang Health held by it to Yunkang Industry at a consideration of RMB100,000. As a step of the Reorganization, all shares of Yunkang Health were transferred to WFOE on February 10, 2021. Please refer to “—Reorganization” below for details.

### *Guangzhou Clinic*

On January 29, 2019, Guangzhou Clinic was established with an initial registered capital of RMB3.0 million in Guangzhou. Upon establishment, it was wholly-owned by Guangzhou Yunkang. As a step of the Reorganization, Guangzhou Yunkang transferred 30% shares of Guangzhou Clinic to Yunkang Industry on January 15, 2021. Please refer to “—Reorganization” below for details.

### *Guangzhou Yunkang*

On May 5, 2014, Guangzhou Yunkang was established with an initial registered capital of RMB1.0 million. Upon establishment, it was wholly-owned by Yunkang Industry. On April 19, 2016, Yunkang Industry transferred all interest in Guangzhou Yunkang to Yunkang Health. Guangzhou Yunkang is the holding company of Guangzhou Clinic and has no substantive business.

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### *Guangzhou Daan*

On February 28, 2006, Guangzhou Daan was established with an initial registered capital of RMB10.0 million held by Da An Gene. Its registered capital increased to RMB20.0 million on October 11, 2006. On July 19, 2008, Da An Gene transferred all interest in Guangzhou Daan to Yunkang Industry. Guangzhou Daan is mainly engaged in providing clinical diagnostic testing services.

### *Investment in Guangzhou Daan by CDB Development Fund*

In order to obtain additional financing to support the business growth of Guangzhou Daan, CDB Development Fund, Yunkang Industry, Da An Gene and Guangzhou Daan entered into an investment agreement on December 9, 2015 (the “**Investment Agreement**”), pursuant to which CDB Development Fund agreed to contribute RMB40 million to Guangzhou Daan, among which RMB1,317,200 was recorded as the registered capital with the remaining funds allocated to the capital reserve. Upon completion of such capital increase on July 6, 2016, Guangzhou Daan was held as to 93.82% and 6.18% by Yunkang Industry and CDB Development Fund respectively. CDB Development Fund can exercise its shareholder’s rights in respect of its shareholding in Guangzhou Daan.

Set out below are the salient terms of the Investment Agreement:

- (i) **Redemption Right.** CDB Development Fund is entitled to a redemption right, pursuant to which CDB Development Fund has the right to require Yunkang Industry, the then direct shareholder of Guangzhou Daan, to repurchase the equity interest held by CDB Development Fund in Guangzhou Daan by instalments at a price equal to the consideration paid by CDB Development Fund at the time of its investment;
- (ii) **Redemption Timetable.** Yunkang Industry shall by phase repurchase the equity interest held by CDB Development Fund in Guangzhou Daan during the period from December 6, 2021 to December 6, 2030, regardless of whether CDB Development Fund exercises its redemption right as disclosed above. Yunkang Industry shall repurchase the equity interest at the consideration of RMB1.0 million in Guangzhou Daan in each year from 2021 to 2029, and repurchase the remaining equity interest in Guangzhou Daan at the consideration of RMB31.0 million on December 6, 2030. Notwithstanding the above timetable, Yunkang Industry is entitled to repurchase the equity interest held by CDB Development Fund at its volition, provided that it shall notify CDB Development Fund in writing one month prior to the intended repurchase. The Company confirmed that such repurchase will not result in any material adverse impact on the Group;

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- (iii) Annual Interest. CDB Development Fund is entitled to an annual interest of 1.2% of its initial investment amount in Guangzhou Daan, which shall be paid by Guangzhou Daan as dividends;
- (iv) Special Rights. CDB Development Fund is entitled to certain special rights under the Investment Agreement, including liquidation preference, right of first refusal, co-sale rights, as well as pre-emptive rights and information rights that are in line with the shareholders’ rights as stipulated under the PRC Company Law; and
- (v) Special Resolutions. Certain events require the passing by a majority of not less than two-third of votes cast by shareholders of Guangzhou Daan at its general meetings, including among others (a) amending the articles of association, increasing or decreasing the registered capital, merger, division, dissolution or otherwise altering the form of Guangzhou Daan; (b) establishing any subsidiary of Guangzhou Daan; and (c) other events that may have material adverse effects on the rights of CDB Development Fund under the Investment Agreement.

As of the Latest Practicable Date, we have paid RMB1.0 million to CDB Development Fund for the repurchase of equity interest in Guangzhou Daan held by CDB Development Fund.

Pursuant to the Investment Agreement, our Group is obliged to repurchase the equity interest held by CDB Development Fund in Guangzhou Daan in accordance with the schedule stated in the Investment Agreement and our Group does not have any unconditional right not to delivering cash to settle our obligation. As such, the investment made by CDB Development Fund in Guangzhou Daan has fulfilled the criteria of financial liabilities under relevant accounting standards and has been recognized as a borrowing in our consolidated financial statements.

