Taimei
太美医疗科技

浙江太美醫療科技股份有限公司
Zhejiang Taimei Medical Technology Co., Ltd.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 2576

GLOBAL OFFERING

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

Morgan Stanley　CICC 中金公司

Joint Bookrunners and Joint Lead Managers

华泰国际 HUATAI INTERNATIONAL　招银国际 CMB INTERNATIONAL　建银国际 CCB International　富途證券　老虎證券　華盛証券

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

Zhejiang Taimei Medical Technology Co., Ltd.
浙江太美醫療科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

Global Offering

Number of Offer Shares under the Global Offering	**:**	**22,416,600 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**2,241,800 H Shares (subject to reallocation and the Offer Size Adjustment Option)**
Number of International Offer Shares	**:**	**20,174,800 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)**
Maximum Offer Price	**:**	**HK$13.0 per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)**
Nominal value	**:**	**RMB1.00 per H Share**
Stock code	**:**	**2576**

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

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

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or before Friday, October 4, 2024 (Hong Kong time). The Offer Price will not be more than HK$13.0 per Offer Share and is currently expected to be not less than HK$10.0 per Offer Share. Applicants for Hong Kong Offer Shares are required to pay, on application (subject to application channel), the maximum Offer Price of HK$13.0 for each Hong Kong Offer Share together with a brokerage fee of 1%, a SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and a Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price as finally determined is lower than HK$13.0. If, for any reason, the Offer Price is not agreed by 12:00 noon on Friday, October 4, 2024 (Hong Kong time) between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.taimei.com not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. For further information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the paragraph headed "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" in this prospectus. It is important that you refer to that section for further details.

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

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of US persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold (1) solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, registration under the U.S. Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S.

ATTENTION

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

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

September 27, 2024

IMPORTANT NOTICE TO INVESTORS:

FULLY ELECTRONIC APPLICATION PROCESS

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

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

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

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

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

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

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

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

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 200 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below.

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

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*
200	2,626.22	4,000	52,524.42	60,000	787,866.30	450,000	5,908,997.26
400	5,252.44	5,000	65,655.53	70,000	919,177.36	500,000	6,565,552.50
600	7,878.66	6,000	78,786.64	80,000	1,050,488.40	600,000	7,878,663.00
800	10,504.89	7,000	91,917.74	90,000	1,181,799.46	700,000	9,191,773.50
1,000	13,131.10	8,000	105,048.85	100,000	1,313,110.50	800,000	10,504,884.00
1,200	15,757.32	9,000	118,179.95	150,000	1,969,665.76	900,000	11,817,994.50
1,400	18,383.55	10,000	131,311.06	200,000	2,626,221.00	1,000,000	13,131,105.00
1,600	21,009.77	20,000	262,622.10	250,000	3,282,776.26	1,120,800[1]	14,717,342.49
1,800	23,635.99	30,000	393,933.16	300,000	3,939,331.50		
2,000	26,262.21	40,000	525,244.20	350,000	4,595,886.76		
3,000	39,393.31	50,000	656,555.26	400,000	5,252,442.00		

Notes:

(1) Maximum number of Hong Kong Offer Shares you may apply for.

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

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

If there is any change in the following expected timetable, we will issue an announcement on the respective websites of the Company at ***www.taimei.com***[6] *and the Stock Exchange at* ***www.hkexnews.hk****.*

Hong Kong Public Offering commences. . . . . 9:00 a.m. on Friday, September 27, 2024

Latest time for completing electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**[2] . . . . . 11:30 a.m. on Thursday, October 3, 2024

Application lists open[3] . . . . . .11:45 a.m. on Thursday, October 3, 2024

Latest time for (a) completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC[4] . . . . . .12:00 noon on Thursday, October 3, 2024

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

Application lists close[3] . . . . . .12:00 noon on Thursday, October 3, 2024

Expected Price Determination Date[5] . . . . . on or before Friday, October 4, 2024

Announcement of the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on our website at **www.taimei.com**[6] and the website of the Stock Exchange at **www.hkexnews.hk** at or before . . . . . .11:00 p.m. on Monday, October 7, 2024

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

- in the announcement to be posted on our website and the website of the Stock Exchange at **www.taimei.com**[6] and **www.hkexnews.hk**, respectively, at or before ..... 11:00 p.m. on Monday, October 7, 2024

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from ..... 11:00 p.m. on Monday, October 7, 2024 to 12:00 midnight on Sunday, October 13, 2024

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on ..... Tuesday, October 8, 2024, Wednesday, October 9, 2024, Thursday, October 10, 2024, and Monday, October 14, 2024

H Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before[7][9] ..... Monday, October 7, 2024

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications to be dispatched/collected on or before[8][9] ..... Tuesday, October 8, 2024

Dealings in the H Shares on the Stock Exchange expected to commence at ..... 9:00 a.m. on Tuesday, October 8, 2024

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

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

(3) If there is/are Bad Weather Signal(s) (as defined in the section headed "How to Apply for Hong Kong Offer Shares – E. Severe Weather Arrangements") in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, October 3, 2024, the application lists will not open or close on that day. See "How to Apply for Hong Kong Offer Shares – E. Severe Weather Arrangements."

(4) Applicants who apply for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC via HKSCC's FINI system should refer to "How to Apply for Hong Kong Offer Shares – A. Application for Hong Kong Offer Shares – 2. Application Channels."

(5) The Price Determination Date is expected to be on or before Friday, October 4, 2024. If, for any reason, the Offer Price is not agreed between the Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) by 12:00 noon on Friday, October 4, 2024, the Global Offering will not proceed and will lapse.

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

(7) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offering – Grounds for Termination" has not been exercised. Investors who trade H Shares on the basis of publicly available allocation details or prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

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

(9) Refund mechanism for surplus application monies paid by application via **HKSCC EIPO** channel is subject to the arrangement between applicants and their broker or custodian.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to "How to Apply for Hong Kong Offer Shares – D. Dispatch/Collection of H Share Certificates and Refund of Application Monies" for details.

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

Further information is set out in "How to Apply for Hong Kong Offer Shares – D. Dispatch/Collection of H Share Certificates and Refund of Application Monies."

The above expected timetable is a summary only. For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, please refer to "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" respectively.

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

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the Global Offering.

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This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus before you decide to invest in the H Shares.

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

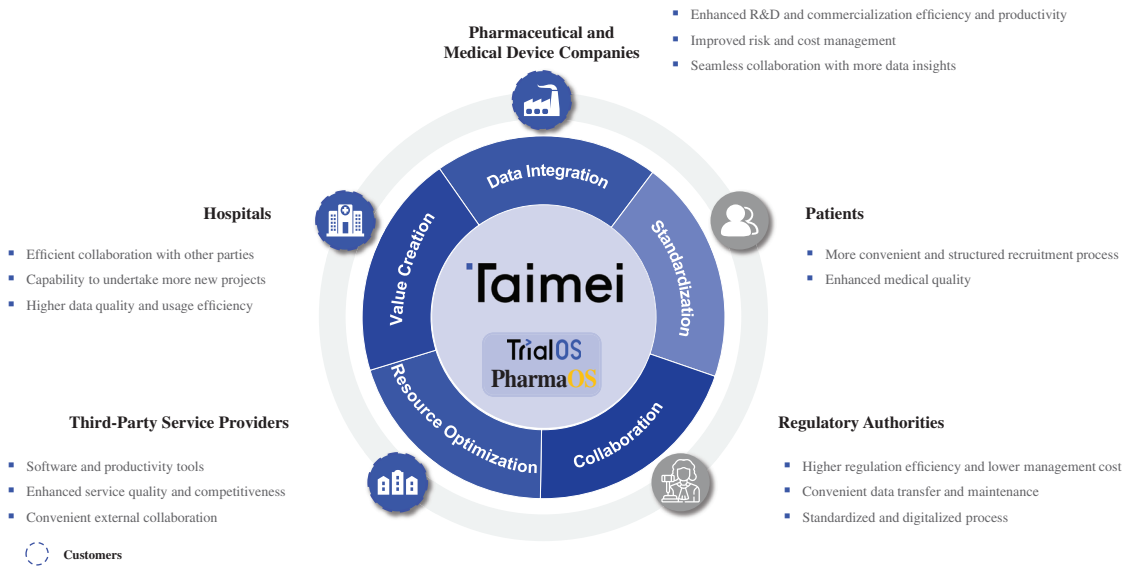
OVERVIEW

As a digital solution provider focused on the pharmaceutical and medical device industry in China, we design and deliver industry-specific software and digital services that facilitate the research and development ("**R&D**") as well as commercialization of pharmaceuticals and medical devices.

The software we offer is cloud-based, allowing users to access it from various devices at any time over the internet, without the need for software installation and maintenance on their devices. These cloud-based software covers critical use cases in R&D and commercialization of innovative drugs and medical devices. For instance, our software facilitates the planning, tracking and monitoring of site and trial-related activities, and streamlines the management and filing of clinical research documents. Our software can also be used for patient recruitment and follow-up, data collection and analysis, as well as sales relationship management, to help our customers conduct their R&D and commercialization activities more efficiently and swiftly. In addition to software, we also provide a range of digital services, primarily assisting customers with independent reading of medical images, achieving efficient site management organization ("**SMO**") resource distribution and execution, offering pharmacovigilance services and other services to support our customers' R&D and commercialization activities. These services typically integrate the capabilities of our corresponding cloud-based software and platforms, delivered by our service personnel. By choosing our digital services, customers can leverage our service personnel who are well-versed in our software to fulfill their needs with consistent quality and no additional staff overhead. During the Track Record Period, we generated 42.3%, 38.4%, 35.2% and 34.3% of revenue from the sales of our cloud-based software in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively, and 57.6%, 61.6%, 64.5% and 65.7% of revenue from the provision of digital services during the same periods, respectively.

Our cloud-based software includes both SaaS products that are standardized and can be nimbly deployed via public cloud, and customized, non-SaaS products tailored to our customers' specific requirements that are typically locally deployable via private cloud. During the Track Record Period, the majority of our revenue from cloud-based software was derived from SaaS products. SaaS, or Software as a Service, is standard software that is hosted centrally by a provider and made available to multiple customers simultaneously over the

internet. SaaS products are typically charged on a subscription basis. On the other hand, our customized products, which typically reside on a private cloud infrastructure operated solely for a single customer, are charged by project development workload, and our digital services are charged based on the actual services delivered.

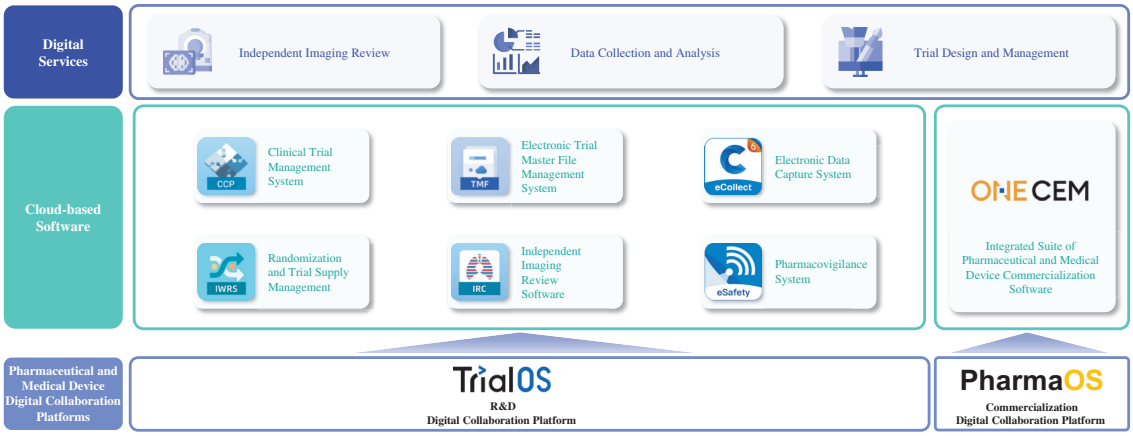


Our SaaS products and digital services are primarily offered through our two digital collaboration platforms, namely TrialOS and PharmaOS. Our digital collaboration platforms serve as hubs, connecting various stakeholders in the pharmaceutical and medical device industry, including pharmaceutical and medical device companies, hospitals, third-party service providers, patients, and regulatory authorities. As more users integrate our products and services into their workflows, they develop strong loyalty and face high switching cost from our platforms. We also gather industry insights to enhance our offerings, opening doors for cross-selling opportunities. In 2023, over 77% of our total revenue came from customers using three or more of our products or services. We are the only domestic digital solution provider that can deliver a one-stop digital solution from R&D to commercialization for the pharmaceutical and medical device industry in China, according to CIC.

Our customers primarily comprise pharmaceutical and medical device companies, as well as third-party service providers like contract research organizations ("**CROs**"), and clinical research institutions. The number of our customers increased from 908 in 2021 to 1,033 in 2022, and further increased to 1,107 in 2023. The number of our customers was 893 and 867 in the three months ended March 31, 2023 and 2024, respectively. During the Track Record Period, we experienced continued revenue growth, with our total revenue increasing by 17.8% from RMB466.2 million in 2021 to RMB549.2 million in 2022, then further increasing by 4.4% to RMB573.1 million in 2023, and continuing the upward trend with a 2.2% rise from RMB129.2 million for the three months ended March 31, 2023 to RMB132.1 million for the three months ended March 31, 2024.

Our Solutions

Our solutions for the pharmaceutical and medical device industry consist of cloud-based software, including SaaS products and customized products, and digital services. Our SaaS products and digital services are primarily offered through digital collaboration platforms, including TrialOS and PharmaOS, while our customized products are mainly hosted on a private cloud, in-house infrastructure, rather than through TrialOS or PharmaOS. The following diagram illustrates our main products and services:



Digital Collaboration Platforms

We have developed and launched two major digital collaboration platforms to support the R&D and commercialization of pharmaceuticals and medical devices:

- TrialOS — Our digital collaboration platform for pharmaceutical and medical device R&D launched in 2019. With TrialOS, staff from pharmaceutical companies, hospitals, CROs, and other relevant parties can easily manage and use our cloud-based software products and digital services by logging into TrialOS through its website or mobile application and clicking on the relevant icon. They can access the latest information and collaborate online to drive clinical research using digital technologies. TrialOS is designed to achieve efficient data transfer, seamless process collaboration, and standardized workflow organization, thereby breaking down information barriers between different products and services and across the industry chain. It has both Chinese and English interfaces, enabling both domestic and overseas user outreach, and integrates crucial data such as clinical research institution specifications sourced from CDE, digital SMO partner information, and information related to independent imaging review and pharmacovigilance, providing comprehensive visibility that enhances user decision-making and operational efficiency.

