
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to January 2004 when our co-founders, Mr. LIN Jixun and Mr. LIN Feng, launched our first ICL in Hangzhou in 2004 using their personal funding and contributions. In October 2018, Pearl Group Limited, a company owned by funds which are (by and through their controlled affiliates and their respective general partners) ultimately controlled by Carlyle, invested in our Company and became our Controlling Shareholder. Our two co-founders did not assume any management or executive roles in our Group after the investments of Pearl Group Limited in October 2018.

The additional resources, expertise and professional management from Pearl Group Limited and other investors enhanced our corporate compliance and reset our growth path, and led us in our rapid growth and robust track record results with adjusted EBITDA (non-IFRS measure) grew at a CAGR of 34.0% from RMB567.6 million in 2020 to RMB1,019.8 million in 2022. See “Financial Information – Non-IFRS Measures”. We also expanded our ICL network after October 2018 through the establishment of new ICLs in Guizhou, Heilongjiang, Qingdao, Quzhou, Xiamen, Shenzhen, Suzhou, Wenzhou and Xinyang, and the acquisition of ICLs in Shangrao and Henan. As of the Latest Practicable Date, we offered comprehensive and best-in-class testing services primarily to hospitals and health check centers through an integrated network of 32 self-operated laboratories across China.

KEY MILESTONES

Set out below are the key milestones in our history:

- | | |
|--------------|---|
| 2004 | We launched our first ICL in Hangzhou. |
| 2006 to 2011 | We launched our ICLs in Beijing, Changsha, Chengdu, Fuzhou, Hefei, Jilin, Jinan, Nanchang, Nanjing, Shanghai, Shenyang and Wuhan.

Shanghai Adicon was awarded College of American Pathologists (CAP) accreditation in 2008, and became the first ICL in China to obtain such accreditation.

Hangzhou Adicon obtained ISO 15189 qualification in 2010, and became the first ICL in the PRC to obtain such accreditation. |
| 2011 | We diversified our business and started engaging in the sales of medical products. |
| 2013 to 2017 | We launched our ICLs in Chongqing, Guangzhou, Kunming, Nanning, Sanming, Tianjin, Xi’an and Zhengzhou.

We started cooperating with CROs across the PRC through our central ICL in Shanghai and Hangzhou. |
| 2019 | We expanded into health check customer segment and started providing testing services to health check centers across the PRC.

We launched our ICLs in Qingdao and Shenzhen. |

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- 2020 We started offering COVID-19 tests in February 2020. We were the first batch of ICLs recognized as a core participant of the national screening for COVID-19.
- We launched a dedicated sales force for the sales and marketing of our esoteric testing services across the PRC.
- We launched our ICLs in Quzhou.
- 2021 We acquired an ICL in Shangrao and launched an ICL in Xiamen.
- We completed our Preferred Shares [REDACTED] investment and received an aggregate amount of US\$88.0 million.
- 2022 We acquired an ICL in Henan and launched ICLs in Heilongjiang, Guizhou, Suzhou, Wenzhou and Xinyang.

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

Our major subsidiaries that made a material contribution to our results of operations during the Track Record Period are set forth below:

Company	Place of establishment	Principal business activities	Date of establishment and commencement of business
Hangzhou Adicon	PRC	ICL Business	January 16, 2004
Beijing Adicon	PRC	ICL Business	December 7, 2007
Hefei Adicon	PRC	ICL Business	June 5, 2006
Jinan Adicon	PRC	ICL Business	October 19, 2006
Fuzhou Adicon	PRC	ICL Business	February 6, 2009
Wuhan Adicon	PRC	ICL Business	November 24, 2009
Nanjing Adicon	PRC	ICL Business	December 4, 2009
Tianjin Adicon	PRC	ICL Business	June 3, 2014
Hangzhou Huitu	PRC	Sales of medical products	December 2, 2010

The particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report in Appendix I to this Document. Please also refer to the paragraph headed “Corporate Structure” in this section for our corporate structure.

MAJOR CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES

Development of our Business

We launched our first ICL in Hangzhou through Hangzhou Adicon in January 2004, and rapidly expanded across the PRC. As of the Latest Practicable Date, we operated 32 ICLs across the PRC through Hangzhou Adicon and its subsidiaries, which are controlled by us through the Contractual Arrangements. For details of the Contractual Arrangements, please refer to the section headed “Contractual Arrangements” in this Document.

We diversified our business and started engaging in the sales of medical products in 2011. We do not operate this business through the Contractual Arrangements as such business is neither foreign investment restricted nor prohibited. For details, please refer to the section headed “Business – Sales of medical products” in this Document.

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Our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on March 20, 2008 with an initial authorized share capital of US\$50,000 divided into 500,000,000 ordinary shares of US\$0.0001 each.

At the time of incorporation, our Company issued 10,000 Shares with a par value of US\$0.0001 each to an independent company secretary for US\$1.00. On September 30, 2008, Corelink (a BVI company controlled by Mr. LIN Jixun) acquired the 10,000 Shares from the independent company secretary, and subscribed for 47,490,000 new Shares at a total consideration of US\$4,750. On the same date, Mega Stream (a BVI holding company controlled by Mr. LIN Feng) subscribed for 47,500,000 new Shares at a total consideration of US\$4,750. From then and up to October 2018, our Company was ultimately controlled as to 50.0% by Mr. LIN Jixun and 50.0% by Mr. LIN Feng.

On December 24, 2018, we subdivided our share capital from US\$50,000 divided into 500,000,000 ordinary shares of US\$0.0001 each to US\$50,000 divided into 500,000,000,000 Shares of US\$0.0000001 each.

On June 3, 2021, we approved the consolidation of our share capital from US\$50,000 divided into 500,000,000,000 Shares of US\$0.0000001 each to US\$50,000 divided into 2,500,000,000 Shares of US\$0.00002 each.

Our Major Subsidiaries

(i) Hangzhou Adicon

Hangzhou Adicon, a PRC Operating Entity, was established on January 16, 2004 by our Founders with an initial registered capital of RMB5 million, which was subsequently increased to RMB45 million after several rounds of capital injections from our Founders. After several shareholding restructures between October 2010 and October 2018, the equity interest of Hangzhou Adicon was ultimately held as to 50.0% by Mr. LIN Jixun and 50.0% by Mr. LIN Feng through their respective holding vehicles in the PRC. Hangzhou Adicon is the holding company of our ICL business in the PRC.

In October 2018, Mr. LIN Jixun directed his PRC holding vehicle to transfer his 50.0% equity interests in Hangzhou Adicon to Ms. LAN Jia for a consideration of RMB260 million, and Mr. LIN Feng directed his PRC holding vehicle to transfer his 50.0% equity interests in Hangzhou Adicon to Ms. LIAN Hailun for a consideration of RMB260 million. These considerations were arrived at after arm’s length negotiations between the parties with reference to the net asset value of Hangzhou Adicon, and had already been fully settled by cash indirectly from Aidiken WFOE by way of a loan to Ms. LAN Jia and Ms. LIAN Hailun. For details, please refer to the section headed “Contractual Arrangement – Summary of the Contractual Arrangements – Loan agreements” of this Document. Since October 2018, Mr. LIN Jixun and Mr. LIN Feng have ceased to hold any equity interests in Hangzhou Adicon.

On October 14, 2020, Hangzhou Kangming, on behalf of certain PRC senior management of our Company, subscribed for 0.36% equity interest in Hangzhou Adicon.