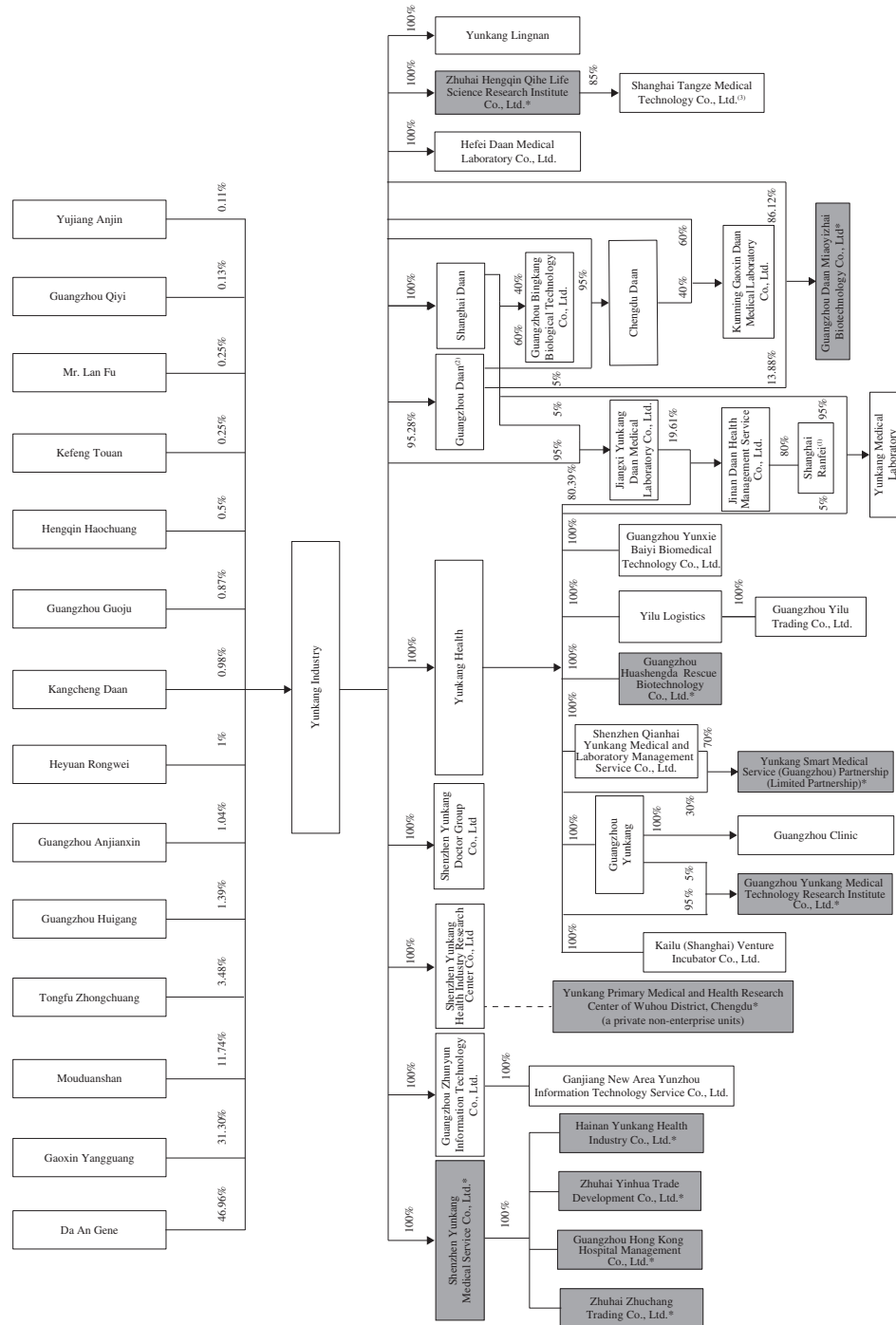


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### REORGANIZATION

#### Corporate Structure Immediately before the Reorganization

The following chart sets forth a simplified shareholding structure of our Group immediately before the Reorganization:



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*Notes:*

- \* Subsidiaries to be disposed of or deregistered during the Reorganization
- (1) The remaining 20% equity interest in Shanghai Ranfei is held by Mr. Mu Min, a manager of Guangzhou Daan.
  - (2) On November 26, 2019, Yunkang Industry subscribed for the increased registered capital of Guangzhou Daan of RMB6.586 million at a consideration of RMB200.0 million. Upon completion, Guangzhou Daan was held as to 95.28% and 4.72% by Yunkang Industry and CDB Development Fund, respectively. But the attributable equity interest of Guangzhou Daan is regarded as being held by our Company as to 100% as the investment in Guangzhou Daan by CDB Development Fund is recognized as a borrowing in our financial statements.
  - (3) The remaining 15% equity interest in Shanghai Tangze Medical Technology Co., Ltd. is held by Mr. Xu Guoli, a manager of Guangzhou Daan.

### Steps of the Reorganization

In preparation for the [REDACTED], we underwent the following principal steps for the Reorganization:

#### *Offshore Reorganization*

##### *Step 1: Incorporation of shareholders' SPVs*

In order to subscribe for the Shares, each of the Registered Shareholders set up an offshore SPV, details of which are set out as below:

No.	Registered Shareholder	Offshore Affiliate
1	Da An Gene	Daan International
2	Gaoxin Yangguang	Huizekx Limited
3	Mouduanshan	Mouduans Limited
4	Tongfu Zhongchuang	Tongfuzc Limited
5	Guangzhou Huigang	WJJR Investment Limited
6	Guangzhou Anjianxin	Anjianxin Limited
7	Heyuan Rongwei	Source Capital RW Limited
8	Guangzhou Guoju	Handclass Industries Limited
9	Mr. Lan Fu	Jin Jun Ying Limited
10	Yujiang Anjin	Aagen Limited

On July 12, 2018, YK Development was incorporated in the BVI as a limited liability company and was held as to 70% and 30% by Huizekx Limited and Mouduans Limited.

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### *Step 2: Incorporation of offshore holding companies*

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on July 20, 2018 with an authorized share capital of US\$50,000 divided into 500,000,000 ordinary shares with a par value of US\$0.0001 each. Immediately after the incorporation, our Company allotted and issued 7,000, 1,000, 1,000 and 1,000 shares at par value to Huizekx Limited, Mouduans Limited, Tongfuzc Limited and WJJR Investment Limited, respectively. On March 26, 2019, our Company allotted and issued 3,000, 1,000 and 1,000 shares at par value to Huizekx Limited, Aagen Limited and Jin Jun Ying Limited.

YK HK was incorporated as a direct wholly-owned subsidiary of our Company in Hong Kong on August 14, 2018.

Each of our Company and YK HK has been an investment holding company without substantive business operations since incorporation.

### *Step 3: Subscription of Shares of our Company*

On October 22, 2019, a share subscription agreement was entered into among our Company, Daan International, YK Development, Huizekx Limited, Handclass Industries Limited, Aagen Limited and Anjianxin Limited, pursuant to which:

- our Company allotted and issued 4,695,650 Shares to Daan International, which is a wholly-owned subsidiary of Da An Gene, at par value;
- our Company allotted and issued 5,060,120 Shares to YK Development at par value;
- our Company allotted and issued 104,350 Shares to Anjianxin Limited, at par value;
- our Company allotted and issued 86,960 Shares to Handclass Industries Limited at par value;
- our Company allotted and issued 28,040 Shares to Huizekx Limited at par value; and
- our Company allotted and issued 9,870 Shares to Aagen Limited at par value.

### *Step 4: Share allotment and transfer of YK Development*

On October 22, 2019, a share subscription agreement was entered into among YK Development, Huizekx Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited, Mouduans Limited and Source Capital RW Limited, pursuant to which, Huizekx Limited, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited, Jin Jun Ying Limited and Source Capital RW Limited subscribed for 3,208,250, 1,143,910, 347,830, 139,130, 25,000 and 100,000 shares of YK Development at par value of US\$0.0001 each, respectfully. On the same date, Mouduans Limited, Tongfuzc Limited, WJJR Investment Limited and Jin Jun Ying Limited transferred all the Shares held by them to YK Development.

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On February 3, 2021, Huizekx Limited transferred all Shares held by it to YK Development at a consideration of par value. Upon the share transfer Huizekx Limited no longer directly held equity interest in our Company. On the same date, YK Development allotted and issued 25,000 and 13,040 Shares to Huizekx Limited and WJJR Investment Limited of a nominal or par value of US\$0.0001 each, respectively.