- PharmaOS — Our digital collaboration platform for pharmaceutical and medical device commercialization launched in 2021, which supports various cloud-based software and digital services that facilitate the commercialization efforts of pharmaceutical and medical device companies. PharmaOS offers flexible, easy-to-use development tools, such as workflow engines, form engines, data modeling, and tag modeling, providing our customers with a comprehensive set of pharmaceutical and medical device commercialization cloud-based software accessible via both website and mobile applications. It adopts a unified data structure for all master data, including hospital and doctor information, as well as channel flow data. Leveraging such structure, it streamlines the utilization of industry master data, including hospital and doctor information, sourced from various public sources such as official websites of hospitals and regulatory authorities like National Health Commission of the PRC. It also helps our customers to effectively manage their distributors and sales teams, achieve transparent drug channel flows, gain clear customer insights, optimize customer relationship management and visualize sales activities, all of which contribute to driving efficient commercialization, through the utilization of our pharmaceutical and medical device commercialization solutions.

Furthermore, we have been developing next-generation digital collaboration platforms, including Trials and Wujie. Trials is designed specifically for the pharmaceutical and medical device R&D field. It features a new client-side interface and conversation-based interaction, which is expected to provide a more intuitive user experience and facilitate rapid collaboration, further breaking down artificial barriers between different software and services, and focusing on users' needs for external collaboration and process management. Through our self-development, Trials has evolved from its 0.1 version that established a core framework for project and trial master file management, to its 0.2 version which introduced features like progress planning, instant messaging, and task collaboration for clinical trial management. Currently, it is being further developed to add additional functional modules, and is expected to launch in late 2024. To adjust and augment PharmaOS' pharmaceutical and medical device commercialization capabilities, we developed Wujie, another next-generation platform, to complement but not replace PharmaOS. Wujie, which was launched in the second half of 2023, specializes in achieving greater external outreach to doctors via both online and offline channels.

Our digital collaboration platforms not only serve as the foundation of our solutions, but also provide us with valuable industry insights that help us continuously improve the functionality and quality of our solutions to meet the ever-expanding and diverse needs of our customers. For further information of our digital collaboration platforms, please refer to "Business — Our Platform Strategy."

Cloud-based Software

Based on our digital collaboration platforms, we have built a series of software for different types of organizations and roles and covering critical use cases in pharmaceutical and medical device R&D and commercialization. For instance, our software facilitates the planning, tracking and monitoring of site and trial-related activities, and streamlines the management and filing of clinical research documents. Our software can also be used for patient recruitment, patient follow-up, data collection and analysis, as well as sales relationship management, to address the challenges faced by industry participants and improve workflow efficiency. The software that we offer are hosted by a central provider and offered to customers via cloud service, instead of running locally on our customers' devices with no network connection. We offer our SaaS products through TrialOS or PharmaOS, which leverage public cloud service to deliver our SaaS products via the internet across organizations. We also offer our customized products primarily via private cloud service, which reside on a single organization's in-house infrastructure instead of utilizing TrialOS or PharmaOS. For further details, please refer to "Business — Our Solutions — Our Cloud-Based Software" in this prospectus.

For our cloud-based software, we generally recognize the revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products or at a point of time when such product is delivered to and accepted by our customers. During the Track Record Period, the majority of our revenue from cloud-based software was derived from SaaS products. In 2021, 2022, 2023, and the three months ended March 31, 2023 and 2024, 42.3%, 38.4%, 35.2%, 36.1% and 34.3% of our revenue was generated from the sales of our cloud-based software. For our SaaS products, generally, we recognize the revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products. Specifically, (i) for eImage/IRC, recognition is based on the number of imaging review endpoints provided to customers; and (ii) for other software, recognition is based on the contract term. For customized products, revenue is generally recognized at a point in time when customized products are provided to the customer and accepted by the customer.

Digital Services

Based on our understanding of the industry and to better cater to the demands of different types of customers, we also provide our customers with a range of digital services, primarily assisting customers with independent reading of medical images, achieving efficient SMO resource distribution and execution, offering pharmacovigilance services and other services to support our customers' R&D and commercialization activities. These digital services are based on our digital collaboration platforms and linked with SaaS products to enable online operation, monitoring and management for improved efficiency and quality. By offering digital services, we further accumulate industry knowledge and insights, which helps enhance our capability to optimize our platforms and software products. For further details, please refer to "Business — Our Solutions — Our Digital Services" in this prospectus.

For our digital services, we recognize revenue over contract term since our delivery of services and in accordance with the progress of our service obligation performance. In 2021, 2022, 2023, and the three months ended March 31, 2023 and 2024, 57.6%, 61.6%, 64.5%, 63.9% and 65.7% of our revenue was generated from the provision of digital services.

Benefits of Our Software and Digital Services

Pharmaceutical companies, as the owners of pharmaceutical products and sponsors of clinical trials, are our major customers. The benefits we provide to pharmaceutical companies and third-party service providers include:

- *Designed for complex pharmaceutical and medical device use cases.* Our software and digital services are designed to tackle the key processes and bottlenecks in pharmaceutical and medical device R&D and commercialization use cases. Through standardization, visualization, and automation of previously manual process, we aim to significantly improve the efficiency and quality of pharmaceutical R&D and commercialization, while reducing operational costs and risks and ensuring regulatory compliance.

- *Seamless collaboration.* Pharmaceutical R&D and commercialization involves significant cross-organizational and cross-role communication and collaboration among various stakeholders. Our TrialOS and PharmaOS platforms connect all parties in the pharmaceutical R&D and commercialization process and enable them to collaborate effortlessly online by breaking down the barriers between them through efficient data exchange and process coordination.

- *Improved data analytics and insights.* Our products and services support pharmaceutical companies, CROs/SMOs or hospitals in key stages throughout the entire R&D and commercialization process. Massive data are generated and managed on our platform. Our platforms allow data to flow among products and organizations using unified protocols. Our customers are able to drive the holistic process with data and improve the quality and efficiency of their research or marketing activities on our platform.

Our Operating Results

We are the largest digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of revenue in 2023, taking up a market share of 5.9%, according to CIC. As of March 31, 2024, we had served over 1,400 pharmaceutical companies and contract research organizations, including 21 out of the top 25 global pharmaceutical companies and 90 of the top 100 Chinese pharmaceutical innovators, making us the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers, according to CIC. We place significant emphasis on nurturing and retaining our core customers, i.e., those who contribute a revenue of RMB500,000 or more in the immediately preceding twelve months. Through our comprehensive customer support, we achieved high retention rates of 91.2%, 94.7% and 87.3%

of our core customers in 2021, 2022 and 2023, respectively. Our overall customer retention rate was 82.0%, 82.8% and 77.8% in 2021, 2022 and 2023, respectively. The customer retention rates decreased in 2023 primarily due to the temporary market headwind that affected R&D activities of pharmaceutical and medical device companies. Additionally, our upgrade of customized versions of commercialization solutions to public cloud-based versions also contributed to the decrease in customer retention rates. For core customers especially, such a decrease is also attributable to our decision of business cease of Beijing Nuoming, which primarily focuses on the sales of customized products for hospitals and clinical research institutions, resulting in customer termination in 2023. For further information, see "Business — Our Solutions — Addressable Markets." In addition, we maintain a substantial project backlog of over RMB1.6 billion as of March 31, 2024, involving around 3,500 projects for software products and digital services.

The following table sets forth a breakdown of our number of customers during the Track Record Period:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
Cloud-based Software					
SaaS Products	679	789	851	687	682
Customized Products	132	116	82	69	54
Digital Services					
IRC Services	105	117	121	108	100
Digital Clinical Research Services	519	558	612	479	433
Total Customers	**908**	**1,033**	**1,107**	**893**	**867**

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
Core Customers*	189	221	235	237

Note: A core customer refers to a customer who contributes a revenue of RMB500,000 or more in the immediately preceding twelve months.

For further information, see "Business — Our Solutions — Key Operating and Financial Data."

CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers mainly included pharmaceutical and medical device companies, third-party service providers (e.g. CROs), clinical research institutions and others. Our top suppliers are primarily property service providers, cloud service providers, SMOs, independent imaging reviewers, and clinical research institutions during the same period. In 2021, 2022, 2023 and the three months ended March 31, 2024, sales to our five largest customers in each of these years/periods in aggregate accounted for 15.8%, 15.0%, 19.3% and 19.4% of our total revenue, respectively, and sales to our largest customer in each of these years/periods accounted for 4.6%, 3.9%, 5.6% and 6.0% of our total revenue, respectively. In 2021, 2022, 2023 and the three months ended March 31, 2024, purchases from our largest five suppliers in each of these years/periods in aggregate accounted for 42.4%, 30.2%, 19.6% and 26.7% of our total purchases, respectively, and purchases from our largest supplier in each of these years/periods accounted for 20.7%, 11.3%, 7.8% and 8.4% of our total purchases, respectively. For further information, see "Business — Our Customers" and "Business — Our Suppliers."

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths contributed to our success and position us for continued growth:

- an early entrant and major player in pharmaceutical and medical device digital solutions
- a comprehensive product matrix supported by digital platforms
- large, blue-chip, and loyal customer base
- well-developed technology and data capabilities
- balanced monetization combining software and services
- visionary and experienced management team

OUR GROWTH STRATEGIES

To drive our continued growth, we will implement the following strategies:

- continue to upgrade and expand our products and services
- expand customer base and efficiently respond to customer needs
- strengthen customer relationships through cross-selling and upselling
- reinforce R&D for future growth
- expand internationally and foster global collaboration
- pursue business growth through investments, acquisitions and partnerships

INDUSTRY BACKGROUND AND OUR MARKET OPPORTUNITIES

The pharmaceutical and medical device industry's demand for digitization has surged, driven by the accessibility of SaaS products which have lowered barriers to entry. As technology advances, companies seek deeper collaboration, efficiency, and regulatory compliance, to address industry challenges like lengthy process and tightening regulation, disconnected operations and data disparity.

These challenges cannot be fully met by software products alone. Therefore, they further propelled software to evolve from a tool to a digital platform with cross-organizational collaboration at its core. Such solutions combining cloud-based software and digital services create commercial value for R&D and commercialization in China's pharmaceutical and medical device industry. It is expected that by 2028, China's pharmaceutical and medical device R&D and commercialization digital solutions market size will reach RMB24.3 billion, representing a CAGR of 20.2% between 2023 and 2028.

China's pharmaceutical and medical device R&D and commercialization digital solutions market, in which we compete, is rather fragmented, with the top five market players accounting for 23.1% of market share in terms of revenue generated in 2023. We rank the first in this market by the same metric with a 5.9% market share in 2023, according to CIC. We are also the largest pharmaceutical and medical device R&D digital solution provider in China, with a 8.2% market share in terms of revenue in 2023, according to CIC. We believe we have an advantage over our competitors due to our strengths in the fast-changing market, including first-mover advantage. Due to the nature of our business, having diverse solution offerings that correspond to customer needs is crucial for companies like us to stand out. Furthermore, the application of advanced technologies like machine learning, AI, and cloud computing may help us improve our software and digital service development capabilities, perfect our data processing and analytics, leading to more valuable software and digital services in the future. As we continue to improve our capabilities, we will be better equipped to serve our existing customers, explore cross-selling potential, and attract new ones to join our platforms, creating a positive cycle and strong network effects. See "Industry Overview — China's Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market" and "Business — Competition" in this prospectus.

BUSINESS SUSTAINABILITY

Our Past Performance

We achieved continuous growth during the Track Record Period. Our revenue increased from RMB466.2 million in 2021 to RMB549.2 million in 2022 by 17.8%, and further by 4.4% to RMB573.1 million in 2023, and by 2.2% from RMB129.2 million for the three months ended March 31, 2023 to RMB132.1 million for the three months ended March 31, 2024.

In the meantime, we have heavily invested in solution development and customer acquisition, attracting 908, 1,033, 1,107 and 867 customers, respectively, in 2021, 2022, 2023 and the three months ended March 31, 2024 for our software and digital services, among whom 679, 789, 851 and 682 were customers of our SaaS products, respectively. We have also continuously improved our solutions to ensure all our customers can utilize the latest technologies and features, consolidating our strong brand reputation and market position.

Due to various historical factors that are no longer applicable or expected to be alleviated in our new phase of development, including (i) our heavy initial investments required for (A) platform and software development and (B) customer acquisition and retention to increase market acceptance that led us to undergo a prolonged initial investment phase; (ii) our ongoing market education, and (iii) our changes in product structure, i.e., the SaaS transformation of our customized products, we incurred net losses and experienced operating cash outflows during the Track Record Period. In 2021, 2022, 2023 and the three months ended March 31, 2024, we incurred net losses of RMB479.6 million, RMB422.6 million, RMB356.4 million and RMB118.2 million, respectively. In addition, we experienced net cash flows used in our operating activities of RMB217.5 million, RMB329.2 million and RMB351.2 million and RMB112.6 million for 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. The reasons of our cash flows used in our operating activities in 2023 primarily include our loss for the year, which is in turn primarily attributable to our cost of sales, administrative expenses, R&D expenses and selling expenses. See "Financial Information — Results of Operations — Year Ended December 31, 2023 Compared with Year Ended December 31, 2022" for more details.

We believe these historical factors to be no longer applicable or are expected to be alleviated in our new phase of development because (i) our substantial investments in market education is expected to subside given (A) we have proven the capabilities of our solutions, (B) we have become the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers, according to CIC, and (C) our current broad coverage of the number of customers would allow us to conduct sales and marketing activities more cost efficiently, which is expected to generate word-of-mouth effect that could alleviate the need for continuous market education; (ii) software development expenses have passed the peak, as in 2023, we optimized less efficient product lines and substantially completed the SaaS transformation of pharmaceutical and medical device commercialization software which have a higher margin than previously offered customized commercialization software, and streamlined our R&D headcount, while optimizing our software development process through improving the application of our core technologies; and (iii) our solutions become more profitable as they scale without proportionally increasing our costs and expenses.