As of the Latest Practicable Date, Hangzhou Adicon was owned as to 49.82%, 49.82% and 0.36% by Ms. LAN Jia, Ms. LIAN Hailun and Hangzhou Kangming, respectively. Our Company, through the Contractual Arrangements, controls and holds 100% of the economic benefits of Hangzhou Adicon, which, together with its subsidiaries, operate our ICL business in the PRC.

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(ii) *Beijing Adicon*

Beijing Adicon, a PRC Operating Entity, was established on December 7, 2007 by Hangzhou Adicon with an initial registered capital of RMB5 million, which was subsequently increased to RMB20 million after several rounds of capital injections from Hangzhou Adicon. Beijing Adicon operates our ICL in Beijing.

(iii) *Hefei Adicon*

Hefei Adicon, a PRC Operating Entity, was established on June 5, 2006 by Hangzhou Adicon with an initial registered capital of RMB3 million, which was subsequently increased to RMB20 million after several rounds of capital injections from Hangzhou Adicon. Hefei Adicon operates our ICL in Hefei.

(iv) *Jinan Adicon*

Jinan Adicon, a PRC Operating Entity, was established on October 19, 2006 by Hangzhou Adicon with an initial registered capital of RMB3 million, which was subsequently increased to RMB20 million after several rounds of capital injections from Hangzhou Adicon. Jinan Adicon operates our ICL in Jinan.

(v) *Fuzhou Adicon*

Fuzhou Adicon, a PRC Operating Entity, was established on February 6, 2009 by Hangzhou Adicon with an initial registered capital of RMB10 million, which was subsequently increased to RMB20 million after a capital injection from Hangzhou Adicon in December 2013. Fuzhou Adicon operates our ICL in Fuzhou.

(vi) *Wuhan Adicon*

Wuhan Adicon, a PRC Operating Entity, was established on November 24, 2009 by Hangzhou Adicon with a registered capital of RMB20 million. Wuhan Adicon operates our ICL in Wuhan.

(vii) *Nanjing Adicon*

Nanjing Adicon, a PRC Operating Entity, was established on December 4, 2009 by Hangzhou Adicon with an initial registered capital of RMB10 million, which was subsequently increased to RMB20 million after a capital injection from Hangzhou Adicon in October 2010. Nanjing Adicon operates our ICL in Nanjing.

(viii) *Tianjin Adicon*

Tianjin Adicon, a PRC Operating Entity, was established on June 3, 2014 by Hangzhou Adicon and its wholly-owned subsidiary, Guangzhou Adicon, with an initial registered capital of RMB25 million, which was subsequently increased to RMB30 million after a capital injection from Hangzhou Adicon and Guangzhou Adicon in August 2021. Tianjin Adicon operates our ICL in Tianjin.

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(ix) *Hangzhou Huitu*

Hangzhou Huitu, one of our subsidiaries, was established on December 2, 2010 by an independent third party with a registered capital of RMB7.5 million. In January 2011, Hangzhou Adicon acquired 60.0% equity interests in Hangzhou Huitu from such independent third party for a consideration of RMB5 million, which was arrived at after arm’s length negotiations between the parties with reference to the registered capital of Hangzhou Huitu, and had already been fully settled by cash. We started engaging in the sales of medical products after acquiring Hangzhou Huitu in January 2011.

We acquired the remaining 40.0% equity interests in Hangzhou Huitu in June 2020. For details, please refer to the paragraph headed “– Reorganization – Acquiring the remaining interests of Hangzhou Huitu and Manson Grand” in this section.

REORGANIZATION

We underwent the following reorganization steps in preparation for the [REDACTED].

Acquiring the remaining interests of Hangzhou Huitu and Manson Grand

Hangzhou Huitu and Manson Grand are engaged in the sales of medical products in the PRC. Prior to the acquisitions, (i) Hangzhou Huitu was owned as to 60.0%, 26.0% and 14.0% by Hangzhou Adicon, Mr. XU Chenhuai and Mr. CHEN Shanwen, respectively; and (ii) Manson Grand was owned as to 60.0%, 26.0% and 14.0% by our Company, Mr. XU Chenhuai and Mr. CHEN Shanwen, respectively. To the best knowledge of our Directors, Mr. XU Chenhuai and Mr. CHEN Shanwen are independent third parties of our Company.

After the following steps, Manson Grand and Hangzhou Huitu became wholly-owned subsidiaries of our Company and Aidiken WFOE, respectively:

- (i) on May 25, 2020, our Company acquired 26.0% and 14.0% issued shares of Manson Grand from Mr. XU Chenhuai and Mr. CHEN Shanwen at a consideration of US\$1.51 million and US\$0.81 million, respectively. On June 16, 2020, Aidiken WFOE acquired 26.0% and 14.0% equity interests of Hangzhou Huitu from Mr. XU Chenhuai and Mr. CHEN Shanwen at a consideration of RMB1.85 million and RMB1.00 million, respectively. These considerations were arrived at after arm’s length negotiations between the parties with reference to the financial performance of Hangzhou Huitu and Manson Grand for the year ended 31 December 2019. To settle these considerations, on June 18, 2020, our Company issued 873,354,175 Shares and 473,066,845 Shares to Alltrees Holding Ltd (the BVI holding vehicle of Mr. XU Chenhuai) and Boke Holding Ltd (the BVI holding vehicle of Mr. CHEN Shanwen), respectively, at approximately US\$0.0017 each, and Aidiken WFOE paid RMB1.85 million and RMB1.00 million to Mr. XU Chenhuai and Mr. CHEN Shanwen in cash, respectively; and
- (ii) on June 16, 2020, as part of an intra-group reorganization, Aidiken WFOE acquired 60.0% equity interests in Hangzhou Huitu from Hangzhou Adicon at a consideration of RMB15.0 million, which was determined with reference to the net asset value of Hangzhou Huitu. The consideration was fully settled as of the Latest Practicable Date.

Restructuring of Shanghai Adicon

Shanghai Adicon operates our ICL in Shanghai. Prior to the restructuring, Shanghai Adicon was 86.875% owned by Hangzhou Adicon and 13.125% owned by Shanghai Liye Corporate Management Limited Partners (“**Shanghai Liye**”), a PRC limited liability partnership controlled by Ms. YAN Ying (嚴瑩), an independent third party.

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To streamline our corporate structure, based on arm’s length negotiations, (i) on January 6, 2021, Shanghai Liye transferred all its 13.125% interests in Shanghai Adicon to Hangzhou Adicon for a consideration of RMB10,000, and (ii) on February 9, 2021, our Company issued 295,705,697 Shares at approximately US\$0.0077 per Share to Liye Asset Management Co., Limited, a limited company in Hong Kong owned by an affiliate of Ms. YAN Ying, for a total consideration of US\$2.29 million. Upon completion of the above, Shanghai Adicon became a wholly-owned subsidiary of Hangzhou Adicon.