### *Onshore Reorganization*

#### *Step 1: Establishment of the WFOE*

On July 10, 2019, Guangzhou Yunkang Health Technology Co., Ltd. (廣州雲康健康科技有限公司) (“WFOE”) was established in the PRC as a wholly foreign owned enterprise with a registered capital of RMB100 million and it is wholly-owned by YK HK.

#### *Step 2: Contractual Arrangements*

On October 22, 2019, the WFOE entered into a series of Contractual Arrangements with Yunkang Industry and the Registered Shareholders, which were restated and amended on December 29, 2020 and February 24, 2021. Pursuant to the Contractual Arrangements our Group acquired effective control over Yunkang Industry and consolidated the results of Yunkang Industry. Please refer to “Contractual Arrangements” for details.

#### *Step 3: Share transfer of Yunkang Health*

On February 10, 2021, a share transfer agreement was entered into between WFOE and Yunkang Industry, pursuant to which Yunkang Industry transferred all shares of Yunkang Health held by it to the WFOE. Upon completion, Yunkang Health became a wholly-owned subsidiary of the WFOE.

#### *Step 4: Share transfer of Guangzhou Clinic*

On December 25, 2020, a share transfer agreement was entered into between Guangzhou Yunkang and Yunkang Industry, pursuant to which Guangzhou Yunkang transferred 30% shares of Guangzhou Clinic held by it to Yunkang Industry. Upon completion of the above share transfer on January 15, 2021, Guangzhou Clinic is held as to 70% and 30% by Guangzhou Yunkang and Yunkang Industry, respectively.

#### *Step 5: Share transfer of Yunkang Industry*

On February 18, 2021, Kangcheng Daan and Gaoxin Yangguang entered into an equity transfer agreement, pursuant to which Kangcheng Daan transferred its interest in Yunkang Industry to Gaoxin Yangguang at a consideration of approximately RMB48.8 million, which was fully paid on February 22, 2021 in cash. On February 20, 2021, Hengqin Haochuang and Gaoxin Yangguang entered into an equity transfer agreement, pursuant to which Hengqin Haochuang transferred its interest in Yunkang Industry to Gaoxin Yangguang at a consideration

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of approximately RMB24.9 million, which was fully paid on February 23, 2021 in cash. The above-mentioned consideration were determined through arm’s length negotiation between the parties with reference to a valuation report issued by an Independent Third Party valuer. On December 29, 2020, Guangzhou Qiyi entered into an equity transfer agreement with Guangzhou Huigang, pursuant to which Guangzhou Qiyi transferred its interest in Yunkang Industry to Guangzhou Huigang at a consideration of RMB6.5 million. The consideration was determined through arm’s length negotiation between the parties with reference to a valuation report issued by an Independent Third Party valuer and fully settled on December 29, 2020 in cash.

On April 30, 2021, Kefeng Touan entered into an equity transfer agreement with Gaoxin Yangguang, pursuant to which Kefeng Touan agreed to transfer its interest in Yunkang Industry to Guangzhou Huigang at a consideration of approximately RMB12.46 million. The consideration was determined through arm’s length negotiation between the parties with reference to a valuation report issued by an Independent Third Party valuer and fully settled on May 8, 2021 in cash.

Upon completion of the share transfers, Kangcheng Daan, Hengqin Haochuang, Kefeng Touan and Guangzhou Qiyi (together, the “**Former Shareholders**”) will no longer hold any interest in the Group. The Former Shareholders did not intend to be involved in the [REDACTED] process primarily due to their own difficulties in completing the overseas direct investment registration required pursuant to the Administrative Measures for the Overseas Investment of Enterprises (企業境外投資管理辦法) promulgated by the NDRC and Administrative Measures for Overseas Investment Management (境外投資管理辦法) promulgated by the MOFCOM. Mr. Shao Zuxiang, an ultimate beneficial owner of Guangzhou Qiyi, is the uncle of Ms. Shao Jiaru, an ultimate beneficial owner of Guangzhou Huigang. Save for the above and to the best knowledge of the Company, the Former Shareholders, their shareholders, directors or senior management, or any of their respective associates, do not have any past or present business, employment, family or financing relationships with our Company, our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

### *Step 6: Disposal and deregistration of certain PRC subsidiaries*

In order to streamline our corporate structure, our Group disposed and deregistered a number of entities within our Group did not have any material business operations or hold any material assets. The table below sets forth the information of subsidiaries which were deregistered.

<b>Name of the subsidiary</b>	<b>Date of deregistration</b>
Zhuhai Hengqin Qihe Life Science Research Institute Co., Ltd. (珠海橫琴齊合生命科學研究院有限公司)	March 3, 2021
Guangzhou Daan Miaoyizhai Biotechnology Co., Ltd. (廣州達安妙醫齋生物科技有限公司)	February 2, 2021

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Guangzhou Huashengda Rescue Biotechnology Co., Ltd. (廣州華生達救援生物技術有限公司)	January 28, 2021
Yunkang Primary Medical and Health Research Center of Wuhou District, Chengdu (成都市武侯區雲康基層醫療衛生研究中心) (a private non-enterprise units)	February 22, 2021
Yunkang Smart Medical Services (Guangzhou) Partnership (limited Partnership) (雲康智慧醫療服務(廣州)合夥企業(有限合夥))	June 24, 2021

For details of the disposals, please refer to “—Major Acquisitions, Disposals and Mergers.”

### MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

In order to streamline our corporate structure and focus on the Group’s diagnostic testing services business, our Group disposed of the following subsidiaries:

- On January 27, 2021, Yunkang Health, Guangzhou Yunkang and Zhuhai Hengqin Shiwei Kangjie Life Science Research Institute Co., Ltd. (珠海橫琴世衛康傑生命科學研究院有限公司) (“**Shiwei Kangjie**”) entered into an equity transfer agreement, pursuant to which Yunkang Health and Guangzhou Yunkang transferred all the shares of Guangzhou Yunkang Medical Technology Research Institute Co., Ltd. (廣州雲康醫學科技研究院有限公司) (“**Yunkang Research Institute**”) held by them to Shiwei Kangjie, which is owned as to 60% and 40% by Mr. Zhang Yong and Mr. Lin Yingjia, at a consideration of RMB665,000 and RMB35,000, respectively. Such consideration was determined after arm’s length negotiation between the parties with reference to a valuation report issued by an Independent Third Party valuer and fully paid in cash on February 10, 2021. At the time of the disposal, Yunkang Research Institute was solvent. Yunkang Research Institute is mainly engaged in the research and development of testing kits. During the Track Record Period, as we did not have sufficient resources to fully engage in the development process of the testing kits, Yunkang Research Institute engaged third parties to conduct the research and development of testing kits and the employees of our Group supervised the research and development schedule. The costs of such employees were charged at Yunkang Research Institute. After the disposal, our employees have no relationship with Yunkang Research Institute. Save for the above, there were no sharing of resources or facilities between our Group and Yunkang Research Institute during the Track Record Period and up to the Latest Practicable Date. The amount of net loss incurred by Yunkang Research Institute for the financial years ended December 31, 2018, 2019, 2020 and 2021 prior to the disposal were RMB15.4 million, RMB13.9 million, RMB0.5 million and RMB0.7 million. We and our Directors believe that the disposal of the research and development of testing kits business will not affect our business going forward since (i) such research of testing