In 2024, we expect to continue to record net losses and operating cash outflows for primarily the same reasons as those that led to our net losses during the Track Record Period, as we plan to continue investing in developing certain of our new platforms and software (such as Trials and Wujie), updating our existing solutions, and expanding our customer base. We have been loss-making since our establishment in 2013, and we will continue to be loss-making in the foreseeable future, including 2024, when we expect to continue to incur operating cash outflow. See "Risk Factors — We have incurred net losses and net cash flows used in operating activities in the past, and may not be able to achieve or maintain profitability or have net operating cash inflows in the foreseeable future." However, we have implemented a series of new initiatives and streamlining programs that we believe will help to sufficiently and effectively manage operating expenses. For details regarding our strategy to improve our financial position and business sustainability, which focuses on continuing our revenue growth, improving our gross profit margin and increasing our operating efficiency, see "Business — Business Sustainability — New Initiatives and Programs to Achieve Profitability."

Historical Factors

Mainly due to our past investments in customer acquisition, product development, market education and changes in product structure, we incurred net losses and operating cash outflow during the Track Record Period. In our new phase of development, we believe many of the historical factors below will become no longer applicable or be alleviated due to the reasons detailed in "Business — Business Sustainability — Historical Factors" in this prospectus:

- Substantial Investments in Educating a Bourgeoning Market;
- Significant Software Development Expenses; and
- Diverse New Solutions Progressing Towards Maturity.

New Initiatives and Programs to Achieve Profitability

Looking forward, we plan to achieve long-term profitability through continuing our revenue growth, improving our gross profit margin and increasing our operating efficiency, primarily by (i) expanding our customer base, (ii) retaining customers and increasing their spending, and (iii) managing expenses and improving operational efficiency. As our business grows and brand recognition improves, we anticipate to benefit from increasing economies of scale and network effects. This will enable us to acquire new customers in a more cost-effective manner. Furthermore, due to the high importance that we attach to our initiatives to retain customers and boost their spending, we expect a growing proportion of our revenue to come from existing customers. As the service implementation costs related to existing customers are significantly lower than that of new customers, we expect this to lead to sustainable profitability. We also aim to enhance our operational efficiency and manage our expenses more effectively, further boosting our profitability.

Continuous Expansion of Our Customer Base

- ***Grow with the market.*** China's pharmaceutical and medical device R&D and commercialization digital solutions market size is expected to grow at a CAGR of 20.2% from 2023 to 2028. As a major market player with established brand reputation, we believe we are well positioned to capture the market opportunities, as proven by the continued expansion of our customer base over the Track Record Period.

- ***Enhance Our Digital Collaboration Platform's Connectivity.*** Through our TrialOS and PharmaOS platforms, we have connected a number of industry participants, enabling us to efficiently acquire customers. We plan to continuously expand our influence in the industry, connect more industry participants, and more efficiently expand our customer base.

- ***Increase Market Recognition and Penetration.*** Leveraging our market position and early-mover advantage, we believe we can further increase the penetration of our cloud-based software among pharmaceutical and medical device companies, CROs and clinical research institutions. Our established market recognition, platform capabilities, and diverse solutions that cater to pharmaceutical and medical device companies in various stages of development, may attract new participants and established players, seeking a digital solution provider for R&D and commercialization.

- ***Optimize Solutions to Meet Evolving Customer Needs.*** For our existing software and digital services, we aim to enhance their quality and efficiency through continuous development efforts. For our next-generation platforms, Trials and Wujie, we proactively finalize their development and advance the deployment and anticipate them to enhance user experience and collaboration, driving increased customer spending and user retention. In addition, we intend to transition our customized pharmaceutical and medical device commercialization products to SaaS products, by encouraging relevant customers to switch to standardized versions that offer equivalent or even superior or additional functionalities. We also plan to continually expand our range of services to cater to a broader user base.

Retain Customers and Increase Customer Spending

- ***Increase Customer Retention.*** During the Track Record Period, we have strong customer stickiness, with a customer retention rate of over 77% and a core customer retention rate of over 87% for 2021, 2022 and 2023. In the future, we plan to continue to increase our customer retention, especially retention of our core customers through our one-stop solutions.

- ***Cross-Selling and Upselling.*** Starting from early 2024, we have implemented a number of initiatives to enhance our cross-selling capabilities. In addition, we have observed higher average value per customer and an increasing number of customers that purchased three or more products or services during the Track Record Period. Looking ahead, we plan to intensify our efforts in cross-selling and upselling across our solution matrix to enhance the average value per customer, further driving our long-term revenue growth.

Manage Expenses and Improve Operational Efficiency

- ***Continuous Product Mix Optimization and Margin Enhancement.*** As our solutions gain market recognition, our branding strength is expected to grow, enabling better pricing power and margin improvements. Also, as our product structure gets optimized, we expect further enhancement in our margins. In addition, we strategically prioritize promoting SaaS products, which can achieve higher profitability especially when they mature and are scaled up.

- ***Enhance Operational Efficiency.*** To enhance operational efficiency, we have implemented measures such as streamlining personnel structure and reducing headcounts. In our new phase of development, (i) we expect to experience steady revenue growth without the need for substantial new customer acquisition efforts; (ii) refinement of our R&D pipeline are unlikely to require R&D spending as extensive as building new solutions. Additionally, as our software advances, we expect increased operational efficiency and optimized R&D investments. We also anticipate efficient utilization of R&D and sales expenses due to established relationships with many customers and our familiarization with their needs.

- ***Economies of Scale Driving Operational Efficiency.*** We plan to capitalize on cross-selling and up-selling opportunities, to enhance sales and marketing efficiency. While we anticipate to continue incurring significant R&D expenses and administrative expenses in absolute terms, we expect these expenses to decrease as a percentage of total revenue in the long run due to economies of scale and operational leverage.

Considering (i) our net losses are primarily attributable to historical factors that are no longer applicable or expected to be alleviated in our new phase of development; (ii) the prospects of China's pharmaceutical and medical device R&D and commercialization digital solutions market we operate in; (iii) our aim to achieve long-term growth based on our historically business expansion plans; and (iv) our endeavors in cost management and efforts to elevate operational efficiency, our Directors are of the view that we have a sustainable business model. For further details, see "Business — Business Sustainability" in this prospectus.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhao, an executive Director, the chairman of our Board and the general manager of our Company, was able to exercise approximately 33.35% voting rights in our Company, through (i) 93,042,388 Shares directly held by him, (ii) 62,791,758 Shares held by the Employee Shareholding Platforms, each of which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its executive partner, (iii) 5,380,538 Shares held by Zhoushan Yijin which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its general partner, and (iv) 18,204,844 Shares held by Xinyu Shenkong which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its general partner. Further, as of the Latest Practicable Date, Ms. Tang held 95% partnership interest in Zhoushan Yijin and 99% partnership interest in Xinyu Shenkong as their respective sole limited partner.

Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), Mr. Zhao will be entitled to exercise approximately 32.02% voting rights in our Company. Therefore, Mr. Zhao, Ms. Tang, the Employee Shareholding Platforms, Zhoushan Yijin and Xinyu Shenkong will constitute a group of Controlling Shareholders of our Company under the Listing Rules.

For further details, see "Relationship with Our Controlling Shareholders" in this prospectus.

PRE-IPO INVESTMENTS

Between January 2016 and September 2020, our Company obtained several rounds of investments from the Pre-IPO Investors and raised more than RMB2 billion in total. For details, see "History, Development and Corporate Structure — The Pre-IPO Investments — (2) Principal terms of the Pre-IPO Investments" in this prospectus.

PREVIOUS LISTING ATTEMPT

Our Company submitted an application for listing on the SSE STAR Market in December 2021. The listing application was terminated by the Shanghai Stock Exchange in March 2023 on the following grounds: (i) during the reporting period for such listing application, our Company did not primarily rely on its core technology to carry out our production and operation, and therefore failed to meet the innovation attribute requirement under Article 3 of the Administrative Measures for the Registration of Initial Public Offering and Listing of Stocks (《首次公開發行股票註冊管理辦法》) published by the CSRC; and (ii) our Company did not disclose sufficient material information for investors to make assessment and investment decisions, and therefore failed to meet the requirement under Article 34 of the Administrative Measures for the Registration of Initial Public Offering and Listing of Stocks. In particular, the requirement that an listing applicant must primarily rely on core technology to carry out its production and operation is a specific listing qualification for a listing on the SSE STAR Market as set out under Article 3 of the Measures, and is inapplicable to the Listing

pursuant to the Listing Rules. Throughout the Track Record Period, we have been prioritizing R&D and continuously investing in technologies that have helped us to accumulate technologies suitable for various business scenarios, driving the development of new software and digital services based on forward-looking market insights. For details of our core technologies (being AI+ big data, and low-code development), their innovativeness and their application in our software and digital services, see "Business — Technology Infrastructure" in this prospectus. Besides, with respect to material information for investors to make assessment and investment decisions, details regarding, among others, our historical financial performance and business sustainability, including factors affecting our profitability and future sales growth, are set out in the section headed "Financial Information" and the paragraph headed "Business — Business Sustainability" in this prospectus. Our Directors are not aware of any matters or findings from such listing application which have been brought to their attention and would have a material adverse implication on the Listing, or any matters that might materially and adversely affect our Company's suitability for the Listing. For further details, see "History, Development and Corporate Structure — Previous Listing Attempt" in this prospectus.

CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute fully exempt continuing connected transactions under Chapter 14A of the Listing Rules upon Listing. Further particulars about such transactions are set out in the section headed "Connected Transactions" in this prospectus.

SUMMARY OF KEY FINANCIAL INFORMATION

The summary historical data of financial information set forth below have been derived from, and should be read in conjunction with, our audited financial statements, including the accompanying notes, set forth in the Accountant's Report attached as Appendix I to this prospectus, as well as the information set forth in "Financial Information". Our financial information was prepared in accordance with IFRS.

Selected Components of Consolidated Income Statements

The following tables set forth summary financial data from our consolidated income statements for the years indicated, derived from the Accountant's Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this prospectus, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
							(Unaudited)			
Revenue	466,181	100.0	549,215	100.0	573,137	100.0	129,232	100.0	132,053	100.0
Cost of sales	(301,848)	(64.7)	(363,814)	(66.2)	(394,135)	(68.8)	(90,740)	(70.2)	(82,535)	(62.5)
Gross profit	164,333	35.3	185,401	33.8	179,002	31.2	38,492	29.8	49,518	37.5
Selling expenses	(179,334)	(38.5)	(184,679)	(33.6)	(150,207)	(26.3)	(40,581)	(31.4)	(24,350)	(18.4)
Administrative expenses	(266,894)	(57.3)	(289,115)	(52.6)	(268,913)	(46.9)	(52,696)	(40.8)	(135,294)	(102.5)
Research and development expenses	(190,843)	(40.9)	(208,177)	(37.9)	(169,191)	(29.5)	(52,739)	(40.8)	(27,159)	(20.6)
Net impairment losses on financial and contract assets	(4,230)	(0.9)	(3,292)	(0.6)	(8,402)	(1.5)	(1,994)	(1.5)	(1,051)	(0.8)
Net impairment losses on intangible assets	(54,089)	(11.6)	(22,382)	(4.1)	(9,572)	(1.7)	(9,572)	(7.4)	–	–
Other income	14,277	3.1	20,561	3.7	19,419	3.4	8,910	6.9	9,187	7.0
Other gains/(losses) – net	11,146	2.4	58,899	10.7	11,277	2.0	(6,756)	(5.2)	2,455	1.9
Operating loss	(505,634)	(108.5)	(442,784)	(80.6)	(396,587)	(69.2)	(116,936)	(90.5)	(126,694)	(95.9)
Finance income	28,738	6.2	22,884	4.2	41,654	7.3	10,052	7.8	8,629	6.5
Finance cost	(2,709)	(0.6)	(2,681)	(0.5)	(1,431)	(0.2)	(538)	(0.4)	(157)	(0.1)
Finance income – net	26,029	5.6	20,203	3.7	40,223	7.0	9,514	7.4	8,472	6.4
Loss before income tax	(479,605)	(102.9)	(422,581)	(76.9)	(356,364)	(62.2)	(107,422)	(83.1)	(118,222)	(89.5)
Income tax expenses	(6)	(0.0)	–	–	(15)	(0.0)	–	–	–	–
Loss for the year/period	(479,611)	(102.9)	(422,581)	(76.9)	(356,379)	(62.2)	(107,422)	(83.1)	(118,222)	(89.5)
Loss is attributable to:										
Owners of the Company	(479,611)	(102.9)	(412,907)	(75.2)	(346,778)	(60.5)	(104,044)	(80.5)	(116,276)	(88.1)
Non-controlling interests	–	–	(9,674)	(1.8)	(9,601)	(1.7)	(3,378)	(2.6)	(1,946)	(1.5)
	(479,611)	(102.9)	(422,581)	(76.9)	(356,379)	(62.2)	(107,422)	(83.1)	(118,222)	(89.5)

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss as an additional non-IFRS measure, which is not required by, or presented in accordance with, IFRS.

We define "adjusted net loss (a non-IFRS measure)" as loss for the year/period adjusted by adding back share-based payments and listing expenses. Listing expenses are expenses incurred in relation to the Global Offering and the previous listing preparation. Share-based payments are non-cash in nature and do not result in cash outflow. We believe the presentation of this non-IFRS measure provides useful information to investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of these items. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The tables below set forth the reconciliation of our non-IFRS measure presented in accordance with IFRS for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Loss for the year/period	(479,611)	(422,581)	(356,379)	(107,422)	(118,222)
Adjustment:					
Share-based payments	134,427	89,275	13,292	(14,489)	97,498
– Share-based payments to employees	134,427	89,275	13,292	(14,489)	4,662
– Share-based payments to certain shareholders	–	–	–	–	92,836
Listing expenses	–	–	26,021	12,016	1,409
– Listing expenses in connection with previous listing preparation	–	–	12,016	12,016	–
– Listing expenses in connection with Global Offering	–	–	14,005	–	1,409
Adjusted net loss for the year/period (a non-IFRS measure)	**(345,184)**	**(333,306)**	**(317,066)**	**(109,895)**	**(19,315)**

We primarily derive our revenue from (i) the sales of our cloud-based software, including SaaS products and customized products as well as relevant technical support; and (ii) provision of digital services, primarily including digital clinical research services and IRC services. The following table sets forth a breakdown of our revenue by product and service offerings for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Cloud-based Software										
– SaaS products	119,864	25.7	149,874	27.3	155,740	27.2	37,673	29.2	39,645	30.0
– Customized products	77,188	16.6	61,101	11.1	45,613	8.0	8,955	6.9	5,663	4.3
Subtotal	197,052	42.3	210,975	38.4	201,353	35.2	46,628	36.1	45,308	34.3
Digital Services	268,456	57.6	338,084	61.6	369,931	64.5	82,595	63.9	86,745	65.7
Others	673	0.1	156	0.0	1,853	0.3	9	0.0	–	–
Total	466,181	100.0	549,215	100.0	573,137	100.0	129,232	100.0	132,053	100.0

Note: Others primarily refer to revenue from our medical professional services, including training and meeting arrangement services.