Acquisition of Shangrao Adicon and Jiangxi Jince

To expand our business into Shangrao, we acquired in February 2021 (i) the ICL business of Shangrao Meikang Shengde Clinical Laboratories Co., Ltd. (上饒美康盛德醫學檢驗所有限公司) (“**Shangrao Meikang**”); and (ii) the business of sales of medical products of Jiangxi Meikang Medical Equipment Co., Ltd. (江西省美康醫療器械有限公司) (“**Jiangxi Meikang**”) and Jiangxi Yingquansheng Technology Co., Ltd. (江西英泉盛科技有限公司) (“**Jiangxi Yingquansheng**”). Shangrao Meikang, Jiangxi Meikang and Jiangxi Yingquansheng were owned by Mr. ZHENG Shaojun and Ms. HU Ronghua, both of whom are our independent third parties. Prior to the acquisitions, Jiangxi Meikang, Shangrao Meikang and Jiangxi Yingquansheng underwent a restructuring to inject the ICL business of Shangrao Meikang into Shangrao Adicon Clinical Laboratories Co., Ltd. (上饒艾迪康醫學檢驗實驗室有限公司) (“**Shangrao Adicon**”), and inject the business of the sales of medical products of Jiangxi Meikang and Jiangxi Yingquansheng into Jiangxi Jince BioTech Co., Ltd. (江西錦測生物科技有限公司) (“**Jiangxi Jince**”). Shangrao Adicon and Jiangxi Jince were owned as to 79% by Mr. ZHENG Shaojun and 21% by Ms. HU Ronghua.

In February 2021, we designated (i) Hangzhou Adicon to acquire 51% of Shangrao Adicon, and (ii) Aidiken WFOE to acquire 51% of Jiangxi Jince, as to 34% from Mr. ZHENG Shaojun and 17% from Ms. HU Ronghua at a total consideration of RMB20.71 million and RMB16.94 million, respectively, which were arrived at after arm’s length negotiations between the parties with reference to net profit generated from the assets and business of Shangrao Meikang, Jiangxi Meikang and Jiangxi Yingquansheng in 2019. On the same consideration basis, Ms. HU Ronghua sold 4% of Shangrao Adicon and 4% of Jiangxi Jince to Mr. SHEN Zhuhao, the manager of Guizhou Adicon, at a total consideration of RMB2.95 million. The considerations payable by Hangzhou Adicon and Aidiken WFOE had been fully settled by cash as of the Latest Practicable Date. Upon completion of the acquisitions, Shangrao Adicon and Jiangxi Jince became our subsidiaries. Pursuant to an agreement entered into between Hangzhou Adicon and Mr. SHEN Zhuhao in early 2021, Hangzhou Adicon has the option to acquire Mr. SHEN Zhuhao’s 4% equity interest in each of Shangrao Adicon and Jiangxi Jince.

Due to reasons unrelated to our Group, Shangrao Adicon and Jiangxi Jince, subsequent to our acquisition of 51% equity interests in Shangrao Adicon and Jiangxi Jince in February 2021, the remaining 45% equity interests held by Mr. ZHENG Shaojun in these two companies were frozen by a PRC court in June 2021, and was subsequently released in July 2021. Ms. HU Ronghua did not hold any interest in Shangrao Adicon and Jiangxi Jince as of the Latest Practicable Date. Subject to the satisfaction of the relevant condition precedents set forth in the relevant agreements, including (i) obtaining all applicable approvals and completing all relevant filing procedures; and (ii) no breach of representations and warranties customary for similar type of transactions, Hangzhou Adicon and Aidiken WFOE are obliged to purchase the remaining 45% interests in Shangrao Adicon and Jiangxi Jince from Mr. ZHENG Shaojun through the following steps:

- (i) 10% out of the 45% equity interests in Shangrao Adicon and Jiangxi Jince have been transferred to Hangzhou Adicon and Aidiken WFOE, respectively, in September 2021. The aggregated consideration of these transfers was RMB8.1 million, which was determined with reference to the net profit of Shangrao Adicon and Jiangxi Jince for the year ended December 31, 2020. The considerations payable by Hangzhou Adicon and Aidiken WFOE have been settled;

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- (ii) 15% out of the 45% interests in Shangrao Adicon and Jiangxi Jince, respectively, will be settled by cash at a consideration to be determined based on the net profit of Shangrao Adicon and Jiangxi Jince for the year ended December 31, 2021; and
- (iii) 20% out of the 45% interests in Shangrao Adicon and Jiangxi Jince, respectively, will be settled, as determined at the absolute discretion of our Company and to the extent permit by applicable laws, either by cash or by issuing new Shares by our Company, at a consideration to be determined based on the net profit of Shangrao Adicon and Jiangxi Jince for the year ended December 31, 2021.

The scale of the business operated by Shangrao Meikang, Jiangxi Meikang and Jiangxi Yingquansheng as compared to that of our Group is not material. All the applicable size test percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisitions of Shangrao Adicon and Jiangxi Jince on an aggregated basis were below 5% as compared to our Group for the year ended December 31, 2022. Accordingly, (i) the acquisitions are immaterial when compared to the scale of our operations as a whole; (ii) the acquisitions have not resulted in any significant change to the financial position of our Group since December 31, 2022; and (iii) all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of our Group has been included in this Document.

Acquisition of Henan Adicon

On May 12, 2022, Hangzhou Adicon entered into an equity purchase agreement pursuant to which Hangzhou Adicon has agreed to acquire 70% equity interests in Henan Adicon, an ICL in Henan, in two stages (the “**Henan Acquisition**”). In the first stage, Hangzhou Adicon acquired 51% of Henan Adicon in June 2022 at a consideration of RMB88.9 million, which was determined with reference to the adjusted net profit (non-IFRS measure) of Henan Adicon for the year ended December 31, 2021. For the second stage, Hangzhou Adicon has agreed to acquire a further 19% of Henan Adicon at a consideration to be determined with reference to the audited net profit of Henan Adicon for the year ending December 31, 2023. Subject to completion of the 2023 financial audit of Henan Adicon, we expect to make an aggregate investment of approximately RMB100 million to RMB140 million for the Henan Acquisition. In June 2021, Hangzhou Adicon made a RMB30 million advance payment to the seller, which will be used to offset part of the investment amount made by Hangzhou Adicon. In June 2022, the consideration payable by Hangzhou Adicon for the first stage of acquisition was fully settled. We estimate that the consideration payable by Hangzhou Adicon for the second stage of the Henan Acquisition will be closed after completion of the 2023 financial audits of Henan Adicon tentatively in June 2024.

To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, the beneficial owners of the counterparties to the equity purchase agreement are independent third parties of our Company and our connected persons. Henan Adicon is engaged in the ICL business in Henan, operating in the same business and industry sector as our Group. We proposed to make the acquisition with a view to achieving synergies between Henan Adicon and our existing business, grow our customer base and secure strong local partners to expand our footprint in the PRC. Taking into account the above, our Directors believe that the acquisition of Henan Adicon is fair and reasonable and in the interests of the Shareholders as a whole.

The scale of the business operated by Henan Adicon as compared to that of the Group is not material. All of the applicable size test percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of Henan Adicon were below 5% as compared to our Group for the year ended December 31, 2022. Accordingly, (i) the acquisition was immaterial when compared to the scale of our operations as a whole; (ii) the acquisition has not resulted in any significant change to the financial position of the Group since December 31, 2022; and (iii) all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of our Group has been included in this Document.