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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kits is still in an early stage and the research products would not be available for use by our Group within a short period of time; (ii) there are a lot of uncertainties inherent in the research which requires huge amount of capital support and there is a long process since the commencement of research to the obtaining of the relevant certificate such as the Medical Device Operation License (醫療器械經營許可證); (iii) our Group would focus on the provision of diagnostic testing services; and (iv) there are already testing kits well developed in the market so that they could easily satisfy the Group’s needs for diagnostic tests. As such, the disposal of Yunkang Research Institute will not have any adverse impact on the Group’s business going forward. During the Track Record Period, Yunkang Research Institute did not supply or sell any testing kits to the Group and no existing testing kit products used by the Group were developed by Yunkang Research Institute.

- On January 29, 2021, Yunkang Industry and Shiwei Kangjie entered into an equity transfer agreement, pursuant to which Yunkang Industry transferred all the shares of Shenzhen Yunkang Medical Service Co., Ltd. (深圳雲康醫學服務有限公司) (“**Yunkang Medical Service**”) together with its subsidiaries held by it to Shiwei Kangjie at a consideration of RMB84.3 million. Such consideration was determined after arm’s length negotiation between the parties with reference to a valuation report issued by an Independent Third Party valuer and fully paid in cash on February 24, 2021. At the time of the disposal, Yunkang Medical Service was solvent. Yunkang Medical Service is primarily engaged in providing hospital management services to non-profit community health clinics. For details, please refer to “Relationship with our Controlling Shareholders—Delineation of Business—Yunkang Medical Service.” During the Track Record Period, all the personnel who worked for Yunkang Medical Service were engaged by the Group. The costs of such employees were charged at Yunkang Medical Service. After the disposal, certain personnel was transferred to Yunkang Medical Service and our employees have no relationship with Yunkang Medical Institute. Save for the above, there were no sharing of resources or facilities between our Group and Yunkang Medical Service during the Track Record Period and up to the Latest Practicable Date. The amount of net loss incurred by Yunkang Medical Service for the financial years ended December 31, 2018, 2019 and 2020 prior to the disposal were RMB6.2 million, RMB6.3 million and RMB9.6 million. The net loss recorded by Yunkang Medical Service and its subsidiaries for the year ended December 31, 2021 prior to the disposal which was occurred in January 2021 was RMB0.08 million excluding the disposal gains net of tax of RMB10.20 million in respect of the sales of Yunkang Medical Service recognised in the Group. We believe that the disposal of Yunkang Medical Services will not affect our remaining business as (i) there is no synergy effect between management services for non-profit community health clinics and our Group’s business; and (ii) the management services provided to non-profit community health clinics are not the business area that we would like to develop.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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As of the Latest Practicable Date, the above disposals have been properly and legally completed and all necessary regulatory approvals have been obtained.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, our group did not conduct any major acquisitions or mergers.

### **PRE-[REDACTED]**

Pursuant to the Share Purchase Agreement entered into among YK Development, Huizekx Limited, Mr. Zhang Yong and SPDB HK on February 3, 2021, SPDB HK purchased 100,000 ordinary Shares from YK Development at a consideration of approximately US\$9.75 million (equivalent to RMB63.0 million).

The following table sets forth other key particulars of the Pre-[REDACTED]:

	<b>Pre-[REDACTED]</b>
Number of Shares subscribed for (before the Share Subdivision)	100,000 ordinary Shares
Date of agreement	February 3, 2021
Date on which the consideration was fully settled	February 5, 2021
Percentage of shareholding upon completion of the Pre-[REDACTED]	1%
Percentage of shareholding upon completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED])	[REDACTED]%
Valuation	RMB6.3 billion
Consideration paid	US\$9.75 million (equivalent to RMB63.0 million)
Cost per share paid by the Pre-[REDACTED] (as adjusted after the Share Subdivision)	US\$1.9504
Premium to the [REDACTED] <sup>(1)</sup>	[REDACTED]%



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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### Pre-[REDACTED]

Basis of determination of the consideration	The consideration of the Pre-[REDACTED] was determined after arm’s length negotiation among the parties, taking into account the valuation conducted by the SPDB HK based on the valuation report prepared by an independent valuer on January 26, 2021 with reference to the business prospects, results of operation and financial condition of our Group
Use of proceeds from the Pre-[REDACTED]	Not applicable. The amount of consideration was paid to YK Development.
Lock-up	The Shares held by the Pre-[REDACTED] are not subject to a lock-up period after the [REDACTED].
Strategic benefits of the Pre-[REDACTED]	Our Directors are of the view that our Company can benefit from the strategic cooperation of the Pre-[REDACTED] with our Company, provide us with professional advice on our Group’s development and improve our corporate governance, financial reporting and internal control, and also the Pre-[REDACTED] commitment to our Company as the [REDACTED] demonstrates the confidence in our Group and serves as an endorsement of our Group’s performance, strength and prospects.

*Note:*

- (1) Calculated based on the [REDACTED] of HK\$[REDACTED] [REDACTED].

### Special Rights Granted to SPDB HK

SPDB HK was granted certain special rights under the Pre-[REDACTED] including (i) the right to receive financial statements and other information about our Company; (ii) the right to inspect facilities, records and books of our Company at any time; and (iii) the right to request YK Development or Huizekx Limited to repurchase all or a portion of the Shares held by SPDB HK upon its written request in the event of (A) the Company’s failure to complete the [REDACTED] and [REDACTED] or a sale of all or more than 50% of the equity or assets of the Company on or before December 31, 2022; (B) any material breach of the Share Purchase Agreement; or (C) the Company’s failure to deliver to SPDB HK its annual consolidated financial statements. All the above special rights granted to SPDB HK will be automatically terminated immediately prior to the [REDACTED], save for the repurchase right which was terminated on the date of filing first [REDACTED] and shall be reinstated upon the earliest of (i) the withdrawal of the [REDACTED] by our Company, (ii) the rejection of the [REDACTED] by the Stock Exchange, (iii) the lapse of [REDACTED] and such [REDACTED] is not renewed within 30 days, or (iv) the failure of [REDACTED] on or before October 31, 2022.