The table below sets forth a breakdown of our revenue, gross profit and gross profit margin by addressable markets for the years indicated:

	Revenue					Gross Profit					Gross Profit Margin				
	Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31,			Three Months Ended March 31,	
	2021	2022	2023	2023	2024	2021	2022	2023	2023	2024	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*%*	*%*	*%*	*%*
				(Unaudited)					*(Unaudited)*					*(Unaudited)*	
Clinical trials	323,308	414,019	441,854	95,806	105,285	113,996	128,012	121,999	24,123	36,409	35.3	30.9	27.6	25.2	34.6
Cloud-based software	102,830	128,071	121,178	25,741	29,526	76,013	100,722	88,994	18,403	22,633	73.9	78.6	73.4	71.5	76.7
– SaaS products	87,621	112,990	110,785	25,628	29,500	64,028	91,271	86,026	18,387	22,621	73.1	80.8	77.7	71.7	76.7
– Customized products	15,209	15,082	10,393	113	26	11,985	9,435	2,968	16	12	78.8	62.6	28.6	13.9	46.9
Digital Services	220,416	285,792	319,860	70,055	75,759	37,989	27,137	32,587	5,716	13,776	17.2	9.5	10.2	8.2	18.2
– IRC services	89,976	101,086	89,828	20,878	18,881	45,729	58,182	37,992	8,498	9,078	50.8	57.6	42.3	40.7	48.1
– Digital clinical research services	130,440	184,706	230,032	49,177	56,878	(7,739)	(31,045)	(5,405)	(2,781)	4,698	(5.9)	(16.8)	(2.3)	(5.7)	8.3
Others	62	156	816	9	–	(6)	153	419	4	–	(9.3)	97.8	51.3	43.1	N/A

	Revenue					Gross Profit					Gross Profit Margin				
	Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31,			Three Months Ended March 31,		Year Ended December 31,			Three Months Ended March 31,	
	2021	2022	2023	2023	2024	2021	2022	2023	2023	2024	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*%*	*%*	*%*	*%*	*%*
				(Unaudited)					*(Unaudited)*					*(Unaudited)*	
Pharmacovigilance	64,873	78,392	84,500	19,988	18,774	39,994	49,044	48,900	11,515	11,540	61.6	62.6	57.9	57.6	61.5
Cloud-based software	28,671	34,616	38,513	9,611	8,589	26,010	31,311	32,537	8,033	7,357	90.7	90.5	84.5	83.6	85.7
– SaaS products	27,431	34,616	38,513	9,611	8,589	25,306	31,327	32,537	8,033	7,357	92.3	90.5	84.5	83.6	85.7
– Customized products	1,240	–	–	–	–	704	–	–	–	–	56.8	N/A	N/A	N/A	N/A
Digital Services	36,202	43,775	45,987	10,377	10,185	13,984	17,733	16,363	3,482	4,183	38.6	40.5	35.6	33.6	41.1
– Digital clinical research services	36,202	43,775	45,987	10,377	10,185	13,984	17,733	16,363	3,482	4,183	38.6	40.5	35.6	33.6	41.1
Marketing activities	78,000	56,804	46,783	13,439	7,994	10,343	8,344	8,103	2,854	1,569	13.3	14.7	17.3	21.2	19.6
Cloud-based software	65,551	48,287	41,661	11,275	7,193	9,862	9,185	9,246	2,667	1,611	15.0	19.0	22.2	23.7	22.4
– SaaS products	4,812	2,268	6,441	2,433	1,556	984	402	1,316	512	187	20.4	17.7	20.4	21.0	12.0
– Customized products	60,739	46,019	35,220	8,842	5,637	8,878	8,783	7,930	2,155	1,424	14.6	19.1	22.5	24.4	25.3
Digital Services	11,838	8,517	4,084	2,163	801	427	(840)	(2,180)	187	(42)	3.6	(9.9)	(53.4)	8.6	(5.3)
– Digital clinical research services	11,838	8,517	4,084	2,163	801	427	(840)	(2,180)	187	(42)	3.6	(9.9)	(53.4)	8.6	(5.3)
Others	611	–	1,038	–	–	54	–	1,038	–	–	8.9	N/A	100.0	N/A	N/A
Total	466,181	549,215	573,137	129,232	132,053	164,333	185,400	179,002	38,492	49,518	35.3	33.8	31.2	29.8	37.5

During the Track Record Period, we experienced growth in revenue within the clinical trials and pharmacovigilance business line, primarily driven by our business expansion efforts, particularly in our SaaS products and digital clinical research services, and our gross profit within these business lines remained relatively stable during the same period. In marketing activities business line, our cloud-based software recorded increasing gross profit margin during the Track Record Period. This was primarily attributed to our focus on projects with substantial revenue contributions and our effective cost control measures implemented for the cloud-based software business. Conversely, the decline in revenue and gross profit within the marketing activities business line was mainly a result of our strategical decision to prioritize the development of SaaS products over customized products.

In the clinical trials business line, our digital clinical research services recorded negative gross profit and gross profit margin. This was primarily due to the early-stage nature of certain digital clinical research services, resulting in a lack of economies of scale necessary for optimal cost control. As a result, gross profit and gross profit margin for digital clinical research services in clinical trials business line decreased during the Track Record Period.

Specifically, in 2022, the gross profit margin of the digital clinical research services in clinical trials business line decreased significantly from -5.9% in 2021 to -16.8% in 2022, mainly because (i) we hired more talents in 2022 to support our development of these services. As a result, the employee benefit expenses (excluding share-based payment expenses) increased significantly as a result of the increased number of professional and technical personnel. In particular, for digital clinical trial services, the average number of professional and technical personnel increased from 86 in 2021 to 138 in 2022, leading to a significant increase of RMB24.5 million in employee benefit expenses (excluding share-based payment expenses) for digital clinical trial services in 2022; and (ii) the revenue for digital clinical trial services, which were still in the early stage, only increased from RMB56.6 million in 2021 to RMB62.8 million in 2022. Given the lack of economies of scale at this early stage, the modest revenue growth was outpaced by the aforesaid increase in employee benefit expenses (excluding share-based payment expenses), resulting in a decrease in its gross profit margin in 2022. However, in 2023, our gross profit margin of the digital clinical research services in clinical trials business line then increased to -2.3%. This was primarily due to a substantial increase of RMB53.3 million, or approximately 57.0%, in the revenue from digital SMO business management services in 2023 driven by our business expansion efforts in this business line. The number of new contracts for digital SMO business management services increased from 276 in 2022 to 309 in 2023, and as our existing digital SMO business management service programs advanced, including the progress of relevant clinical trials, increased revenue was recognized in 2023. While the revenue from the digital SMO business management services increased significantly, its associated costs increased at a slower pace due to the economies of scale and the upgrade of its eSMS and TrialPartner which significantly enhanced operational efficiency. As a result, the gross profit margin for digital clinical research services improved in 2023.

In 2023, we experienced a decrease in the gross profit and gross profit margin for customized products in clinical trials business line, primarily because we strategically prioritized enhancing revenue from its SaaS products over customized products. Consequently, we reduced the provision of customized products for hospitals, which brought us such decreases. In the first three months of 2024, there was an increase in the gross profit and gross profit margin primarily due to a significant decrease in the staff costs resulting from our streamlining of personnel structure in 2023.

In marketing activities business line, our digital clinical research services recorded negative gross profit and gross profit margin in 2022 and 2023. These services catered to customers who were also users of our cloud-based software. In an effort to expand service offerings and foster long-term business relationships with these customers, we offered competitive pricing for our digital clinical research services in marketing activities. However, due to the high costs associated with these services, the result was a negative gross profit margin during the Track Record Period.

Our gross profit margin of the digital clinical research services in the marketing business line decreased from -9.9% in 2022 to -53.4% in 2023. This marketing business line primarily consisted of data collection and analysis services during the Track Record Period. We made a strategic adjustment to dispose of our business of data collection for sales of pharmaceuticals during the Track Record Period. From February 2022 to September 2023, we entered into a series of agreements with an independent third party and our client to transfer our business of data collection for sales of pharmaceuticals for a total consideration of RMB1.1 million. Under these agreements, in January 2023, we transferred such service business, including our rights and obligations under the relevant contract with the client, to the independent third party. As a result, the revenue in this business line decreased by RMB4.4 million, or approximately 52.0%, in 2023. However, while the revenue and the business scale decreased significantly due to the disposal, the relevant costs did not decrease at the same pace. This discrepancy was mainly because the streamlining of personnel for this business line occurred gradually. In 2022 and 2023, the average number of personnel for digital clinical research services in the marketing business line was 28 and 17, respectively, which represent a relatively slower decrease in the personnel headcount compared to the significant drop in revenue. The slower decrease in employee benefit expenses, compared with the drop in revenue, led to the significant decrease in its gross profit margin.

Selected Items from the Consolidated Balance Sheets

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total non-current assets	213,180	165,595	118,480	100,786
Total current assets	1,591,590	1,659,706	1,326,192	1,241,042
Total assets	**1,804,770**	**1,825,301**	**1,444,672**	**1,341,828**
Total non-current liabilities	44,125	50,535	44,690	43,683
Total current liabilities	349,622	391,432	357,869	278,443
Total liabilities	**393,747**	**441,967**	**402,559**	**322,126**
Net current assets	1,241,968	1,268,274	968,323	962,599
Net assets	**1,411,023**	**1,383,334**	**1,042,113**	**1,019,702**
Non-controlling interests	–	73,397	63,786	77,664

Our net assets decreased from RMB1,411.0 million as of December 31, 2021 to RMB1,383.3 million as of December 31, 2022, primarily due to our loss for the year of RMB422.6 million in 2022, partially offset by (i) the capital injection from non-controlling interests of a subsidiary of RMB301.3 million and (ii) share-based payments of RMB89.3 million in 2022. Our net assets further decreased to RMB1,042.1 million as of December 31, 2023 mainly as a result of (i) our loss for the year of RMB356.4 million, and (ii) share-based payments of RMB13.3 million in 2023. Our net assets remained relatively stable at RMB1,019.7 million as of March 31, 2024. For details, please see "E. Consolidated Statements of Changes in Equity" set out in the Accountant's Report in Appendix I to this prospectus.

Our net current assets remained relatively stable at RMB1,242.0 million as of December 31, 2021 and RMB1,268.3 million as of December 31, 2022. Our net current assets then decreased to RMB968.3 million as of December 31, 2023, primarily due to a decrease of RMB159.1 million in financial assets at FVTPL and a decrease of RMB148.8 million in cash and cash equivalents, which were mainly used for the business operation. Our net current assets the remained relatively stable at RMB962.6 million as of March 31, 2024. For further details, please see "Financial Information — Discussion of Certain Selected Items From the Consolidated Balance Sheets" in this prospectus.

Summary Consolidated Statements of Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Operating cash flow before movements in operating assets and liabilities	(288,591)	(326,009)	(330,179)	(107,325)	(34,100)
Changes in operating assets and liabilities	71,059	(3,205)	(20,970)	(51,100)	(78,455)
Income tax paid	–	(6)	(15)	–	–
Net cash flows used in operating activities	(217,532)	(329,220)	(351,164)	(158,425)	(112,555)
Net cash flows (used in)/generated from investing activities	(379,348)	(5,883)	237,688	166,811	297,633

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Net cash flows (used in)/generated from financing activities	(40,078)	285,586	(39,281)	(8,886)	(4,419)
Net (decrease)/increase in cash and cash equivalents	(636,958)	(49,517)	(152,757)	(500)	180,659
Cash and cash equivalents at beginning of the year/period	1,323,879	679,313	666,742	666,742	517,924
Effect of foreign exchange rate changes	(7,608)	36,946	3,939	1,880	275
Cash and cash equivalents at end of the year/period	679,313	666,742	517,924	668,122	698,858

We recorded net operating cash outflows of RMB217.5 million, RMB329.2 million, RMB351.2 million and RMB112.6 million for the years ended December 31, 2021, 2022 and 2023 and March 31, 2024, respectively, primarily attributable to (i) our loss before income tax and as adjusted by non-cash items, which primarily comprised share-based payments, depreciation of right-of-use assets and provision for impairment of intangible assets, and (ii) changes in operating assets and liabilities in the corresponding periods. Please see "Financial Information — Liquidity and Capital Resources — Cash Flows — Net Cash Flows Used in Operating Activities" for further details.

Taking into account the financial resources available to our Group, including our cash and cash equivalents, short-term bank deposits, short-term investments measured at fair value through profit or loss and the net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus. Please see "Financial Information — Liquidity and Capital Resources — Working Capital Sufficiency" for further details.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group for the years or as of the dates indicated:

	As of/For the Year Ended December 31,			As of/For Three Months Ended March 31,
	2021	2022	2023	2024
Current ratio[(1)]	4.55	4.24	3.71	4.46
Gross profit margin[(2)]	35.3%	33.8%	31.2%	37.5%

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the same date.

(2) Gross profit margin equals gross profit for the period divided by revenues for the period and multiplied by 100%.

SUMMARY OF MATERIAL RISK FACTORS

Our business and the Global Offering involve certain risks as set out in "Risk Factors" in this prospectus. These risks can be broadly categorized into: (i) risks relating to our business and industry and (ii) risks relating to the Global Offering. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include the following:

- If we fail to consistently offer attractive solutions to retain existing customers or engage new customers, our revenue, operating results, financial condition, and business may be significantly harmed.