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[REDACTED] INVESTMENTS

Principal terms of the [REDACTED] Investments

The below table summarizes the principal terms of the [REDACTED] Investments:

Round	Round A	Round B
Date of relevant agreement with the [REDACTED] Investors	Between September 2018 and July 2019	Between December 2020 and January 2021 ⁽⁵⁾
Total amount of [REDACTED] Investments	US\$302.48 million	US\$88.00 million
Total number of Shares under the [REDACTED] Investments	398,755,009 Shares ⁽¹⁾	52,761,653 Preferred Shares ⁽²⁾
Original issue price per Share	[REDACTED] ⁽¹⁾	[REDACTED] ⁽²⁾
Implied post money valuation of our Group at the time of the [REDACTED] Investments ⁽³⁾	[REDACTED]	[REDACTED]
[REDACTED] to the [REDACTED] ⁽⁴⁾	[REDACTED]%	[REDACTED]%
Basis of considerations	The considerations were determined after arms’ length negotiations between the parties with reference to the timing of the investments and the status of our business and operating entities.	
Settlement date of considerations	The considerations were settled more than 28 clear days before the date of our first submission of the [REDACTED] to the [REDACTED] Department of the Stock Exchange in relation to the [REDACTED].	
[REDACTED] from the [REDACTED] Investments	We utilized the [REDACTED] for the development and operation of our business. As of the Latest Practicable Date, the [REDACTED] received by us from the [REDACTED] Investments had been fully utilized.	
Lock-up.	Each of our [REDACTED] Investors has agreed to be subject to lock-up arrangements for a period of six (6) months after the [REDACTED].	
Special rights	The [REDACTED] Investors were entitled to certain special rights, including information rights, director nomination rights and veto rights. No special rights granted to our [REDACTED] Investors will survive after the [REDACTED].	
Strategic benefits of the [REDACTED] Investors	At the time of the [REDACTED] Investments, our Directors were of the view that we could benefit from the additional capital that would be provided by the [REDACTED] Investors’ investments and the [REDACTED] Investors’ knowledge and experience.	

Notes:

1. The figures have been adjusted after the share subdivision in December 2018 and the share consolidation in June 2021. Please refer to the paragraph headed “– Major Corporate Development and Shareholding Changes – Our Company” in this section for details.
2. The figures have been adjusted after the share consolidation in June 2021. Please refer to the paragraph headed “– Major Corporate Development and Shareholding Changes – Our Company” in this section for details. Each Preferred Share will be automatically converted into one Ordinary Share immediately prior to the [REDACTED] under the relevant [REDACTED] investment agreement.
3. The corresponding valuation is calculated based on the proposed post-money capitalization of our Company at the time of investment (on an as-converted and non-diluted basis), which excludes Shares then expected to be issued pursuant to the Employee Incentive Plans.
4. Assuming the [REDACTED] is fixed at HK\$[REDACTED], being the mid-point of the indicative [REDACTED] range.
5. We entered into a share subscription agreement with the Round B [REDACTED] Investors on May 28, 2021, which amended and restated the original share subscription agreement in December 2020 and certain deeds of adherence in December 2020 and January 2021.

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The increase in our implied post money valuation from [REDACTED] at Round A [REDACTED] Investments to [REDACTED] at Round B [REDACTED] Investment was due to the significant improvement in our business operations, financial performance and prospects after the Round A [REDACTED] Investments, in particular, the additional resources, expertise and professional management from Pearl Group Limited enhanced our corporate compliance and reset our growth path, and led us in our rapid growth and robust track record results, with adjusted EBITDA (non-IFRS measure) growing at a CAGR of 34.0% from RMB567.6 million in 2020 to RMB1,019.8 million in 2022.

Round A [REDACTED] Investments

On September 27, 2018, Pearl Group Limited and other investors, namely Huge King, Princess Capital Limited, Kofu International Limited, Eagle View Global Limited and Solarion Partners Limited, entered into a share purchase and subscription agreement with Corelink, Mega Stream and our Company, for acquiring an aggregate of 70,098,164,000⁽¹⁾ Shares in our Company with a total consideration of approximately US\$265.86 million. The table below sets forth the shareholding of our Company upon completion of the relevant purchases and subscriptions on October 12, 2018:

Name of Investor ⁽¹⁾	Number of Shares acquired ⁽²⁾	Consideration (US\$ million)
Pearl Group Limited.....	56,308,361,000	213.56
Huge King.....	5,745,751,000	21.79
Princess Capital Limited.....	3,907,111,000	14.82
Kofu International Limited.....	2,643,046,000	10.02
Eagle View Global Limited.....	1,149,150,000	4.36
Solarion Partners Limited.....	344,745,000	1.31
Total.....	70,098,164,000	265.86

On December 14, 2018, Beijing Freesia Management Consulting Corporation entered into a share purchase agreement with Corelink and Mega Stream pursuant to which it acquired 2,872,875,500⁽¹⁾ Shares from Corelink and 2,872,875,500⁽¹⁾ Shares from Mega Stream for a consideration of US\$10.90 million and US\$10.90 million, respectively.

Notes:

- (1) Shanghai Mei Ai, one of the investors in the Round A [REDACTED] Investments, subsequently divested its investment on December 24, 2019. Please refer to the paragraph headed “– [REDACTED] Investments – Divestment of Shanghai Mei Ai” in this section for details.
- (2) The relevant figures have been adjusted after the share subdivision in December 2018. Please refer to the paragraph headed “– Major Corporate Development and Shareholding Changes – Our Company” in this section for details.

On July 26, 2019, J.P. Morgan Trust Company of Delaware, InvestWise Holdings Limited and Solarion Partners Limited entered into a share purchase agreement with Corelink and Mega Stream, for acquiring a total of 3,907,110,782 new Ordinary Shares from Corelink and Mega Stream for a total consideration of US\$14.82 million, details of which are as follows:

Name of Investor	Number of Ordinary Shares acquired	Consideration (US\$ million)
J.P. Morgan Trust Company of Delaware.....	2,068,470,414	7.85
InvestWise Holdings Limited.....	1,378,980,276	5.23
Solarion Partners Limited.....	459,660,092	1.74
Total.....	3,907,110,782	14.82

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Round B [REDACTED] Investments

In December 2020 and January 2021, Pantai Juara Investments Limited, BlackRock Health Sciences Trust II, BlackRock Health Sciences Master Unit Trust, Reach Sight Limited, LBC Sunshine Healthcare Fund II L.P., OrbiMed Genesis Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and Mirae Asset Securities (HK) Limited invested in our Company as [REDACTED] Investors to subscribe for a total of 10,552,330,565 new Preferred Shares for a total consideration of US\$88 million, details of which are as follows:

Name of Investor	Number of Preferred Shares acquired	Consideration (US\$ million)
Pantai Juara Investments Limited	5,396,078,131	45.00
BlackRock Health Sciences Trust II.	2,139,245,197	17.84
BlackRock Health Sciences Master Unit Trust.	19,186,055	0.16
Reach Sight Limited	1,199,128,473	10.00
LBC Sunshine Healthcare Fund II L.P.	839,389,931	7.00
OrbiMed Genesis Master Fund, L.P.	299,782,118	2.50
OrbiMed New Horizons Master Fund, L.P.	299,782,118	2.50
Mirae Asset Securities (HK) Limited.	359,738,542	3.00
Total	10,552,330,565	88.00

Each Preferred Share will be automatically converted into one Ordinary Share immediately prior to the [REDACTED] under the relevant [REDACTED] investment agreement.