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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### Information about SPDB HK

SPDB HK is a company incorporated in Hong Kong indirectly owned by Shanghai Pudong Development Bank Co., Ltd.. Shanghai Pudong Development Bank Co., Ltd. is a leading PRC bank incorporated on October 19, 1992 with the approval of the PBOC. Shanghai Pudong Development Bank Co., Ltd. was listed on the Shanghai Stock Exchange (stock code: 600000) on November 10, 1999. SPDB HK holds 16.67% interest in SPDB International Capital Limited, one of the Joint Sponsors for the [REDACTED].

### Public Float

Immediately following the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]), SPDB HK will be interested in approximately [REDACTED]% of the total issued share capital of our Company. Therefore, SPDB HK will not be a core connected person of our Company and the Shares held by SPDB HK will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the [REDACTED].

### Compliance with Interim Guidance and Guidance Letters

On the basis that (i) the consideration for the Pre-[REDACTED] was settled no less than 120 clear days before the [REDACTED]; and (ii) all the special right granted to SPDB HK as set out above will be automatically terminated immediately prior to the [REDACTED], the Joint Sponsors have confirmed that the Pre-[REDACTED] are in compliance with the Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and as updated in March 2017, the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017 and the Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

### SHARE SUBDIVISION

We expect to conduct the Share Subdivision immediately prior to the [REDACTED], pursuant to which each share in our issued and unissued share capital was subdivided into fifty shares with par value US\$0.000002 each, following which our issued share capital was 499,999,500 Shares with par value of US\$0.000002 each.

### FACILITY AGREEMENTS AND SECURITY DOCUMENTS

To repay the existing indebtedness owing to Shanghai Goldstate Brilliance Asset Management Co., Ltd. (上海金元百利資產管理有限公司) (“**Shanghai Goldstate**”) pursuant to equity interest assignment and repurchase agreements incurred by Huize Kexiang, which owns 100% interest in Gaoxin Yangguang, YK Development as borrower, SPDB HK as lender, and Huizekx Limited and Mouduans Limited as guarantors, entered into the Offshore Facility Agreement on February 9, 2021, pursuant to which the lender extended a US\$40 million loan facility to YK Development, among others, (i) 5,002,160 Shares owned by YK Development

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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(equivalent to 50.02% of the total issued Shares as of the Latest Practicable Date) (the “[REDACTED] Shares”), 3,203,250 and 1,173,910 shares of YK Development owned by Huizekx Limited and Mouduans Limited, respectively, and 100% equity interest in Huizekx Limited owned by Mr. Zhang Yong; and (ii) the book debts, bank accounts, cash collateral, goodwill and uncalled capital and assigned agreements of Huizekx Limited, Mouduans Limited and YK Development (collectively “**Collaterals**”) were charged as security interest in favour of the lender. With the consent of the lender, the above-mentioned security will be released before the [REDACTED]. The above existing indebtedness owing to Shanghai Goldstate was to refinance the original loan of RMB250 million obtained from Shanghai Futura Too Asset Management Limited (上海華富利得資產管理有限公司) (“**Shanghai Futura Too**”) to Huize Kexiang in November 2016. The purpose of the original loan was to partially support the subscription obligation of Mouduanshan in the amount of approximately RMB378 million under the capital increase agreement entered between Yunkang Industry and Mouduanshan on July 5, 2015. Such subscription was completed in December 2016. Currently the loan owed to Shanghai Futura Too and Shanghai Goldstate have been fully repaid and Shanghai Futura Too and Shanghai Goldstate have no other relationships with the Group. Pursuant to the Offshore Facility Agreement, (i) subject to any extension of the repayment date, YK Development shall repay all outstanding principal amount, all accrued and unpaid interest and all other amounts due and payable with respect to the loan in full on the first anniversary of the date on which the loan was made (the “**Utilization Date**”). YK Development can request an extension of the repayment date to the second anniversary of the Utilization Date by way of delivering an extension agreement; and (ii) the interest period in relation to the loan is three months and the rate of interest for each interest period is 11.0% per annum. On February 9, 2022, the same parties entered into a New Offshore Facility Agreement pursuant to which the lender extended a US\$40 million loan facility to YK Development to fund the repayment of all amounts outstanding under the Offshore Facility Agreement dated February 9, 2021. The US\$40 million loan facility under the New Offshore Facility Agreement has been fully drawn down on February 11, 2022. The same Collaterals were charged as security interest in favour of the lender. Under the New Offshore Facility Agreement, the borrower may request certain security documents (including the [REDACTED] Shares, 3,203,250 and 1,173,910 shares of YK Development owned by Huizekx Limited and Mouduans Limited and 100% equity interest in Huizekx Limited owned by Mr. Zhang Yong) to be released within 3 business days after the signing date of the [REDACTED]. It is expected that the security mentioned above will be fully released before the [REDACTED]. Upon the [REDACTED], the [REDACTED] Shares will be deposited into a custodian account which is to be held with SPDB International Securities Limited as custodian. The [REDACTED] Shares are expected to be pledged after the expiry of any statutory or contractual lock-up period that the borrower is required to comply with in respect of [REDACTED] in the [REDACTED] Shares.

In addition, to partly finance the purchase of minority stake in Yunkang Industry, Gaoxin Yangguang as borrower and SPDB Guangzhou Wuyang Branch as lender, entered into the Onshore Facility Agreements on February 20, 2021 and February 22, 2021, pursuant to which the lender extended an approximately RMB344.21 million loan to Gaoxin Yangguang. The loan facility under the Onshore Facility Agreements has been drawn down on February 20, 2021 and February 22, 2021. Pursuant to the Onshore Facility Agreements and the related security

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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documents, among others, (i) 119,600,000 shares of Yunkang Industry held by Gaoxin Yangguang were pledged to SPDB Guangzhou Wuyang Branch; and (ii) Gaoxin Yangguang shall repay the total loan amounts in seven years from the date on which the loan was made and the rate of interest equals to the relevant loan prime rate for a period longer than five years announced by the People’s Bank of China or its designated institute (中國人民銀行或其指定發佈人公佈的5年期以上貸款市場報價利率) (“LPR”). The above-mentioned share pledge was released in May 2021. As an alternative it is expected that after the expiry of any statutory or contractual lock-up period up to 250,108,000 Shares (equivalent to [REDACTED]% of the total issued Shares upon completion of the [REDACTED] and assuming that the [REDACTED] is not exercised) held by YK Development will be pledged.