- We have incurred net losses and net cash flows used in operating activities in the past, and may not be able to achieve or maintain profitability or have net operating cash inflows in the foreseeable future.

- If we fail to keep up with rapid changes in technologies or adapt our platforms and solutions to changing customers' requirements or emerging industry standards, or if our efforts to invest in the development of new technologies are unsuccessful or ineffective, our business may be materially and adversely affected.

- We operate in an emerging and dynamic industry and have a limited operating history, and our historical financial and operating performance may not be indicative of future performance.

- Our ability to access, process and analyze data from various sources could be restricted, which may in turn adversely impact our ability to deliver solutions, our business and results of operations.

- We depend on information technology and other infrastructure that face security risks, including cyber security risks.

- Our business processes a large amount of data. Data protection, privacy and applicable laws restrict collection, use and disclosure of personal information, and failure to comply with or adapt to changes in these laws could materially and adversely harm our business.

IMPACT OF THE OUTBREAK OF COVID-19 EPIDEMIC

Since late January 2020, the outbreak of COVID-19 has affected China and many parts of the world. The COVID-19 pandemic resulted in temporary closure of many corporate offices, retail stores, manufacturing facilities and factories across China. In response to the COVID-19 pandemic, we have employed various measures to mitigate the impact the COVID-19 outbreak may have on our operations, including conducting regular disinfection in the office, closely monitoring health conditions of our employees, and offering personal protection equipment and masks to our employees.

Our business operations to certain extent had been impacted by the COVID-19 pandemic and such impact had been manageable. The resurgence of COVID-19 in 2022, particularly in the second quarter, resulted in slowed participant enrollment in certain clinical trials, which in turn impacted demand for our digital SMO business management services. As a result, the number of new contracts for these services decreased from 85 in the second quarter of 2021 to 74 in the same period in 2022. Also, the progress of some pharmaceutical R&D and clinical trials of our customers delayed during the COVID-19 outbreak. As a digital solution provider focusing on pharmaceuticals and medical devices, such delays in project advancements, as well as the subsequent delays in the marketing activities of pharmaceuticals after clinical research completion, affected the growth of our revenue. In particular, despite our total revenue increased in 2022, the revenue from cloud-based software and digital services for marketing activities decreased from RMB78.0 million in 2021 to RMB56.8 million in 2022, which was partially due to the impact of COVID-19. Besides, our trade and notes receivables turnover days increased from 64.2 days in 2021 to 76.7 days in 2022, primarily due to the prolonged payment cycle of our customers mainly caused by the COVID-19. Moreover, the resurgence of the COVID-19 in 2022 affected the progress of renovation and relocation of our office in Shanghai, but this relocation was ultimately completed in July 2022. In addition, during the COVID-19 outbreak in 2022, the mobility of some employees was affected, and certain employees had to work remotely. However, such impact was limited as we flexibly adjusted work arrangement of our employees and implemented various precautionary measures.

Considering our continued revenue growth during the Track Record Period, our Directors are of the view that the outbreak of the COVID-19 has not had any material adverse impact on the Group's business, financial condition or results of operations. However, we cannot guarantee you that the COVID-19 pandemic will not further escalate or have a material adverse effect on our results of operations, financial position or prospects. We continue to monitor the COVID-19 situation and assess our strategies accordingly to maintain normal business operations. For more details, please refer to "Risk Factors — Risks Relating to Our Business and Industry — We may face risks related to natural disasters, health epidemics and outbreaks of contagious diseases, and other factors beyond our control."

Having taken into account the factors above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Since the end of the Track Record Period, we have continuously developed our products and services, and expanded our business. For the first seven months of 2024, our total number of customers reached 967, representing an increase of 100 from 867 in the first three months of 2024. This growth was mainly driven by a rise in the number of customers for our SaaS products, which grew to 761 in the first seven months of 2024, up from 682 in the first three months of 2024. Additionally, the number of core customers, i.e., those who contribute a revenue of RMB500,000 or more in the immediately preceding twelve months, increased from 237 as of March 31, 2024 to 238 as of July 31, 2024.

Based on our unaudited management accounts, our total revenue increased from RMB271.6 million in the first half of 2023 to RMB272.8 million in the first half of 2024, which was attributable to the increase in our revenue from cloud-based software. In particular, our revenue from cloud-based software increased from RMB96.3 million in the first half of 2023 to RMB97.6 million the first half of 2024, mainly due to the increased revenue from SaaS products driven by our expanded customer base. Meanwhile, our revenue from digital services remained relatively stable at RMB175.3 million in the first half of 2023 and RMB175.2 million in the first half of 2024. In addition, our gross profit margin increased from 31.0% in the first half of 2023 to 40.7% in the first half of 2024, primarily due to the increase in gross profit margin for both cloud-based software and digital services. Our gross profit margin for cloud-based software increased from 65.5% in the first half of 2023 to 70.0% in the first half of 2024, as we placed more focus on higher-margin SaaS products rather than customized products with lower margins, and proactively enhanced our operational efficiency, including streamlining our personnel structure. The gross profit margin for digital services increased significantly from 12.0% in the first half of 2023 to 24.3% in the first half of 2024, which mainly resulted from the economies of scale in line with our revenue growth and the aforesaid efforts to enhance operational efficiency.

The foregoing unaudited financial data for the six months ended June 30, 2024 are derived from our unaudited interim consolidated financial statements for the six months ended June 30, 2024. Our unaudited interim consolidated financial statements for the six months ended June 30, 2024 have been reviewed by our Reporting Accountant in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board.

Our Directors have confirmed that up to the date of this prospectus, there has been no material adverse change in our financial or trading position since March 31, 2024 (being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this prospectus), and there has been no event since March 31, 2024 that would materially affect the historical financial information shown in the Accountant's Report set out in Appendix I to this prospectus.

DIVIDENDS

No dividend has been paid or declared by us during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and currently do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our financial performance and business operation, capital requirements and contractual restrictions. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the H Shares to be converted from Domestic Shares on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (a) our revenue of RMB573.1 million for the year ended December 31, 2023 which exceeds HK$500 million, and (b) our expected market capitalization at the time of Listing, which, based on the Offer Price of HK$10.0 per H Share (being the low-end of the indicative Offer Price range), exceeds HK$4 billion.

OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 22,416,600 H Shares are issued pursuant to the Global Offering; and (ii) the Offer Size Adjustment Option and the Over-allotment Option are not exercised:

	Based on an Offer Price of HK$10.0 per H Share	**Based on an Offer Price of HK$13.0 per H Share**
Market capitalization of our Shares	HK$5,604.2 million	HK$7,285.4 million
Market capitalization of our H Shares[(1)]	HK$1,972.3 million	HK$2,564.0 million
Unaudited pro forma adjusted net tangible assets per Share[(2)]	HK$2.02	HK$2.13

(1) The calculation of market capitalization of our H Shares is based on 197,230,133 H Shares expected to be in issue (including 174,813,533 H Shares expected to be converted from Domestic Shares) immediately upon completion of the Global Offering, excluding 363,186,467 Domestic Shares in issue.

(2) The unaudited pro forma adjusted consolidated net tangible asset per Share as of March 31, 2024 is calculated after making the adjustments referred to in Appendix II and on the basis that 560,416,600 Shares are expected to be in issue immediately upon completion of the Global Offering.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$185.7 million, after deducting underwriting fees and commissions, and estimated expenses payable by us in connection with the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on an Offer Price of HK$11.5 per Share, which is the mid-point of the indicative Offer Price range stated in this prospectus. We intend to use the net proceeds we will receive from the Global Offering for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

- approximately 35%, or HK$65.0 million, will be used to improve and upgrade our TrialOS Platform and PharmaOS Platform and their respective cloud-based software and digital services;

- approximately 30%, or approximately HK$55.7 million, will be used to improve our core technology and R&D capabilities;

- approximately 10%, or HK$18.6 million, will be used to strengthen our sales and marketing capabilities;

- approximately 15%, or HK$27.9 million, will be used to selectively pursue strategic investments and acquisitions that we believe will allow us to expand our existing product and service offerings, expand our customer base and enhance our technology capabilities; and

- approximately 10%, or HK$18.6 million, will be used for our working capital and general corporate purposes.

LISTING EXPENSES

Listing expenses in relation to the Global Offering are estimated to be approximately RMB65.4 million (HK$72.1 million) (including underwriting commission), at the Offer Price of HK$11.5 per Share, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. These listing expenses are mainly comprised of underwriting commissions of approximately RMB10.5 million (HK$11.6 million), and non-underwriting related expenses of approximately RMB54.9 million (HK$60.5 million), which are comprised of (i) accountant and legal adviser fees and expenses of approximately RMB32.2 million (HK$35.5 million) and (ii) printing and other fees and expenses of approximately RMB22.7 million (HK$25.1 million). The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

As of March 31, 2024, we incurred a total of RMB25.5 million (HK$28.1 million) in listing expenses, among which RMB15.4 million were recognized in our consolidated income statement for year ended December 31, 2023 and the three months ended March 31, 2024, and RMB10.1 million were recognized in the consolidated balance sheet as of March 31, 2024, to be accounted for as a deduction from equity upon Listing.

We estimate that additional listing expenses of approximately RMB39.9 million (HK$44.0 million) (including underwriting commissions, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on the Offer Price of HK$11.5 per Offer Share) will be incurred by our Company, approximately RMB31.4 million (HK$34.6 million) of which is expected to be charged to our consolidated income statements for period after the Track Record Period, and approximately RMB8.5 million (HK$9.5 million) of which is attributable to the issue of shares and will be deducted from equity upon Listing. Our listing expenses as a percentage of gross proceeds is 28.0%, at an Offer Price of HK$11.5 per Share, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

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

"Accountant's Report"	the accountant's report of our Company for the Track Record Period from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles" or "Articles of Association"	the articles of association of our Company adopted on January 24, 2024 with effect upon Listing (as amended from time to time), a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"average selling price"	the value of the contracts newly entered into in the respective years divided by the duration of the contract (in years)
"Beijing Nuoming"	Beijing Nuoming Technology Co., Ltd. (北京諾銘科技有限公司), a limited liability company established under the laws of the PRC on April 17, 2007 and a wholly-owned subsidiary of our Company
"Board" or "Board of Directors"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
"Capital Market Intermediaries" or "capital market intermediaries" or "CMIs"	the capital market intermediaries as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China, which only in the context of describing PRC rules, laws, regulations, regulatory authority, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this prospectus, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People's Republic of China
"CIC" or "China Insights Consultancy"	China Insights Industry Consultancy Limited, our industry consultant, an independent market research and consulting company
"CIC Report"	the industry report commissioned by our Company and independently prepared by CIC, summary of which is set forth in the section headed "Industry Overview" in this prospectus
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司), a joint stock company with limited liability incorporated in the PRC, the predecessor of which was Jiaxing Taimei Medical Technology Co., Ltd. (嘉興太美醫療科技有限公司), a limited liability company established in the PRC on June 6, 2013, and if the context requires, includes its predecessor
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"Controlling Shareholders"	has the meaning ascribed thereto under the Listing Rules and in this context, refers to Mr. Zhao, Ms. Tang, the Employee Shareholding Platforms, Zhoushan Yijin and Xinyu Shenkong, further details of which are set out in the section headed "Relationship with Our Controlling Shareholders" in this prospectus
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Domestic Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for in Renminbi
"EIT"	enterprise income tax
"EIT Law"	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》)
"Employee Share Scheme"	the employee share scheme of our Company, a summary of the principal terms of which is set forth in the paragraph headed "Further Information about Our Directors, Supervisors and Substantial Shareholders — 5. Employee Share Scheme" in Appendix VI to this prospectus
"Employee Shareholding Platform(s)"	Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng, or any one of them as the context may require
"Exchange Participant"	a person (a) who, in accordance with the Rules of the Stock Exchange, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange

"Extreme Conditions"	extreme conditions as announced by the Hong Kong Government
"FINI"	a new digital platform through which IPO market participants and regulators can manage the end-to-end settlement process for new listings in Hong Kong
"General Rules of HKSCC"	General Rules of HKSCC published by the Stock Exchange and as amended from time to time
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require
"Guide for New Listing Applicants"	the Guide for New Listing Applicants published by the Stock Exchange
"H Share(s)"	overseas listed foreign ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and to be listed on the Hong Kong Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of the HKSCC

"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 2,241,800 H Shares being initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation and the Offer Size Adjustment Option as described in the section headed "Structure of the Global Offering" in this prospectus)
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong on and subject to the terms and conditions described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting" in this prospectus

"Hong Kong Underwriting Agreement"	the underwriting agreement dated September 26, 2024 relating to the Hong Kong Public Offering and entered into by, our Company, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited and the Hong Kong Underwriters, as further described in the paragraph headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering" in this prospectus
"IFRS"	IFRS Accounting Standards
"Independent Third Party(ies)"	any person(s) or entity(ies) who/which is not a connected person of the Company within the meaning of the Listing Rules
"International Offer Shares"	the 20,174,800 H Shares being initially offered by us for subscription under the International Offering (subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus) together with any additional H Shares that may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option
"International Offering"	the conditional placing of the International Offer Shares at the Offer Price (a) in the United States to QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act or (b) outside the United States in offshore transactions in reliance on Regulation S, in each case on and subject to the terms and conditions described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering listed in the International Underwriting Agreement

"International Underwriting Agreement"	the underwriting agreement relating to the International Offering which is expected to be entered into on or around October 4, 2024 by, among others, our Company, Morgan Stanley Asia Limited, China International Capital Corporation Hong Kong Securities Limited and the International Underwriters, as further described in the paragraph headed "Underwriting — Underwriting Arrangements and Expenses — International Offering" in this prospectus
"IP Litigation Counsel"	Grandall Law Firm (Shanghai), our litigation counsel in respect of the intellectual property dispute as further detailed in the paragraph headed "Business — Legal Proceedings and Regulatory Compliance — Intellectual Property Dispute in the Shanghai Intellectual Property Court" in this prospectus
"Joint Bookrunners"	the joint bookrunners as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Lead Managers"	the joint lead managers as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Joint Sponsors", "Overall Coordinators" and "Sponsor-Overall Coordinators"	the joint sponsors, overall coordinators and the sponsor-overall coordinators as named in the section headed "Directors, Supervisors and Parties Involved in the Global Offering" in this prospectus
"Latest Practicable Date"	September 20, 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange

"Listing Date"	the date, expected to be on or about Tuesday, October 8, 2024, on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Zhao"	Mr. ZHAO Lu (趙璐), our executive Director, chairperson of our Board and general manager, and one of our Controlling Shareholders upon Listing
"Ms. Tang"	Ms. TANG Lili (唐麗莉), the spouse of Mr. Zhao and one of our Controlling Shareholders upon Listing
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of our Board
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the final offer price per Offer Share (exclusive of a brokerage fee of 1%, the SFC transaction levy of 0.0027%, the AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%) at which the Offer Shares are to be subscribed for and issued pursuant to the Global Offering as described in the section headed "Structure of the Global Offering" in this prospectus

"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option
"Offer Size Adjustment Option"	the option under the Hong Kong Underwriting Agreement, exercisable by the Company on or before the Price Determination Date, pursuant to which the Company may issue and allot up to an aggregate of 3,362,400 additional H Shares at the Offer Price, to cover additional market demand, if any, as described in the section headed "Structure of the Global Offering" in this prospectus
"Offer Size Adjustment Option Shares"	any additional H Shares issued by the Company pursuant to the Offer Size Adjustment Option
"Over-allotment Option"	the option expected to be granted by us to the International Underwriters, exercisable by the Overall Coordinators (for themselves and on behalf of the International Underwriters) under the International Underwriting Agreement, to require our Company to allot and issue up to an aggregate of 3,362,400 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 3,866,800 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) at the Offer Price, to cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering" in this prospectus

"Overseas Listing Trial Measures"	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023
"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"PRC government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	Jingtian & Gongcheng, the legal adviser of our Company as to the PRC laws
"PRC Securities Law"	the Securities Law of the People's Republic of China (《中華人民共和國證券法》)
"Pre-IPO Investment(s)"	the investment(s) in our Group undertaken by the Pre-IPO Investors pursuant to the relevant equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the paragraph headed "History, Development and Corporate Structure — The Pre-IPO Investments — (2) Principal terms of the Pre-IPO Investments" in this prospectus
"Pre-IPO Investor(s)"	the investor(s) who acquired interest in our Group pursuant to the relevant equity transfer agreement(s) and capital increase agreement(s), details of which are set out in the paragraph headed "History, Development and Corporate Structure — The Pre-IPO Investments — (2) Principal terms of the Pre-IPO Investments" in this prospectus
"Price Determination Agreement"	the agreement to be entered into between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date to record the Offer Price

"Price Determination Date"	the date on which the Offer Price is to be determined
"Qualified Institutional Buyers" or "QIBs"	qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"Renminbi" or "RMB"	Renminbi, the lawful currency of the PRC
"Ruansu Enterprise Management"	Xinyu Ruansu Enterprise Management Partnership (Limited Partnership) (新余軟素企業管理合夥企業(有限合夥)) (formerly known as Shanghai Ruansu Enterprise Management Partnership (Limited Partnership) (上海軟素企業管理合夥企業(有限合夥))), a limited partnership established under the laws of the PRC on August 26, 2019, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
"SAMR"	the State Administration for Market Regulation (國家市場監督管理總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Kunrui"	Shanghai Kunrui Enterprise Management Partnership (Limited Partnership) (上海昆銳企業管理合夥企業(有限合夥)) (formerly known as Shanghai Kunrui Investment Management Partnership (Limited Partnership) (上海昆銳投資管理合夥企業(有限合夥))), a limited partnership established under the laws of the PRC on December 17, 2015, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing

"Shanghai Shengfang"	Elixir (Shanghai) Clinical Research Co., Ltd. (聖方(上海)醫藥研發有限公司), a limited liability company established under the laws of the PRC on November 20, 2019 and a non-wholly owned subsidiary of our Company
"Shanghai Xiaoju"	Shanghai Xiaoju Enterprise Management Partnership (Limited Partnership) (上海小橘企業管理合夥企業(有限合夥)) (formerly known as Shanghai Xiaoju Investment Management Partnership (Limited Partnership) (上海小橘投資管理合夥企業(有限合夥))), a limited partnership established under the laws of the PRC on December 17, 2015, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Domestic Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)
"SSE STAR Market"	the Science and Technology Innovation Board of the Shanghai Stock Exchange (上海證券交易所科創板)
"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)
"Stabilizing Manager"	Morgan Stanley Asia Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of our Supervisory Committee
"Supervisory Committee"	the supervisory committee of our Company

"Taimei Digital Technology"	Shanghai Taimei Digital Technology Co., Ltd. (上海太美數字科技有限公司) (formerly known as Shanghai Taimei Hongsheng Intelligent Technology Limited (上海太美弘聖智能科技有限公司)), a limited liability company established under the laws of the PRC on January 22, 2021 and a wholly-owned subsidiary of our Company
"Taimei International"	Shanghai Taimei International Consulting Co., Ltd. (上海太美星際企業諮詢有限公司), a limited liability company established under the laws of the PRC on July 20, 2021 and a wholly-owned subsidiary of our Company
"Taimei Xingcheng"	Hangzhou Taimei Xingcheng Pharmaceutical Technology Co., Ltd. (杭州太美星程醫藥科技有限公司), a limited liability company established under the laws of the PRC on June 24, 2020 and a wholly-owned subsidiary of our Company
"Taimei Xinghuan"	Shanghai Taimei Xinghuan Digital Technology Co., Ltd. (上海太美星環數字科技有限公司) (formerly known as Shanghai Softium Technology Ltd. (上海軟素科技有限公司) and Shanghai Softium Technology Co., Ltd. (上海軟素科技股份有限公司)), a limited liability company established under the laws of the PRC on May 21, 2008 and a wholly-owned subsidiary of our Company
"Taimei Xinghui"	Shanghai Taimei Xinghui Enterprise Management Co., Ltd. (上海太美星輝企業管理有限公司), a limited liability company established under the laws of the PRC on February 8, 2021 and a wholly-owned subsidiary of our Company
"Taimei Xingyun"	Shanghai Taimei Xingyun Digital Technology Co., Ltd. (上海太美星雲數字科技有限公司) (formerly known as Shanghai Yikai Intelligent Technology Co., Ltd. (上海億鐦智能科技有限公司)), a limited liability company established under the laws of the PRC on September 7, 2017 and a wholly-owned subsidiary of our Company
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs published by the SFC (as amended, supplemented or otherwise modified from time to time)

"Track Record Period"	the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US$" or "USD"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Xinyu Gongchuang"	Xinyu Gongchuang Enterprise Management Partnership (Limited Partnership) (新余共創企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 5, 2021, a wholly-owned subsidiary of our Company and an employee incentive platform for Shanghai Shengfang
"Xinyu Haolin"	Xinyu Haolin Enterprise Management Partnership (Limited Partnership) (新余浩霖企業管理合夥企業(有限合夥)) (formerly known as Jiaxing Haolin Enterprise Management Partnership (Limited Partnership) (嘉興浩霖企業管理合夥企業(有限合夥))), a limited partnership established under the laws of the PRC on March 16, 2018, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing

"Xinyu Nuoming"	Xinyu Taimei Nuoming Enterprise Management Partnership (Limited Partnership) (新余太美諾銘企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on March 11, 2020, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing
"Xinyu Qiwushi"	Xinyu Qiwushi Medical Technology Partnership (Limited Partnership) (新余七武士醫療科技合夥企業(有限合夥)) (formerly known as Jiaxing Qiwushi Medical Technology Partnership (Limited Partnership) (嘉興七武士醫療科技合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 20, 2018, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing
"Xinyu Shenkong"	Xinyu Shenkong Enterprise Management Partnership (Limited Partnership) (新余深空企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on August 19, 2019 and one of our Controlling Shareholders upon Listing
"Xinyu Xingmeng"	Xinyu Taimei Xingmeng Enterprise Management Partnership (Limited Partnership) (新余太美星盟企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on September 16, 2021, one of the Employee Shareholding Platforms and one of our Controlling Shareholders upon Listing
"Zhoushan Yijin"	Zhoushan Yijin Investment Management Partnership (Limited Partnership) (舟山憶瑾投資管理合夥企業(有限合夥)) (formerly known as Jiaxing Yijin Enterprise Management Consulting Partnership (Limited Partnership) (嘉興憶瑾企業管理諮詢合夥企業(有限合夥))), a limited partnership established under the laws of the PRC on November 7, 2016 and one of our Controlling Shareholders upon Listing
"%"	per cent

This glossary contains definitions of certain technical terms used in this prospectus in connection with us and our business. These may not correspond to standard industry definitions, and may not be comparable to similarly terms adopted by other companies.

"AI"	artificial intelligence
"CAGR"	compound annual growth rate
"CDE"	the Center for Drug Evaluation of the NMPA, responsible for evaluating drug clinical trial applications, drug marketing authorization applications, supplementary applications, and overseas production drug re-registration applications
"CDR"	Clinical Data Repository, a real time database that consolidates data from a variety of clinical sources to present a unified view of a single patient
"clinical research institution" or "research center"	any designated medical facility used to conduct clinical research, typically a hospital or medical clinic
"clinical trial"	an experiment done in clinical research
"clinical trial management system" or "CTMS"	a software system used by the pharmaceutical and medical device industry to manage clinical trials in clinical research. The system maintains and manages planning, performing and reporting functions, along with tracking deadlines and milestones
"cloud-based"	software, services or resources made available to users on demand from a cloud computing provider's servers with access to shared pools of configurable resources. When such servers are accessible via the Internet, such software, services or resources are public cloud-based; when accessibility is limited to the intranet, they are private cloud-based
"contract research organization" or "CRO"	a company focused on providing R&D services to pharmaceutical and medical device companies
"core customer"	a customer who contributes a revenue of RMB500,000 or more in the immediately preceding twelve months

"COVID-19"	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
"CRA"	Clinical Research Associate, a professional responsible for activities related to medical research, particularly clinical trials
"CRC"	Clinical Research Coordinator, a person responsible for conducting clinical trials using good clinical practice under the guidance of a principal investigator
"CRF"	case report forms, which are clinical questionnaires completed by researchers to collect and report data from participating patients in a clinical trial. The digital version of such forms are eCRFs
"customer retention rate"	for a given year is calculated as the number of customers in the prior year that remain as our customers in the current year, divided by the number of all customers in such prior year
"data cleansing"	the process of finding, fixing or removing incorrect, corrupted, incorrectly formatted, duplicate, or incomplete data within a dataset
"data intelligence"	all the analytical tools and methods an entity employs to form a better understanding of and get insights from the information to improve its services or investments
"DIA Reference Model"	a standardized model developed by the Drug Information Association's Document and Records Management Community. Specifically, it is called the DIA TMF (Trial Master File) Reference Model. The purpose of this model is to provide the pharmaceutical industry with a consistent and standardized way to manage, organize, and archive documents and data related to clinical trials
"EDC"	electronic data capture, a system of capturing and managing clinical trial data on a digital platform to replace traditional paper-based data capture

"EMA"	the European Medicines Agency, an agency of the European Union in charge of the evaluation and supervision of pharmaceutical products. Before 2004, it was known as the European Agency for the Evaluation of Medicinal Products or European Medicines Evaluation Agency
"emergency unblinding"	while during a blinded clinical trial, the patient would not know if he is receiving the actual drug versus a placebo, emergency unblinding is needed when clinical treatment decisions require the intervention (a manipulation of the subject or subject's environment to modify health-related biomedical or behavioral processes and/or endpoints) to be known, or when an unexpected SAE occurs and the intervention must be made known. In conducting unblinding, the allocation code is broken, revealing the intervention allocated to the patient. To ensure that patient are not unblinded unnecessarily and study results are not compromised, unblinding is undertaken by a pre-determined process
"FDA"	the United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
"follow-up"	a vital part of ongoing patient safety. It enables subsequent investigations to be checked and acted upon, encourages specialist review of patients and ensures that patients with chronic conditions receive the appropriate secondary care input
"GCP"	good clinical practice, an international ethical and scientific quality standard for the performance of a clinical trial on medicinal products involving humans

"ICH-GCP"	the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH) Guideline for Good Clinical Practice (GCP) is an internationally agreed standard that ensures ethical and scientific quality in designing, recording and reporting trials that involve human subjects. It provides guidance on the essential documents that should be maintained for clinical trials to ensure the quality, integrity, and proper conduct of studies, as well as to demonstrate compliance with ethical and regulatory requirements
"innovative drug"	a medicine that contains an active substance or combination of active substances that has not been authorised before
"IRC"	Independent Reading Center, which provides unbiased reviewing and analysis of clinical trial imaging data for accuracy and consistency
"ISO"	an acronym for a series of quality management and quality assurance standards published by the International Organization for Standardization, a non-government organization based in Geneva, Switzerland, for assessing the quality systems of business organizations
"IWRS"	a type of software used to control clinical trial processes, such as stock management and patient randomization, facilitating multicenter and international clinical trial management
"knowledge base"	the "knowledge" in our knowledge base stands for a set of machine-computable logical rules, which are mathematically in First Order Logic formats. The knowledge base is a system that stores a full set of knowledge rules with algorithms to support knowledge inference
"knowledge graph"	a knowledge base that uses a graph-structured data model to store and organize information

"low-code"	a software development approach that requires little to no coding in order to build applications and processes. It enables users to create applications using graphical user interfaces and configuration instead of traditional computer programming
"MD5"	message-digest algorithm 5a widely used cryptographic hash function that produces a 128-bit (16-byte) hash value. It is commonly used to check the integrity of files
"NMPA"	the National Medical Products Administration of the PRC (國家藥品監督管理局), successor to the China Food and Drug Administration or CFDA (國家食品藥品監督管理總局)
"open-source"	software for which the original source code is made freely available and may be redistributed and modified, allowing users to access, modify, and distribute the code under defined licensing terms
"patient randomization"	the process of assigning participants to treatment (to receive the new treatment) and control groups (to receive e.g. placebo or standard therapy), assuming that each participant has an equal chance of being assigned to any group. It prevents influence on trial results by human choices or other factors not related to the treatment being tested so that the researchers can compare the groups to see which treatment is more effective or has fewer side effects
"patient recruitment"	the enrollment of healthy participants and patients in clinical trials
"pharmacovigilance"	the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other medicine/vaccine related problems
"Phase I clinical trial(s)"	study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its effectiveness