Information on our [REDACTED] Investors

Pearl Group Limited

Pearl Group Limited is 94.57% owned by Carlyle Asia Partners V, L.P. and 5.43% owned by CAP V Co-Investment, L.P. The general partner of Carlyle Asia Partners V, L.P. and CAP V Co-Investment, L.P. is CAP V General Partner, L.P. The general partner of CAP V General Partner, L.P. is CAP V, L.L.C., a subsidiary of Carlyle. Carlyle is one of the world’s largest and most diversified global investment firms, with approximately US\$373 billion in assets under management as of December 31, 2022 across three business segments: Global Private Equity, Global Credit and Investment Solutions. Carlyle’s purpose is to invest wisely and create value on behalf of their investors, portfolio companies and the communities in which they live and invest.

Huge King Limited

Huge King Limited is a limited company incorporated in Hong Kong, which is owned as to 68.5% by Vaplus Group Corporation (a BVI company wholly-owned by Mr. DU Chao), 24.0% by SinoCAMC Investment Funds SPC (a Cayman Islands company managed by SinoCAMC Fund Management Limited, which in turn is ultimately controlled by Mr. LIU Teng), and 7.5% by Mr. LAU Hau Ming. Mr. DU Chao, Mr. LIU Teng and Mr. LAU Hau Ming are our independent third parties.

Princess Capital Limited

Princess Capital Limited is a Bermuda company managed by Misland Capital Limited, an investment firm incorporated in England and Wales. Princess Capital Limited is part of a group of companies owned by a single family office, for which Misland Capital Limited manages a portfolio of investments, across several sectors, for the Green Family of Bermuda. Princess Capital Limited’s ultimate beneficiary is the Green Family of Bermuda, an independent third party of our Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Kofu International Limited

Kofu International Limited is a company incorporated in the BVI with limited liabilities which is indirectly wholly owned by Mr. YIN Chung Yao, an independent third party of our Company.

Eagle View Global Limited

Eagle View Global Limited is a company incorporated in the BVI with limited liabilities which is owned as to 50% SHEN Wei and 50% by GAN Ching, both independent third parties of our Company.

Family Members of Mr. SHI Mingheng

Solarion Partners Limited is a company incorporated in the BVI with limited liabilities which is wholly owned by Mr. SHI Mingheng, an independent third party of our Company. On November 7, 2022, for estate planning purposes, Mr. SHI Mingheng gifted the shares held by Solarion Partners Limited to the respective holding companies of his family members.

Beijing Freesia Management Consulting Corporation

Beijing Freesia Management Consulting Corporation is established in the PRC and is a wholly owned subsidiary of China Investment Corporation (“CIC”), a state-owned sovereign wealth fund headquartered in Beijing. CIC operates on an international, market-driven, and professional basis. CIC is an independent third party of our Company.

J.P. Morgan Trust Company of Delaware

J.P. Morgan Trust Company of Delaware holds shares in our Company solely in trust as Trustee of the NGM Family 2006 Irrevocable Trust, a trust created by Dr. ZHAO Ning in 2006. Dr. ZHAO Ning is an executive director and a senior vice president of WuXi AppTec Co., Ltd., and is an independent third party of our Company.

InvestWise Holdings Limited

InvestWise Holdings Limited is a company incorporated in the BVI with limited liabilities which is 100% owned by WONG Yuen Ling, an independent third party of our Company.

Pantai Juara Investments Limited

Pantai Juara Investments Limited is a wholly-owned subsidiary of Khazanah Nasional Berhad (“**Khazanah**”). Khazanah is the sovereign wealth fund of Malaysia tasked with growing the long-term wealth of the nation. Khazanah invests in companies and assets across multiple sectors and geographies. Khazanah was incorporated under the Companies Act 1965 on September 3, 1993 as a public limited company. Except for one share owned by the Federal Lands Commissioner of Malaysia, all the share capital of Khazanah is owned by the Minister of Finance Incorporated, a body established under the Ministry of Finance (Incorporation) Act 1957 of Malaysia. Pantai Juara Investments Limited is an independent third party of our Company.

LBC Sunshine Healthcare Fund II L.P.

LBC Sunshine Healthcare Fund II L.P. (“**LBC Sunshine II**”) is managed by Lake Bleu Capital (Hong Kong) Limited. LBC Sunshine II, an exempted limited partnership registered in the Cayman Islands, is a sophisticated investor specializing in investing in healthcare companies in Asia and the Greater China. The investment scope of LBC Sunshine II includes pharmaceuticals, biotech, medical devices, and healthcare services. LBC GP II Limited, an exempted company incorporated in the Cayman Islands, acts as the general partner of LBC Sunshine II. LBC Sunshine II is an independent third party of our Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

BlackRock Health Sciences Master Unit Trust and BlackRock Health Sciences Trust II

BlackRock Health Sciences Master Unit Trust and BlackRock Health Sciences Trust II (“**BlackRock Funds**”) are managed by investment subsidiaries of BlackRock, Inc. (“**BlackRock**”), and have discretionary investment management power over the BlackRock Funds. BlackRock is listed on the New York Stock Exchange (NYSE: BLK). As of December 31, 2022, the firm managed approximately US\$8.6 trillion in assets on behalf of investors worldwide. BlackRock Funds are independent third parties of our Company.

Mirae Asset Securities (HK) Limited

Mirae Asset Securities (HK) Ltd. (“**Mirae Asset Securities**”), investing through Mirae Asset New Economy Investments, is a wholly-owned subsidiary of Mirae Asset Daewoo Co., Ltd (KRX:006800). Mirae Asset Securities was established in Hong Kong in July 2005 with the vision of becoming the leading Asia Pacific financial services company. Mirae Asset Securities’ professional and experienced Hong Kong-based analysts, traders, and financial advisors cover the Asia market. Its customer-focused approach translates into a broad range of investment services and activities including securities trading, futures and option trading, principal investments, investment management, private equity and credit, banking and wealth management. As of September 30, 2022, Mirae Asset Securities manages approximately KRW360 trillion in client assets. Mirae Asset Securities is an independent third party of our Company.

OrbiMed Genesis Master Fund, L.P. and OrbiMed New Horizons Master Fund, L.P.

OrbiMed Genesis Master Fund, L.P. and OrbiMed New Horizons Master Fund, L.P. (collectively, the “**OrbiMed Funds**”) are each exempted limited partnerships incorporated under the laws of the Cayman Islands with OrbiMed Advisors LLC acting as the investment manager. OrbiMed Advisors LLC exercises voting and investment power through a management committee consisting of Carl L. Gordon, Sven H. Borho, and W. Carter Neild. OrbiMed Funds are independent third parties of our Company.

Reach Sight Limited

Reach Sight Limited, an investment holding company incorporated in BVI, is wholly-owned by Cenova China Healthcare Fund IV, L.P., which is an exempted limited partnership registered in the Cayman Islands. Cenova China Healthcare GP IV Limited, a Cayman Islands exempted company, is the general partner of Cenova China Healthcare Fund IV, L.P.. Cenova China Healthcare GP IV Limited is 65% owned by Mr. WU Jun, an independent third party of our Company.

Public float

Pearl Group Limited, as our Controlling Shareholder, Mr. GAO Song, as our executive Director and chief executive officer, and Mr. LIN Jixun, as our non-executive Director, are the core connected persons of our Company. The Shares held by Pearl Group Limited, [REDACTED] (a company wholly-owned by [REDACTED]), Corelink (a company wholly-owned by Mr. LIN Jixun), and Ingenuity Capital Holdings Limited and Proteus Capital Holdings Limited (the shareholding platforms for our Employee Incentive Plans managed by a plan administrator who is a Director designated by the Board) representing approximately [REDACTED]% of our issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards our public float upon the [REDACTED].