Based on the repayment schedule under the Onshore Facility Agreements, Gaoxin Yangguang does not have any repayment obligation in respect of the principal in the first year since the date of drawdown under the Onshore Facility Agreements, and a deposit of RMB19.13 million will be made according to the amount of the first installment of repayment under the Onshore Facility Agreements.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to us and to the Stock Exchange that it will observe its respective obligations, including to inform us in writing from time to time the number of Shares subject to the share charge during the term of the Facility Agreements. We will also inform the Stock Exchange as soon as we have been informed that the Shares under such share charge will be disposed of, and disclose such information by way of an announcement as soon as possible. Please also see “Risk Factors—Risks Relating to Our Operations—Certain equity interests of our Controlling Shareholders, shares in our Company and registered capital of Yunkang Industry are charged as security interests pursuant to the Facility Agreements and the related security documents. A default under such Facility Agreements could result in the enforcement of the security interests, which could materially and adversely affect our Controlling Shareholders’ ownership in our Group.”

### PRC REGULATORY REQUIREMENTS

As confirmed by our PRC Legal Advisers, we have obtained and completed all necessary approvals, registrations and/or procedures in all material aspects from the relevant PRC regulatory authorities in respect of the steps of the Reorganization in relation to our PRC subsidiary as described above.

### M&A Rules

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the “M&A Rules”) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, SAIC and the State Administration of Foreign Exchange, or SAFE, on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals from MOFCOM or the department

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## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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of commerce at the provincial level when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. Our PRC Legal Adviser is of the opinion that prior MOFCOM approval for the [REDACTED] is not required because none of the incorporation or acquisition of the PRC subsidiaries of the Group involves the merger with or acquisition of the equity or asset of a PRC domestic enterprise, as described under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including the MOFCOM, would reach the same conclusion as our PRC Legal Adviser.

### SAFE Circular 37

According to the SAFE Circular 37, PRC residents shall register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, or a special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. The SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of or any significant changes with respect to the special purpose vehicle. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

Pursuant to the Circular of the SAFE 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 and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks under SAFE Circular 37.

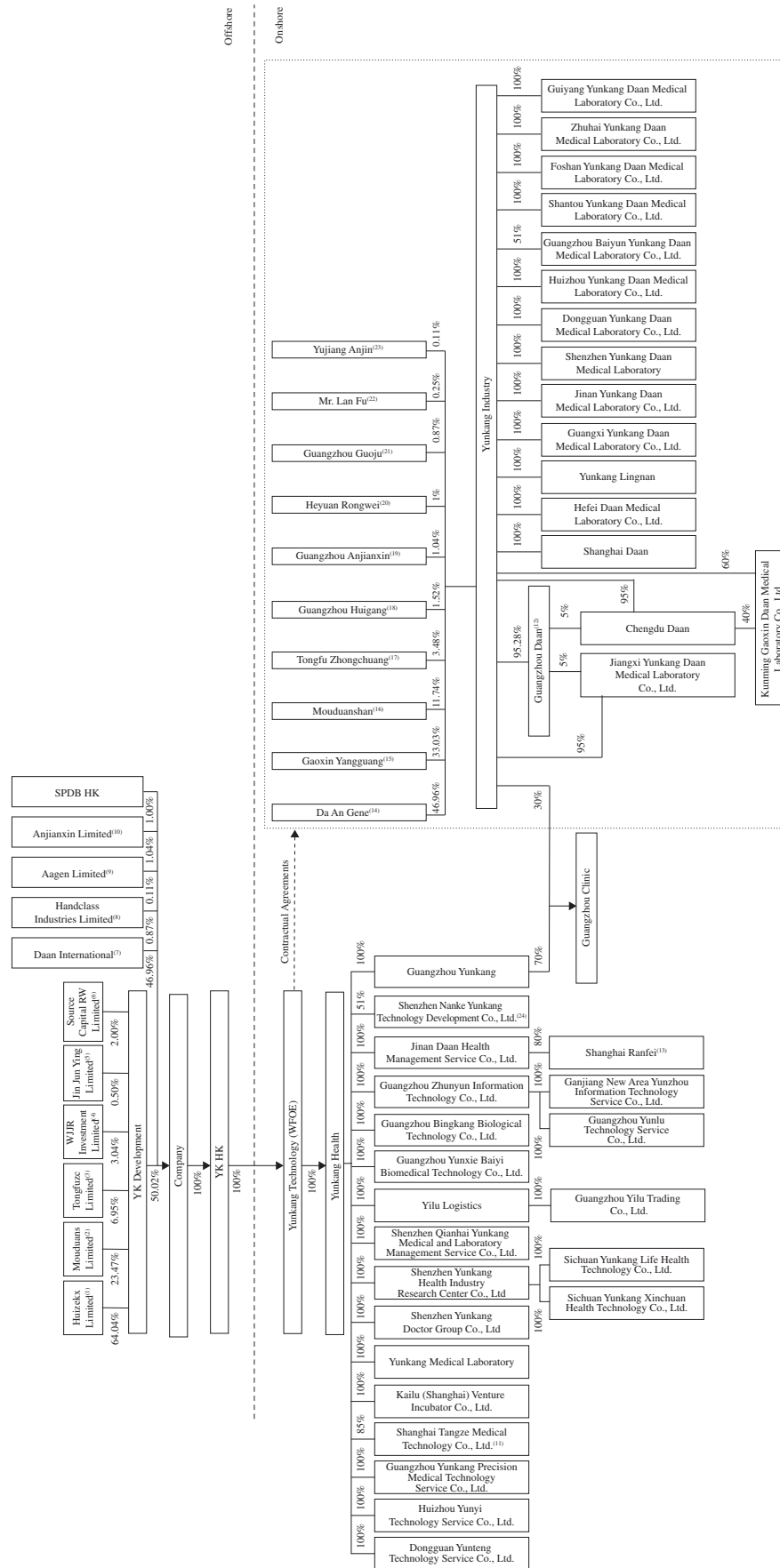
As of the Latest Practicable Date, each of our individual beneficial owners who is required to complete the registration under SAFE Circular 37 and SAFE Circular 13 has duly completed the foreign exchange registrations on July 3 2019 in relation to their offshore investments as PRC residents.