"Phase II clinical trial(s)"	study in which a drug is administered to a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases, and to determine dosage tolerance and optimal dosage
"Phase III clinical trial(s)"	study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product
"Phase IV clinical trial(s)"	post-marketing study which are conducted after a treatment is approved for use, providing additional information including the treatment or drug's risks, benefits, and best use
"PI" or "principal investigator"	the individual responsible for preparing, conducting, and administering a research grant, cooperative agreement, training or public service project, contract, or other sponsored project
"PII"	personally identifiable information, i.e., information that can be used on its own or with other information to identify, contact, or locate a single person, or to identify an individual in context. This includes information such as names, addresses, email addresses, and phone numbers
"PVS"	pharmacovigilance system, a type of software that is designed to fulfill pharmaceutical and medical device companies' needs regarding pharmacovigilance
"R&D"	research and development
"real-world evidence" or "RWE"	evidence obtained from real world data, which are observational data obtained outside the context of randomized controlled trials and generated during routine clinical practice
"SaaS"	software as a service, standardized software hosted by a central provider and offered to customers through public cloud service, which is delivered via the internet and shared across organizations

"SAE"	serious adverse event, any adverse drug event (experience) occurring at any dose that in the opinion of either the investigator or sponsor results in death, is life-threatening, requires inpatient hospitalization or causes prolongation of existing hospitalization, results in persistent or significant disability/incapacity or substantial disruption of the ability to conduct normal life functions, may have caused a congenital anomaly/birth defect, or requires intervention to prevent the foregoing outcomes, according to the regulations of FDA
"SAS"	statistical analysis software, a software suite developed for advanced analytics, multivariate analysis, business intelligence, data management, and predictive analytic primarily used to analyze and visualize data
"site management organization" or "SMO"	an organization that leverages its infrastructure and staff to provide another entity, typically a contract research organization, with clinical trial-related services that meet the requirements of the clinical trial protocol
"SM4"	a block cipher used in cryptographic applications, particularly within standards and protocols in China to ensure data privacy and integrity
"SOP"	standard operational practice, a procedure specific to companies' operation which is necessary to complete tasks in accordance with laws, industry regulations or internal standards
"sponsor"	a pharmaceutical and medical device company or research institute that funds, organizes and undertakes an R&D project for a drug or medical device product
"sq.m."	square meter, a unit of area
"TMF"	trial master file management system, a type of software primarily used for electronic management of clinical research files

This prospectus contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully implement and obtain adequate capital resources to fund our business plans, strategies, objectives and goals;
- changes in our customers' preferences, demands and business performance;
- our financial conditions and performance, including our ability to control costs and expenses;
- changes in the competitive landscape of our industries;
- changes to the political, regulatory, economic and business environment in the industry and geographical markets in which we operate;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and geographical markets in which we operate;
- global financial markets and economic conditions;
- our dividend policy;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- all other risks and uncertainties described in "Risk Factors".

In some cases, we use the words "aim", "anticipate", "believe", "can", "continue", "could", "estimate", "expect", "going forward", "intend", "ought to", "may", "might", "plan", "potential", "predict", "project", "seek", "should", "will", "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed "Business" and "Financial Information" in this prospectus in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all.

Accordingly, you should not place undue reliance on any forward-looking statements in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled "Forward-Looking Statements" of this prospectus.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry and (ii) risks relating to the Global Offering. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we fail to consistently offer attractive solutions to retain existing customers or engage new customers, our revenue, operating results, financial condition, and business may be significantly harmed.

We cannot guarantee that our monetization strategies or our business initiatives will be successfully implemented or generate sustainable revenue and profit. During the Track Record Period, we derived a majority of our revenue from cloud-based software and digital services provided to pharmaceutical and medical device companies, third-party service providers (e.g., CROs), clinical research institutions and others. As a result, our business may be highly dependent on our ability to retain existing and engage customers in the pharmaceutical and medical device industry, particularly our ability to create a plethora of platform-empowered pharmaceutical and medical device R&D and commercialization solutions to cater to our customers' wide-ranging business needs. The number of our customers increased from 908 in 2021 to 1,033 in 2022, and further to 1,107 in 2023. It decreased from 893 in the three months ended March 31, 2023 to 867 in the same period in 2024. If we are unable to retain our existing customers and attract new customers, our business, results of operations, financial condition and prospects will be materially and adversely affected.

In addition, our ability to maintain and increase revenues generated from existing customers and new customers for our solutions may depend on a variety of other factors, including but not limited to:

- demand for and market acceptance of our solutions by pharmaceutical and medical device companies;

- factors relating to pharmaceutical and medical device company budget cycles and other factors that may affect the overall demand for our solutions;

- changes in pharmaceutical and medical device companies' demand as a result of delays or changes in product approvals, changes in marketing strategies, modifications of pharmaceutical and medical device customer budgets and similar matters;

- the length of sales cycles and fulfillment periods of our solutions to pharmaceutical and medical device companies;

- the timing of new service introductions and product enhancements by us;

- the potential emergence of competing digital platforms and the failure of our solutions to meet customers' expectations or to provide desired results; and

- deterioration of our reputation and brand for any reason.

If any of the events above occurs, we may not be able to maintain or increase our revenue or effectively manage any associated costs.

We have incurred net losses and net cash flows used in operating activities in the past, and may not be able to achieve or maintain profitability or have net operating cash inflows in the foreseeable future.

We incurred net losses in the Track Record Period. For the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024, we recorded a net loss of RMB479.6 million, RMB422.6 million, RMB356.4 million and RMB118.2 million, respectively. These losses reflect the substantial investments we made to grow our business, including development of our platforms, improvement of our technology and R&D capabilities, commercialization of our solutions and our sales and marketing efforts. We cannot assure you that we will be able to generate net profits in the future.

We expect to continue to make significant future expenditures related to the continuous development and expansion of our business, including:

- investments in improving and upgrading our TrialOS Platform and PharmaOS Platform and their respective cloud-based software and digital services;

- investments in improving our core technology and R&D capabilities;

- strengthening our sales and marketing capabilities;

- strategic investments and acquisitions that we believe will allow us to expand our existing product and service offerings, expand our customer base and enhancing our technology capabilities; and

- incurring costs associated with general administration, including legal, accounting and other expenses related to being a public company.

As a result of these significant expenses, we will have to generate sufficient revenue to be profitable in future periods. Even if we achieve profitability in the future, we may not be able to sustain or increase profitability in subsequent periods. If we fail to achieve, sustain or increase profitability, our business and results of operations could be adversely affected.

Net cash flows used in our operating activities was RMB217.5 million, RMB329.2 million, RMB351.2 million and RMB112.6 million for the years ended December 31, 2021, 2022, 2023, and the three months ended March 31, 2024 respectively. We cannot guarantee that we will be able to continue to experience net cash inflows from our operating activities for the foreseeable future. If we are unable to maintain adequate working capital, we may default on our payment obligations and may not be able to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition and results of operations.

If we fail to keep up with rapid changes in technologies or adapt our platforms and solutions to changing customers' requirements or emerging industry standards, or if our efforts to invest in the development of new technologies are unsuccessful or ineffective, our business may be materially and adversely affected.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our platforms and solutions. The industries we operate in are characterized by rapid technological evolution, changes in user requirements and preferences, frequent introductions of new products and services embodying new technologies and the emergence of new industry standards and practices, any of which could render our existing technologies and systems obsolete. For example, the emergence and popularization of AI application in our industry, particularly, that of generative AI technology and large language models, has the potential to render many currently available or upcoming solutions in our industry obsolete, which may materially and adversely affect the relevant industry participants' business, prospects, financial condition and results of operations if their solutions do not keep up. Our success will depend, in part, on our ability to identify, develop, acquire or license technologies useful in our business, and respond to technological advances and emerging industry standards and practices, in a cost-effective and timely way. In recent years, we invested in the development of technology and data capabilities, such as AI and pharmaceutical and medical device domain big data platform technology. The development of websites, mobile apps and other proprietary technologies may entail significant technical and business risks. We incurred research and development expenses of RMB190.8 million, RMB208.2 million, RMB169.2 million and RMB27.2 million in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively. We cannot assure you that we will be able to successfully develop or effectively use new technologies, recoup the costs of developing new technologies or adapt the website and mobile apps that we operate, and our proprietary technologies and systems to meet customers' requirements or emerging industry standards. If we are unable to develop technologies successfully or adapt in a cost-effective and timely manner in response to changing market conditions or customers' requirements, whether for technical, legal, financial or other reasons, our business, prospects, financial condition and results of operations may be materially and adversely affected.

We operate in an emerging and dynamic industry and have a limited operating history, and our historical financial and operating performance may not be indicative of future performance.

We were founded in 2013. As a fast-growing company with a relatively limited operating history, our ability to forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. It is difficult to predict our future revenues and appropriately budget for our costs and expenses, and the evaluation of our business and prediction about our future performance may not be as accurate as they would be if we had a longer operating history with respect to these key aspects. As our business develops or in response to competition, we may continue to introduce new solutions, make adjustments to our existing products and services, our business model or our operations in general. Furthermore, the pharmaceutical and medical device R&D and commercialization digital solutions market in China is undergoing constant change. The laws and regulations governing the pharmaceutical and medical device R&D and commercialization digital solutions market in China may also be subject to further changes. As the market, the regulatory environment or other conditions evolve, our existing solutions may not continue to deliver the expected business results.

Our revenue increased by 17.8% from RMB466.2 million in 2021 to RMB549.2 million in 2022, and increased by 4.4% to RMB573.1 million in 2023, and further increased by 2.2% from RMB129.2 million for the three months ended March 31, 2023 to RMB132.1 million for the three months ended March 31, 2024. Our revenue growth in recent periods may not be indicative of our future performance. We believe growth of our revenue depends on a number of factors, including our ability to:

- innovate and adapt our platforms and solutions to meet evolving needs of current and potential customers;
- create and productize new solutions;
- continue to attract and retain more customers;
- continuously improve on the algorithms underlying our solutions;
- introduce our solutions to new geographic markets;
- maintain the reliability, security and functionality of our platforms and solutions;
- adopt new technologies or adapt our information infrastructure to changing customer requirements or emerging industry standards;
- adapt to a changing regulatory landscape governing privacy matters;
- attract and retain talents; and
- increase brand awareness among existing and potential customers through various marketing and promotional activities.

We cannot assure you that we will be able to accomplish any of these objectives. Our failure to accomplish any of these objectives may materially and adversely affect our business, results of operations, financial condition and prospects.

Our ability to access, process and analyze data from various sources could be restricted, which may in turn adversely impact our ability to deliver solutions, our business and results of operations.

The optimal performance of our data analytics algorithms and our solutions built thereupon may depend on the breadth and depth of the data set that we process. We may generate insights from the de-identified data set through our solution offerings to participants in the pharmaceutical and medical device industry and we may use the data set to enrich our knowledge graphs and develop and refine the functions and features of our platforms and solutions by serving our customers. Our ability to access and use these types of data may be limited by a number of factors including: (i) existing laws, regulations, policies and industry standards on privacy and data protection regimes and on access to, processing and analysis of pharmaceutical and medical device data by third parties and new developments therein; (ii) our ability to secure requisite authorization from pharmaceutical and medical device companies, third-party service providers (e.g. CROs), clinical research institutions and others to use the data underlying our solutions in a timely manner; and (iii) interruptions, failures or defects in our data aggregation, mining, analysis and storage systems.

Any of the above-described limitations on our ability to successfully access, aggregate and analyze data could impact our ability to deliver solutions, which could result in damages to our reputation and a decline in our market share.

We depend on information technology and other infrastructure that face security risks, including cyber security risks.

We depend on the use of information technologies and systems and our reputation and ability to acquire, retain, and serve our customers may be dependent upon the reliable performance of our apps and websites and the underlying network infrastructure. As part of our research and development expenses, we incurred costs of IT infrastructure and data service of RMB6.4 million, RMB10.3 million, RMB6.9 million and RMB1.5 million in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively. As our operations grow, we will continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving customer trends and demands while continuing to improve the performance, features, and reliability of our products and services in response to competitive offerings. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner. There is also no guarantee that we will possess the financial resources or personnel for the research, design, and development of new products or services, or that we will be able to utilize these resources successfully and avoid technological or market obsolescence. Further, there can be no assurance that technological advances by one

or more of our competitors or future competitors will not result in our present or future solutions becoming uncompetitive or obsolete. If we are unable to enhance our solutions and network capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive products and services at lower prices, more efficiently, more conveniently, or more securely than our products and services, our business, financial condition, and results of operations could be adversely affected.

Our success will also depend on the interoperability of our platforms with a range of third-party technologies, systems, networks, operating systems, and standards and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if the accessibility of our platforms is limited by executive orders or other government actions, the full functionality of our platforms may not be available to our customers. Moreover, third-party platforms, services, and offerings are constantly evolving, and we may not be able to modify our platforms to assure its compatibility with those of third parties. If we lose such interoperability, we experience difficulties or increased costs in integrating our platforms into alternative devices or systems, or manufacturers or operating systems elect not to include our platforms, make changes that degrade the functionality of our platforms, or give preferential treatment to competitive products, the growth of our business, results of operations, and financial condition could be materially adversely affected. This risk may be exacerbated by the frequency with which customers change or upgrade their devices. In the event customers choose devices that do not already include or support our platforms or do not install our mobile apps when they change or upgrade their devices, our customer engagement may be harmed.

Our business processes a large amount of data. Data protection, privacy and applicable laws restrict collection, use and disclosure of personal information, and failure to comply with or adapt to changes in these laws could materially and adversely harm our business.

We may collect and store customers' data when providing our platforms and solutions. As part of our research and development expenses, we incurred costs of IT infrastructure and data service of RMB6.4 million, RMB10.3 million, RMB6.9 million and RMB1.5 million in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively. We may face risks inherent in handling and protecting a large amount of data that our business generates and processes from customers' activities on our platforms facilitates, and such data include personal information. In particular, we are likely to face a number of challenges relating to data from customers' activities on our platforms, including:

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

In particular, if we fail to secure our customers' identity and protect their identity-specific data, such as their addresses and contact information, such data may be misused and our customers may be vulnerable to harassments, and their assets may also be put at risk due to data leakages. As a result, we may be held liable for these incidents, and our customers may feel insecure and cease to use our platforms and solutions. In addition, any system or technological failure or compromise of our technology system that results in loss of, unauthorized access to or release of any data collected or stored in connection with providing our platforms and solutions, such as personal data of our users or proprietary information of our business operations, could significantly harm our reputation and/or result in litigation, regulatory investigations and penalties against us.