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Except as stated above, the [REDACTED] Investors are not our core connected persons (as defined in the Listing Rules) and are not accustomed to taking instructions from our core connected persons in relation to the acquisition, disposal, voting or other disposition of our Shares held or to be allotted to them. Therefore, the Shares held by the [REDACTED] Investors (except Pearl Group Limited) will count towards our public float upon [REDACTED].

Based on the above, the public float of the Company will be [REDACTED]% (assuming the [REDACTED] is not exercised) or [REDACTED]% (assuming the [REDACTED] is exercised in full) upon [REDACTED].

Divestment of Shanghai Mei Ai

On September 26, 2018, Shanghai Mei Ai, a wholly-owned subsidiary of Meinian Onehealth Healthcare Holdings Co., Ltd. (美年大健康產業控股股份有限公司) (SZSE: 002044), entered into a share purchase agreement with Corelink and Mega Stream for acquiring 2,872,875,500 Shares from each of Corelink and Mega Stream, respectively, for US\$10.90 million, respectively. Shanghai Mei Ai agreed to obtain approvals for its outbound direct investment within 12 months of its investment on October 12, 2018. As Shanghai Mei Ai did not obtain approval for its outbound direct investment, on December 24, 2019, Shanghai Mei Ai divested its investment by transferring 2,872,875,500 Shares back to each of Corelink and Mega Stream for US\$10.90 million, respectively.

Compliance with Stock Exchange guidance

On the basis that (i) the consideration for the [REDACTED] Investments was settled more than 28 clear days before the date of our first submission of the [REDACTED] form to the [REDACTED] Department of the Stock Exchange in relation to the [REDACTED] and (ii) all special rights granted to the [REDACTED] Investors will not survive [REDACTED], the Joint Sponsors have confirmed that the [REDACTED] Investments 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.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION

The table below is a summary of the capitalization of our Company as of the date of this Document, unless otherwise indicated:

	Number of Shares Subscribed in		Shanghai Adicon restructuring ⁽⁵⁾	Number of Shares after the Share Consolidation and as of the date of this Document ⁽⁵⁾	Ownership percentage as of the date of this Document ⁽⁴⁾	Ownership percentage immediately after completion of the [REDACTED] ⁽⁵⁾
	Round A [REDACTED] Investment	Hangzhou Huitu and Manson Grand restructuring ⁽¹⁾				
Controlling Shareholder						
Pearl Group Limited ⁽⁶⁾	56,308,361,000	56,308,361,000	56,308,361,000	281,541,805	39.87%	[REDACTED]%
Founders						
Corelink	17,581,998,609	17,581,998,609	17,581,998,609	87,909,994	12.45%	[REDACTED]%
Mega Stream	17,581,998,609	17,581,998,609	17,581,998,609	87,909,994	12.45%	[REDACTED]%
[REDACTED] Investors						
Huge King	5,745,751,000	5,745,751,000	5,745,751,000	28,728,755	4.07%	[REDACTED]%
Princess Capital Limited	3,907,111,000	3,907,111,000	3,907,111,000	19,535,555	2.77%	[REDACTED]%
Kofu International Limited	2,643,046,000	2,643,046,000	2,643,046,000	13,215,230	1.87%	[REDACTED]%
Eagle View Global Limited	1,149,150,000	1,149,150,000	1,149,150,000	5,745,750	0.81%	[REDACTED]%
Family members of Mr. SHI Minheng ⁽⁷⁾	804,405,092	804,405,092	804,405,092	4,022,026	0.57%	[REDACTED]%
Beijing Freesia Management Consulting Corporation	5,745,751,000	5,745,751,000	5,745,751,000	28,728,755	4.07%	[REDACTED]%
J.P. Morgan Trust Company of Delaware	2,068,470,414	2,068,470,414	2,068,470,414	10,342,353	1.47%	[REDACTED]%
InvestWise Holdings Limited	1,378,980,276	1,378,980,276	1,378,980,276	6,894,902	0.98%	[REDACTED]%
Pantai Juara Investments Limited	5,396,078,131	5,396,078,131	5,396,078,131	26,980,391	3.82%	[REDACTED]%
BlackRock Health Sciences Trust II	–	–	2,139,245,197	10,696,226	1.51%	[REDACTED]%
BlackRock Health Sciences Master Unit Trust	–	–	19,186,055	95,931	0.01%	[REDACTED]%
Reach Sight Limited	–	–	1,199,128,473	5,995,643	0.85%	[REDACTED]%
LBC Sunshine Healthcare Fund II L.P.	–	–	839,389,931	4,196,950	0.59%	[REDACTED]%
OrbiMed Genesis Master Fund, L.P.	–	–	299,782,118	1,498,911	0.21%	[REDACTED]%
OrbiMed New Horizons Master Fund, L.P.	–	–	299,782,118	1,498,911	0.21%	[REDACTED]%
Mirae Asset Securities (HK) Limited	–	–	359,738,542	1,798,693	0.25%	[REDACTED]%
Employee Incentive Plan Platforms						
Ingenuity Capital Holdings Limited ⁽⁸⁾	–	–	–	52,743,281	7.47%	[REDACTED]%
Proteus Capital Holdings Limited ⁽⁸⁾	–	–	–	13,462,235	1.91%	[REDACTED]%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
[REDACTED]⁽⁹⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
[REDACTED]⁽¹⁰⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
[REDACTED]⁽¹⁰⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Total issued Shares	114,915,023,000	116,261,444,020	126,813,774,585	706,163,791	100.00%	100.00%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) For details, please refer to the paragraph headed “– Reorganization – Acquiring the remaining interests of Hangzhou Huitu and Manson Grand” in this section.
- (2) For details, please refer to the paragraph headed “– Reorganization – Restructuring of Shanghai Adicon” in this section.
- (3) On June 3, 2021, our Board approved the consolidation of our share capital from US\$50,000,000 shares of US\$0.0000001 each to US\$50,000 divided into 2,500,000,000 shares of US\$0.00002 each.
- (4) Assuming the Preferred Shares issued under the Round B [REDACTED] Investment are converted into Shares immediately before the [REDACTED].
- (5) Assuming all Preferred Shares issued under the Round B [REDACTED] Investment are converted into Shares immediately before the [REDACTED] is not exercised.
- (6) Pearl Group Limited is 94.57% owned by Carlyle Asia Partners V, L.P. and 5.43% owned by CAP V Co-Investment, L.P. The general partner of Carlyle Asia Partners V, L.P. and CAP V Co-Investment, L.P. is CAP V General Partner, L.P.. The general partner of CAP V General Partner, L.P. is CAP V, L.L.C., a subsidiary of Carlyle.
- (7) Mr. SHI Minheng first invested in the Company through his wholly-owned investment vehicle, Solarion Partners Limited, during the Round A [REDACTED] Investments. On November 7, 2022, for estate planning purposes, Mr. SHI Minheng gifted the shares held by Solarion Partners Limited to the respective holding companies of his family members.
- (8) For the purpose of the Employee Incentive Plans, our Company allowed and issued (i) 10,548,656,083 Shares (later consolidated into 52,743,281 Shares after the share consolidation on June 3, 2021) to Ingenuity Capital Holdings Limited on April 26, 2021; and (ii) 2,692,446,947 Shares (later consolidated into 13,462,235 Shares after the share consolidation on June 3, 2021) to Proteus Capital Holdings Limited on May 7, 2021. Ingenuity Capital Holdings Limited and Proteus Capital Holdings Limited are the special purpose vehicles wholly owned by the Perseverance Capital Trust and the Callisto Capital Trust, respectively, both managed by Trident Trust Company (HK) Limited for the purpose of holdings Shares under the Employee Incentive Plans. For details, please refer to the section headed “Statutory and General Information – D. Employee Incentive Plans” in Appendix IV to this Document.
- (9) Upon the exercise of options granted under the Employee Incentive Plans, our Company allotted and issued in March 2021, April 2021 and June 2021 a total of [REDACTED] new Shares (as adjusted after the share consolidation on June 3, 2021) to the investment holding companies of certain existing and previous senior employees of our Group.
- (10) Upon the exercise of options granted under the Employee Incentive Plans, our Company allotted and issued in March 2021 a total of [REDACTED] (later consolidated into [REDACTED] Shares after the share consolidation on June 3, 2021) new Shares to [REDACTED], a company wholly-owned by [REDACTED], our executive Director and chief executive officer.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