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

### SHAREHOLDING AND CORPORATE STRUCTURE

#### After Completion of the Reorganization and Immediately Before the [REDACTED]

A simplified corporate structure of our Group immediately following the completion of the Reorganization and prior to the completion of the [REDACTED] is as follows:



## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

*Notes:*

- (1) Huizekx Limited is wholly-owned by Mr. Zhang Yong;
- (2) Mouduans Limited is owned as to 80% and 20% by Mr. Wang Tieding, vice president of our Company, and Mr. Lin Yingjia, chief financial officer of our Company, respectively;
- (3) Tongfuzc Limited is owned as to 50% and 50% by Mr. Zeng Weizhong and Mr. Huang Zemeng, respectively, who are Independent Third Parties;
- (4) WJJR Investment is owned as to 50% and 50% by Ms. Luo Xingcui and Ms. Shao Jiaru, respectively, who are Independent Third Parties;
- (5) Jin Jun Ying is wholly-owned by Mr. Lan Fu;
- (6) Source Capital RW Limited is wholly-owned by Shanghai Yuanzhan Enterprise Management Consulting Limited Partnership (上海元綻企業管理諮詢合伙企業), which is owned as to 98% by Heyuan Rongwei;
- (7) Daan International is a wholly-owned subsidiary of Da An Gene;
- (8) Handclass Industries Limited is a wholly-owned subsidiary of Guangzhou Hi-tech Investment Group Co., Ltd (廣州高新區投資集團有限公司), which holds 100% equity interest of Guangzhou Guoju;
- (9) Aagen Limited is owned as to 99.99% and 0.01% by Mr. Cheng Gang and Ms. Mo Zhuohua, respectively, who are Independent Third Parties;
- (10) Anjianxin Limited is wholly-owned by Shanghai Anli Enterprise Management Consulting Partnership (Limited Partnership) 上海安聯企業管理諮詢合伙企業(有限合伙), which is owned as to 99.9% by Guangzhou Anjianxin;
- (11) The remaining 15% equity interest in Shanghai Tangze Medical Technology Co., Ltd. is held by Mr. Xu Guoli, a manager of Guangzhou Daan;
- (12) On November 26, 2019, Yunkang Industry subscribed for the increased registered capital of Guangzhou Daan of RMB6.586 million at a consideration of RMB200.0 million. Upon completion, Guangzhou Daan was held as to 95.28% and 4.72% by Yunkang Industry and CDB Development Fund, respectively. But the attributable equity interest of Guangzhou Daan is regarded as being held by our Company as to 100% as the investment in Guangzhou Daan by CDB Development Fund is recognized as a borrowing in our financial statements;
- (13) The remaining 20% equity interest in Shanghai Ranfei is held by Mr. Mu Min, a manager of Guangzhou Daan;
- (14) Da An Gene is controlled by The People’s Government of Guangzhou Municipality (廣州市人民政府). It is a Registered Shareholder;
- (15) Gaoxin Yangguang is wholly-owned by Mr. Zhang Yong. It is a Registered Shareholder and a party to the Concert Party Agreement;

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

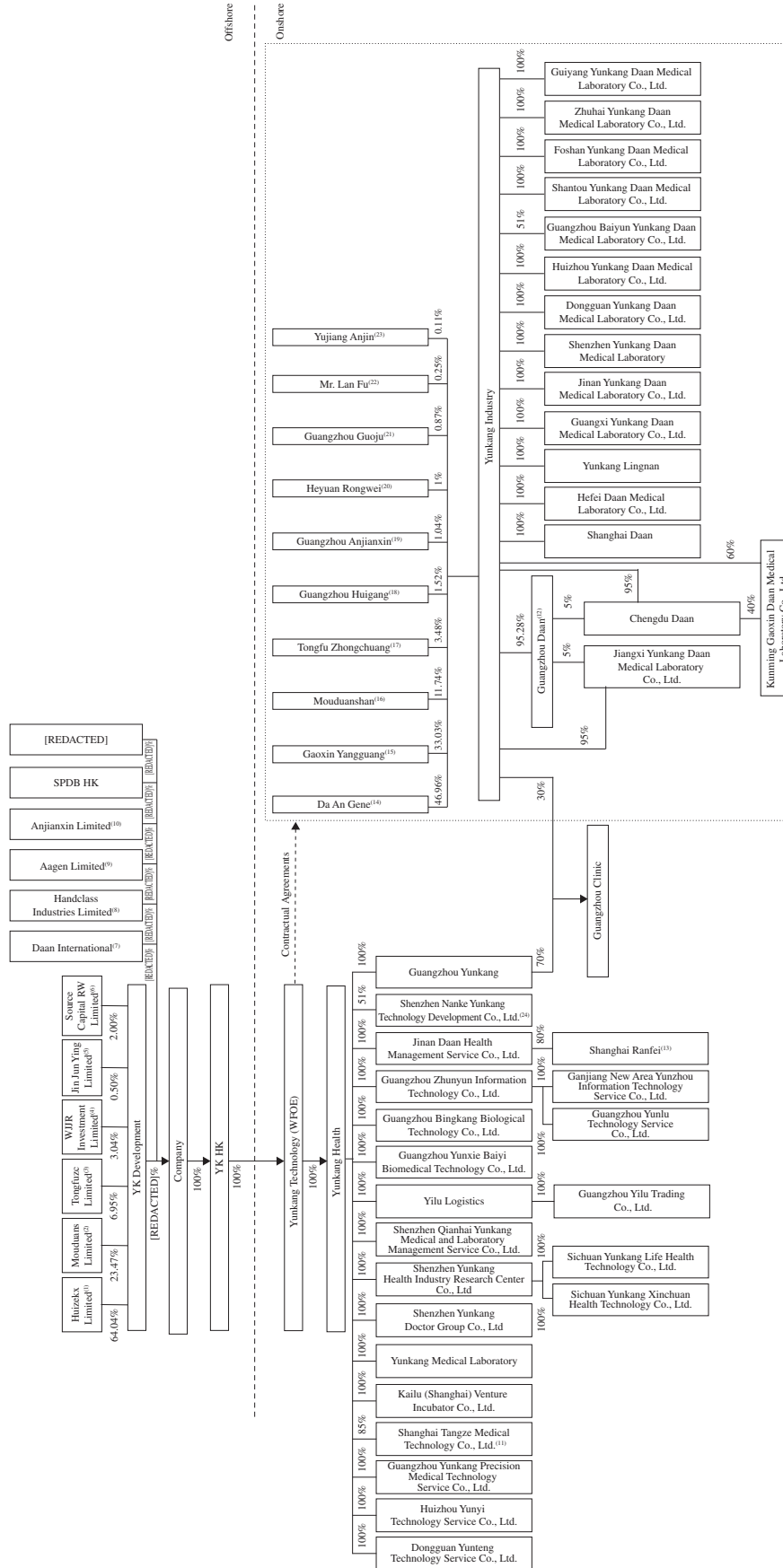
- (16) Mouduanshan is held as to 63.3%, 20% and 16.7% by Gaoxin Yangguang, Mr. Lin Yingjia and Mr. Wang Tieding, respectively. It is a Registered Shareholder and a party to the Concert Party Agreement;
- (17) Tongfu Zhongchuang is owned as to 50% and 50% by Mr. Zeng Weizhong and Mr. Huang Zemeng, respectively, who are Independent Third Parties. It is a Registered Shareholder and a party to the Concert Party Agreement;
- (18) Guangzhou Huigang is owned as to 50% and 50% by Yujiang County Yongsheng Investment Management Center (余江縣永聖投資管理中心) and Yujiang County Ganghong Investment Management Center (余江縣港宏投資管理中心), respectively, who are Independent Third Parties. It is a Registered Shareholder and a party to the Concert Party Agreement;
- (19) Guangzhou Anjianxin is controlled by Mr. Cheng Gang, an Independent Third Party. It is a Registered Shareholder;
- (20) Heyuan Rongwei is managed by its fund manager, Heyuan Capital Management Co., Ltd. (合源資本管理有限公司), which is in turn controlled by Sun Life Everbright Asset Management Co., Ltd. (光大永明資產管理股份有限公司). Heyuan Rongwei is a Registered Shareholder and a party to the Concert Party Agreement;
- (21) Guangzhou Guoju is controlled by Management Committee of Guangzhou Economic & Technological Development District (廣州經濟技術開發區管理委員會). It is a Registered Shareholder;
- (22) Mr. Lan Fu is a Registered Shareholder and a party to the Concert Party Agreement;
- (23) Yujiang Anjin is controlled by Mr. Cheng Gang, an Independent Third Party. It is a Registered Shareholder;
- (24) The remaining 49% equity interest in Shenzhen Nanke Yunkang Technology Development Co., Ltd. is held by Nanke Chuangyuan Technology Development (Shenzhen) Co., Ltd (南科創園科技發展(深圳)有限公司), a limited company established in the PRC.



## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

### Immediately following the completion of the [REDACTED]

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), a simplified corporate structure of our Group will be as follows:



## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

*Notes:*

- (1) Huizekx Limited is wholly-owned by Mr. Zhang Yong;
- (2) Mouduans Limited is owned as to 80% and 20% by Mr. Wang Tieding, vice president of our Company, and Mr. Lin Yingjia, chief financial officer of our Company, respectively;
- (3) Tongfuzc Limited is owned as to 50% and 50% by Mr. Zeng Weizhong and Mr. Huang Zemeng, respectively, who are Independent Third Parties;
- (4) WJJR Investment is owned as to 50% and 50% by Ms. Luo Xingcui and Ms. Shao Jiaru, respectively, who are Independent Third Parties;
- (5) Jin Jun Ying is wholly-owned by Mr. Lan Fu;
- (6) Source Capital RW Limited is wholly-owned by Shanghai Yuanzhan Enterprise Management Consulting Limited Partnership (上海元綻企業管理諮詢合伙企業), which is owned as to 98% by Heyuan Rongwei;
- (7) Daan International is a wholly-owned subsidiary of Da An Gene;
- (8) Handclass Industries Limited is a wholly-owned subsidiary of Guangzhou Hi-tech Investment Group Co., Ltd (廣州高新區投資集團有限公司), which holds 100% equity interest of Guangzhou Guoju;
- (9) Aagen Limited is owned as to 99.99% and 0.01% by Mr. Cheng Gang and Ms. Mo Zhuohua, respectively, who are Independent Third Parties;
- (10) Anjianxin Limited is wholly-owned by Shanghai Anli Enterprise Management Consulting Partnership (Limited Partnership) 上海安聯企業管理諮詢合伙企業(有限合伙), which is owned as to 99.9% by Guangzhou Anjianxin;
- (11) The remaining 15% equity interest in Shanghai Tangze Medical Technology Co., Ltd. is held by Mr. Xu Guoli, a manager of Guangzhou Daan;
- (12) On November 26, 2019, Yunkang Industry subscribed for the increased registered capital of Guangzhou Daan of RMB6.586 million at a consideration of RMB200.0 million. Upon completion, Guangzhou Daan was held as to 95.28% and 4.72% by Yunkang Industry and CDB Development Fund, respectively. But the attributable equity interest of Guangzhou Daan is regarded as being held by our Company as to 100% as the investment in Guangzhou Daan by CDB Development Fund is recognized as a borrowing in our financial statements;
- (13) The remaining 20% equity interest in Shanghai Ranfei is held by Mr. Mu Min, a manager of Guangzhou Daan;
- (14) Da An Gene is controlled by The People’s Government of Guangzhou Municipality (廣州市人民政府). It is a Registered Shareholder;
- (15) Gaoxin Yangguang is wholly-owned by Mr. Zhang Yong. It is a Registered Shareholder and a party to the Concert Party Agreement;

## HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (16) Mouduanshan is held as to 63.3%, 20% and 16.7% by Gaoxin Yangguang, Mr. Lin Yingjia and Mr. Wang Tieding, respectively. It is a Registered Shareholder and a party to the Concert Party Agreement;
- (17) Tongfu Zhongchuang is owned as to 50% and 50% by Mr. Zeng Weizhong and Mr. Huang Zemeng, respectively, who are Independent Third Parties. It is a Registered Shareholder and a party to the Concert Party Agreement;
- (18) Guangzhou Huigang is owned as to 50% and 50% by Yujiang County Yongsheng Investment Management Center (余江縣永聖投資管理中心) and Yujiang County Ganghong Investment Management Center (余江縣港宏投資管理中心), respectively, who are Independent Third Parties. It is a Registered Shareholder and a party to the Concert Party Agreement;
- (19) Guangzhou Anjianxin is controlled by Mr. Cheng Gang, an Independent Third Party. It is a Registered Shareholder;
- (20) Heyuan Rongwei is managed by its fund manager, Heyuan Capital Management Co., Ltd. (合源資本管理有限公司), which is in turn controlled by Sun Life Everbright Asset Management Co., Ltd. (光大永明資產管理股份有限公司). Heyuan Rongwei is a Registered Shareholder and a party to the Concert Party Agreement;
- (21) Guangzhou Guoju is controlled by Management Committee of Guangzhou Economic & Technological Development District (廣州經濟技術開發區管理委員會). It is a Registered Shareholder;
- (22) Mr. Lan Fu is a Registered Shareholder and a party to the Concert Party Agreement;
- (23) Yujiang Anjin is controlled by Mr. Cheng Gang, an Independent Third Party. It is a Registered Shareholder;
- (24) The remaining 49% equity interest in Shenzhen Nanke Yunkang Technology Development Co., Ltd. is held by Nanke Chuangyuan Technology Development (Shenzhen) Co., Ltd (南科創園科技發展(深圳)有限公司), a limited company established in the PRC.