SAFE REGISTRATION AND PRC LEGAL COMPLIANCE

Pursuant to the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知, “**Circular 37**”), promulgated by SAFE and which became effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division.

Pursuant to Circular 37, failure to comply with these registration procedures may result in penalties. Pursuant to the Circular of Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to 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, “**Circular 13**”), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE branches to local banks where the domestic entity is registered.

As advised by our PRC Legal Advisor, each of our senior management who indirectly hold shares in our Company, being PRC residents and subject to the SAFE regulations (namely Mr. GAO Song, Mr. PAN Chao and Mr. WANG Chengdong) have completed the initial registrations with the local SAFE branch or qualified banks as required by Circular 37 by April 2021.

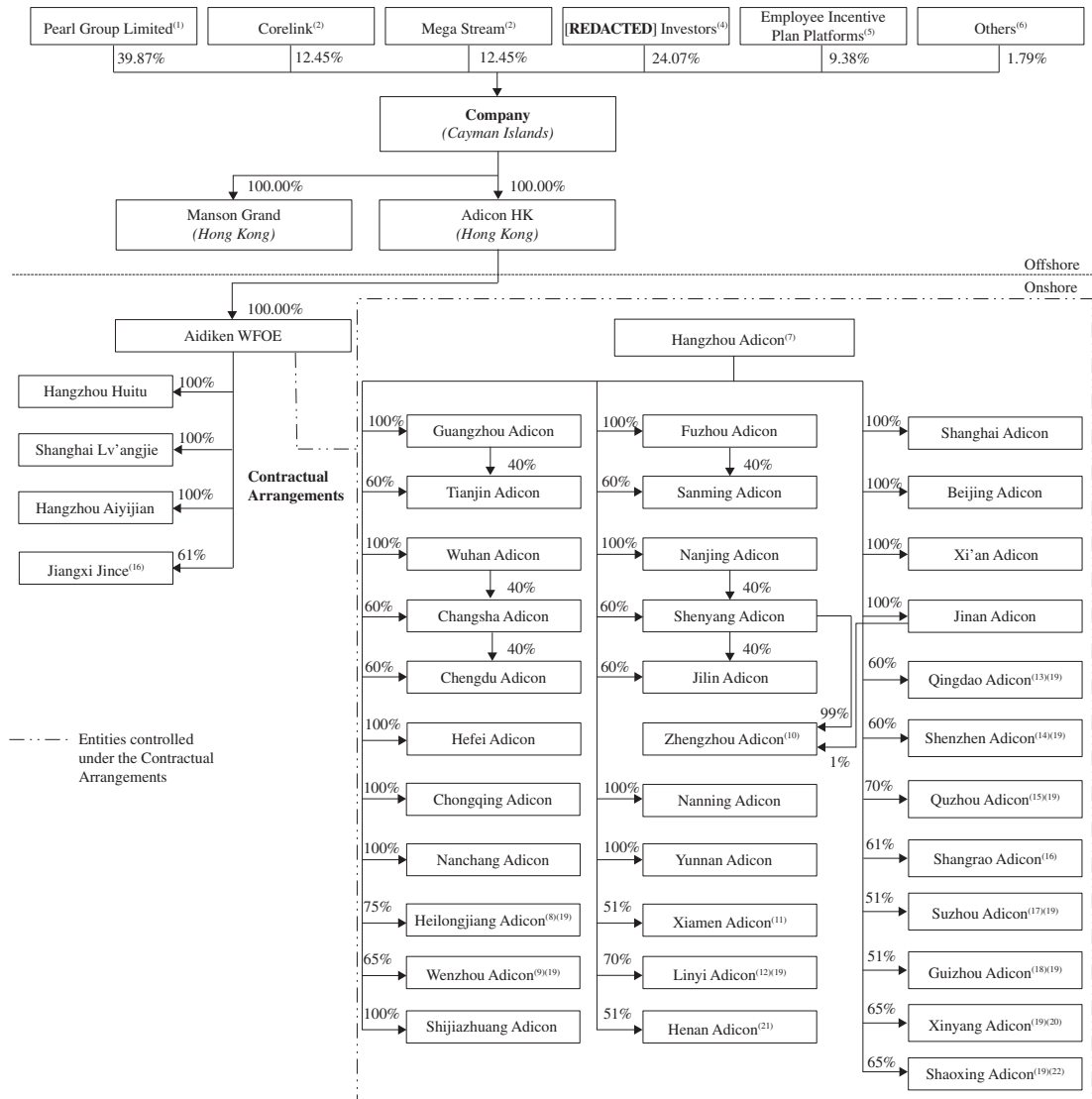
Our PRC Legal Advisor has confirmed that our PRC subsidiaries in our Group have obtained requisite government approvals which they shall obtain in all material aspects in respect of the equity transfers of our PRC subsidiaries as described in this section. Except as otherwise disclosed, the transfers of equity interests of our PRC subsidiaries described in this section have been properly and legally completed.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate structure before the [REDACTED]

The following diagram illustrates the operation and shareholding structure of our Group after reorganization and immediately prior to completion of the [REDACTED]:



Notes:

- Pearl Group Limited is 94.57% owned by Carlyle Asia Partners V, L.P. and 5.43% owned by CAP V Co-Investment, L.P. The general partner of Carlyle Asia Partners V, L.P. and CAP V Co-Investment, L.P. is CAP V General Partner, L.P. The general partner of CAP V General Partner, L.P. is CAP V, L.L.C., a subsidiary of Carlyle.
- Corelink is wholly-owned by Mr. LIN Jixun, one of our Founders and a non-executive Director. Mr. LIN Jixun is the brother of Mr. LIN Feng.
- Mega Stream is wholly-owned by Mr. LIN Feng, one of our Founders. Mr. LIN Feng is the brother of Mr. LIN Jixun.
- This refers to the [REDACTED] Investors, except Pearl Group Limited, to our [REDACTED] Investments. For the individual shareholdings of our [REDACTED] Investors, see the paragraph headed “Capitalization” in this section.
- Employee Incentive Plan Platforms refer to Ingenuity Capital Holdings Limited and Proteus Capital Holdings Limited, the special purpose vehicles wholly owned by the Perseverance Capital Trust and the Callisto Capital Trust, respectively, both managed by Trident Trust Company (HK) Limited for the purpose of holding Shares under the Employee Incentive Plans. As the Employee Incentive Plans will be managed by a plan administrator who is a Director designated by the Board, the Shares held by Ingenuity Capital Holdings Limited and Proteus Capital Holdings Limited will not be counted towards the public float.
- “Others” refers to (i) Alltrees Holding Ltd. (the BVI holding vehicle of Mr. XU Chenhuai, an independent third party) and Boke Holding Ltd. (the BVI holding vehicle of Mr. CHEN Shanwen, an independent third party), see the paragraph headed “Reorganisation – Acquiring the remaining interests of Hangzhou Huitu and Manson Grand” in this

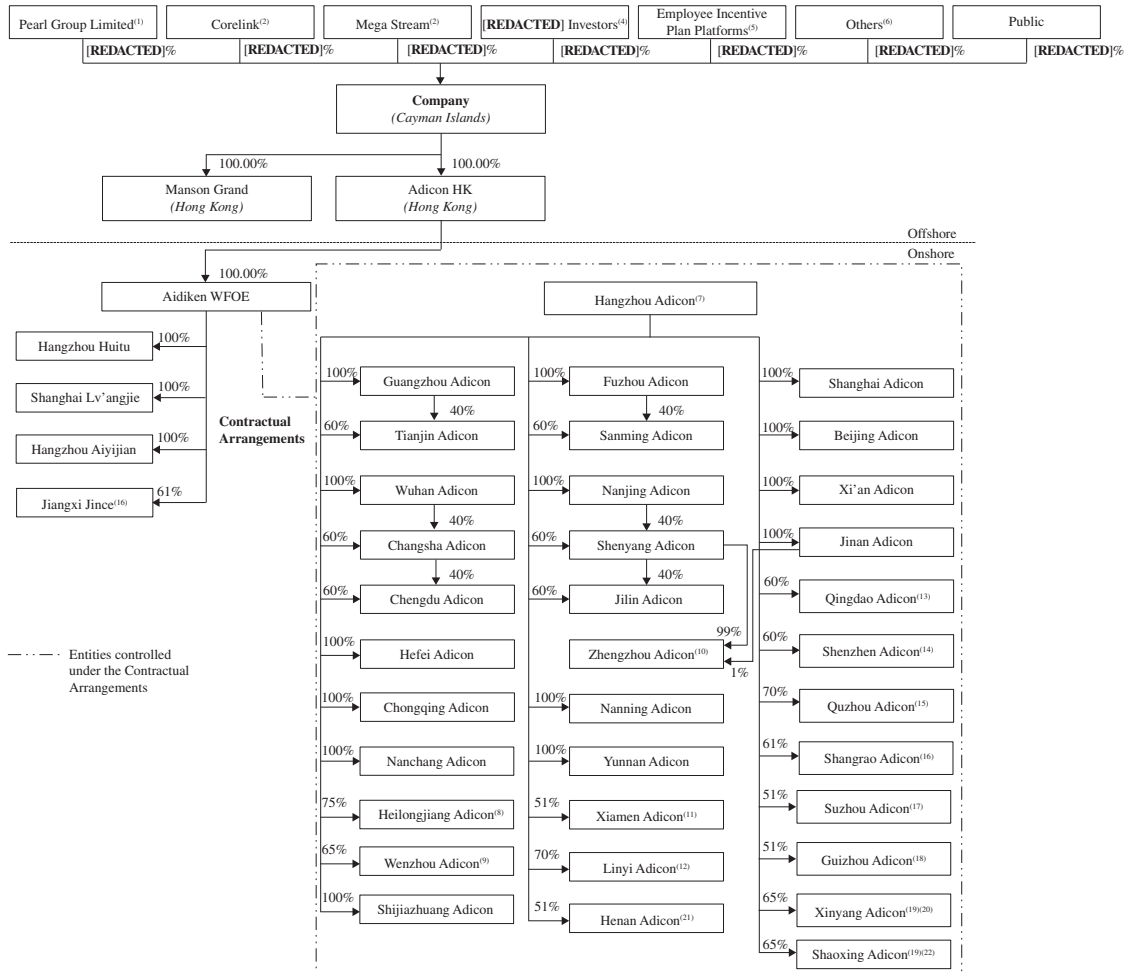
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- section for details; (ii) Liye HK; (iii) certain existing and previous senior employees who are not the core connected person of the Company; and (iv) [REDACTED] (the BVI holding vehicle of [REDACTED]). For their individual shareholdings, see the paragraph headed “Capitalization” in this section.
7. The registered shareholders of Hangzhou Adicon are Ms. LAN Jia, Ms. LIAN Hailun and Hangzhou Kangming, owned as to 49.82%, 49.82% and 0.36%, respectively.
 8. Heilongjiang Adicon is owned as to 75% by Hangzhou Adicon and 25% by independent third parties.
 9. Wenzhou Adicon is owned as to 65% by Hangzhou Adicon and 35% by an independent third party.
 10. Zhengzhou Adicon is a partnership owned as to 1% by Jinan Adicon and 99% by Shenyang Adicon. In June 2020, Jinan Adicon and Shenyang Adicon established a limited liability company in Zhengzhou (“**Zhengzhou Company**”), which is owned as to 1% by Jinan Adicon and 99% by Shenyang Adicon. Zhengzhou Adicon plans to undertake a restructuring by transferring all of its business from Zhengzhou Adicon to Zhengzhou Company and dissolving Zhengzhou Adicon after the [REDACTED].
 11. Xiamen Adicon is owned as to 51% by Hangzhou Adicon and 49% by an independent third party.
 12. Linyi Adicon is owned as to 70% by Hangzhou Adicon and 30% by an independent third party.
 13. Qingdao Adicon is owned as to 60% by Hangzhou Adicon and 40% by independent third parties.
 14. Shenzhen Adicon is owned as to 60% by Hangzhou Adicon and 40% by independent third parties.
 15. Quzhou Adicon is owned as to 70% by Hangzhou Adicon and 30% by an independent third party.
 16. Shangrao Adicon is owned as to 61% by our Group, 35% by Mr. ZHENG Shaojun, an independent third party, and 4% by Mr. SHEN Zhuhao, the manager of Guizhou Adicon. Jiangxi Jince is owned as to 61% by our Group, 35% by Mr. ZHENG Shaojun, an independent third party, and 4% by Mr. SHEN Zhuhao, the manager of Guizhou Adicon. Please refer to the paragraph headed “– Reorganization – Shangrao Adicon and Jiangxi Jince” in this section for details.
 17. Suzhou Adicon is owned as to 51% by Hangzhou Adicon and 49% by an independent third party.
 18. Guizhou Adicon is owned as to 51% by Hangzhou Adicon, 44% by an independent third party, and 5% by Mr. SHEN Zhuhao, the manager of Guizhou Adicon.
 19. Pursuant to agreements entered into between Hangzhou Adicon and the minority shareholders of these entities, Hangzhou Adicon has the option to acquire all or part of the remaining equity interests of such entities.
 20. Xinyang Adicon is owned as to 65% by Hangzhou Adicon and 35% by an independent third party.
 21. Henan Adicon is owned as to 51% by Hangzhou Adicon and 49% by an independent third party. Please refer to the paragraph headed “Reorganization – Acquisition of Henan Adicon” in this section for details.
 22. Shaoxing Adicon is owned as to 65% by Hangzhou Adicon and 35% by an independent third party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately after the [REDACTED]

The following diagram illustrates the operation and shareholding structure of our Group immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note: Please refer to the notes to “– Corporate Structure – Corporate Structure before the [REDACTED]” above.