We are subject to various data privacy and protections laws and regulations in China, including without limitation, the Cybersecurity Law of China (《中華人民共和國網路安全法》). Under the Cybersecurity Law of China, the owners and administrators of networks and network service providers have various personal information security protection obligations, including restrictions on the collection and use of personal information of users, and they are required to take steps to prevent personal data from being divulged, stolen, or tampered with. We may have to spend significant time and resources to ensure full compliance with relevant privacy and protections laws and regulations, which could increase our operating cost. Besides, we cannot guarantee the effectiveness of these policies and measures undertaken by us on our platform. Any failure or perceived failure of our business partners to comply with all applicable data privacy and protection laws and regulations, or any failure or perceived failure of our employees to comply with our internal control measures, may result in negative publicity and legal proceedings or regulatory actions against us, and could result in fines, administrative penalties or other liabilities, which may in turn damage our reputation, discourage users from using our services, and could have a material adverse effect on our business and results of operations.

Furthermore, the regulatory and enforcement regime with regard to data security and data protection may continue to evolve. For example, on June 10, 2021, the Standing Committee of the National People's Congress of China promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "Data Security Law"), which became effective in September 2021. The Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, provides for a national security review procedure for those data activities which may affect national security and imposes export restrictions on certain data and information. On August 20, 2021, the Standing Committee of the National People's Congress of China promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), or the PIPL, which came into effect on November 1, 2021. In addition to other rules and principles of personal information processing, the PIPL specifically provides rules for processing sensitive personal information. For more details, see "Regulatory Overview — Regulations Relating to Privacy Protection". We expect that data security and protection will continue to receive significant public attention and scrutiny from regulators going forward, which could increase our compliance costs and subject us to

heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to penalties, fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

If we are unable to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

We face intense competition in the pharmaceutical and medical device R&D and commercialization digital solutions market, which is highly competitive. China's pharmaceutical and medical device R&D and commercialization digital solutions market is relatively fragmented, with the top five market players accounting for 23.1% of market share in terms of revenue generated in 2023. The pharmaceutical and medical device R&D and commercialization digital solutions market is characterized by frequent technological advances and product upgrades that have contributed to the digitalization of pharmaceutical and medical device solutions. We face competition from other pharmaceutical and medical device platforms that develop and commercialize cloud-based software and digital services. We compete with other pharmaceutical and medical device platforms, and we strive to keep our product and service offerings competitive so we can maintain and grow the number and engagement of customers.

Our competitors may have different business models and cost structures or participate selectively in different industry segments. They may ultimately prove to be more successful or more adaptable to customer demand and new regulatory, technological and other developments. Some of our competitors may have longer operating histories, more project experience, more established brand names, larger user base and greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining customers. Furthermore, large technology companies with substantial resources, technical expertise and greater brand power could enter or further expand in the markets where we operate to compete with us. Further, if one or more of our competitors and potential competitors were to merge or partner with another of our competitors, or if a new entrant emerged with substantial resources, the change in the competitive landscape could adversely affect our ability to compete effectively. In response to competition, we may have to lower and/or adjust the various fees that we charge to our customers and users or increase our operating expenses and capital expenditures to attract more users, which could materially and adversely affect our business, profit margins and results of operations. For example, as advised by CIC, the integration of AI technology across the pharmaceutical and medical device digital solutions industry brings substantial benefits, including enhanced data processing efficiency, optimized workflows, and more precise decision-making. These advancements allow industry players to streamline operations, boost productivity, and foster innovation, presenting significant advantages. As such, we are actively engaged in AI development and application and endeavors to integrate AI technology with the Group's industry experience and insight. Therefore, we may incur additional research and development expenses and we cannot assure that we can develop AI models and create more valuable AI-empowered solutions for our customers for our customers compared with our competitors. For more details of the competitive landscape of the China's pharmaceutical and medical device R&D and commercialization digital solutions market, please see "Industry Overview — China's

Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market — Competitive Landscape" in this prospectus. If we are not able to compete effectively, our ability to attract and retain users may be adversely affected and the attractiveness of our platforms to customers may decrease, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brands.

If we fail to manage the growth or execute our strategies or new business initiatives effectively, our results of operations, financial condition and growth prospects may be materially and adversely affected.

We have been expanding the type and scale of our business and the geographic presence of our solutions since our inception. As of March 31, 2024, we had served over 1,400 pharmaceutical companies and CROs, including 21 out of the top 25 global pharmaceutical companies and 90 of the top 100 Chinese pharmaceutical innovator. We may continue to launch more new business initiatives as we unearth more pressing needs of pharmaceutical and medical device companies, third-party service providers (e.g. CROs), and clinical research institutions. Such expansion in business, while introducing more monetization opportunities, may increase the complexity of our operations and place a significant strain on our managerial, operational, financial and human resources. Our current and planned personnel, business systems, operation procedures and controls may not be adequate to support our future operations. We cannot assure you that we will be able to effectively manage our growth or to implement all these business systems, operation procedures and control measures successfully, neither can we guarantee that our new business initiatives will be as successful as expected or achieve profitability.

Changes in the pharmaceutical and medical device industry could negatively affect our business.

Most of our revenue is derived from the sales of our cloud-based software and provision of digital services to the companies in the pharmaceutical and medical device industry. Specifically, sales of our cloud-based software contributed to 42.3%, 38.4%, 35.2%, 36.1% and 34.3% of our total revenue in 2021, 2022 and 2023, and the three months ended March 31, 2023 and 2024 respectively. Meanwhile, the provision of digital services accounted for 57.6%, 61.6%, 64.5%, 63.9% and 65.7% of our total revenue during the same periods, respectively. Our revenue could be reduced by changes affecting pharmaceutical and medical device spending. General reductions in expenditures by pharmaceutical and medical device companies could result from, among other things:

- government regulation or private initiatives that affect the manner in which pharmaceutical and medical device companies interact with patients, or other pharmaceutical and medical device industry participants, including changes in pricing or means of delivery of pharmaceutical and medical device products and services;

- consolidation of pharmaceutical and medical device companies;
- reductions in governmental funding for pharmaceutical and medical device; and
- adverse changes in business or economic conditions affecting pharmaceutical and medical device companies.

We may be particularly dependent upon pharmaceutical and medical device companies, third-party service providers (e.g. CROs), and clinical research institutions. Our business will be harmed if business or economic conditions or future developments in laws and regulations in the PRC or other jurisdictions result in deteriorations of our customers' operations and consequently a reduction of their procurement for our products and services, our agreements with such customers are not renewed upon expiration, or we need to materially revise our offerings. Even if general expenditures by pharmaceutical and medical device companies remain the same or increase, developments in the pharmaceutical and medical device industry may result in reduced spending in some or all of the specific segments of the market we serve or are planning to serve. For example, purchase of our solutions could be affected by:

- a decrease in the number of new drugs under development and coming to market;
- decreases in research and development and marketing expenditures by pharmaceutical and medical device companies, third-party service providers (e.g., CROs), and clinical research institutions as a result of various factors, including governmental regulation or private initiatives that discourage or reduce the incentives of advertising or sponsorship activities by pharmaceutical companies, such as volume-based procurement, which has dramatically reduced unit sales prices of relevant drugs and medical devices and, as a result, marketing budgets of pharmaceutical companies; and
- changes in coverage of health insurance plans.

In addition, our customers' expectations regarding pending or potential industry developments may also affect their budgeting processes and spending plans with respect to solutions of the types we provide. The pharmaceutical and medical device industry has changed significantly in recent years and we expect that significant changes will continue to occur. However, the timing and impact of developments in the pharmaceutical and medical device industry are difficult to predict. We cannot assure you that the markets for our solutions will continue to exist at current levels or that we will have adequate technical, financial and marketing resources to react to changes in those markets.

If our service quality does not meet customers' standards, our services do not meet their evolving needs, or we fail to provide our solutions in accordance with contractual requirements, our business, results of operations and financial condition may be adversely affected.

We contract with our customers to provide cloud-based software and digital services to cater to our customers' wide-ranging business needs. In 2021, 2022, 2023, and the three months ended March 31, 2024, our revenue from sales of cloud-based software amounted to RMB197.1 million, RMB211.0 million, RMB201.4 million and RMB45.3 million, respectively, while our revenue from the provision of digital services was RMB268.5 million, RMB338.1 million, RMB369.9 million and RMB86.7 million, respectively. Solutions we provide could be complex and subject to contractual requirements. We cannot assure you that we will always be able to deliver the quality of services that meets our customers' standards and evolving needs. If our customers determine that their expenditures on our services do not generate the expected results, they may allocate a portion or all of their budgets to our competitors, and reduce or terminate their business with us. Therefore, we cannot assure you that customers that have utilized our services in the past will continue to spend at similar levels, or that they will continue to use our services at all in the future. We may not be able to replace customers which decrease or cease their purchase of our services with new customers that spend at similar levels or more on our services. As a result, we may suffer from a loss of customers and may fail to attract new customers, and our ability to maintain and/or grow our revenues will be materially and adversely affected.

In addition, any mistake or failure to perform in accordance with contractual specifications on our part could result in our customers suing us for breach of contract as well as other severe consequences. For another instance, non-compliance with contractual specification when we perform the data mining and analysis for pharmaceutical companies may result in our customers suing us for breach of contract, disqualification of data for submission to regulatory authorities or inaccurate market prediction. Any such mistake or failure to perform in accordance with contractual requirements and standards may harm our reputation and business, result in civil and contractual liabilities, and may deter prospective customers.

The solutions we offer may rely on physicians and other supporting staff from hospitals, pharmaceutical companies and other third parties to update and enrich pharmaceutical and medical device data through their diagnosis or research activities. We cannot guarantee the accuracy, quality and timeliness of such data.

We generated 42.3%, 38.4%, 35.2%, 36.1% and 34.3% of our revenue from the sales of our cloud-based software and 57.6%, 61.6%, 64.5%, 63.9% and 65.7% of our revenue from the provision of digital services in 2021, 2022, 2023, and the three months ended March 31, 2023 and 2024, respectively. The solutions we provide may involve translation of a large volume of free-form text into computable data, which involves judgments on, and interpretations of, the meaning of the text. In practice, some of the clinical information is expressed with symbols that may be hard to discern for lay people without medical education or related experience. The situation is further complicated by the fact that multiple medical natural language expressions

may be used by different physicians in clinical records to convey the same idea. We cannot rule out the possibility of certain text or information being misidentified, mistranslated or inaccurately categorized when we perform the natural language processing. Any such mistakes or errors could lead to defects or inaccuracy in our solutions, which could lead to liabilities against us, deter prospective customers and harm our reputation, business and results of operations.

In addition, collection, retaining and storage of individually identifiable or de-identified pharmaceutical and medical device data are highly regulated in China. Therefore, we do not collect pharmaceutical and medical device data by ourselves when offering our platforms and solutions. For example, we provide cloud-based software to our customers, which can be used by our customers to collect, manage and process clinical data and to conduct statistical analysis. After our customers collect clinical data, they may store such data in our data centers, and these data may be processed and analyzed by our customers using our solutions. Physicians or other staff of our hospital customers or the hospitals with whom our customers collaborate may fail to log the original pharmaceutical and medical device data into the hospital's system accurately. We cannot rule out the possibility that some physicians and hospital personnel may choose to record their clinical data in handwritten format, or may fail to log the pharmaceutical and medical device data into the database in a timely manner. Any of these occurrences may compromise the quality or timeliness of the data and negatively impact the performance of data analysis results, which may lead to legal liabilities against us, render our products less attractive and harm our reputation. As a result, our business, results of operations and financial condition could be adversely affected.

The efficiency of our delivery of solutions to customers may be compromised if we fail to secure requisite authorization from hospitals to use the data underlying our solutions in a timely manner.

We may leverage real-world healthcare data to help our customers realize clinical operations digitalization, clinical data management, hospital clinical research management, digitalized SMO management, independent imaging review, and pharmacovigilance. We incurred costs of IT infrastructure and data service of RMB6.4 million, RMB10.3 million, RMB6.9 million and RMB1.5 million in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively, as part of our research and development expenses. We cannot guarantee the effectiveness of these efforts, especially given the complex internal approval procedures implemented by public hospitals in China. If we fail to reduce the time required for securing data usage authorization, the efficiency of our delivery of clinical research solutions to our customers could be compromised. If such inefficiency prevents us from delivering our solutions within the timeframe required by the service agreements, we may face legal liabilities for breach of contract and lose the anticipated revenues under the relevant service agreements, which could harm our business, reputation, result of operations and financial conditions.

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

We invest resources from time to time in a variety of marketing, sales and brand promotion efforts designed to enhance our brand recognition and increase sales of our solutions. We incurred selling expenses of RMB179.3 million, RMB184.7 million, RMB150.2 million, RMB40.6 million and RMB24.4 million in 2021, 2022, 2023, and the three months ended March 31, 2023 and 2024 respectively. However, our brand promotion, marketing and sales activities may not be well received and may not result in the levels of sales that we anticipate. Meanwhile, marketing and sales approaches and tools in the pharmaceutical and medical device R&D and commercialization digital solutions market in China are continually evolving, which may further require us to enhance our marketing and sales approaches and experiment with new marketing and sales methods to keep pace with industry developments and user preferences. Failure to refine our existing marketing and sales approaches or to introduce new marketing and sales approaches in a cost-effective manner could reduce our market share and materially and adversely affect our financial condition, results of operations and profitability.

We face competition that requires us to respond rapidly to pricing pressures.

We face intense pricing competition in the markets in which we operate. We expect this competition will continue to increase from large competitors and from small and emerging competitors that sell products into the same markets in which we operate. Certain competitors possess sufficient financial, technical and management resources to develop and market products and services that may effectively compete against our offerings, and business integration among our competitors may enable them to compete more efficiently. To expand their market share, they may adopt low-price competition strategies to attract new customers, which could potentially force us to lower prices in order to retain our customers. The price pressure that result from such competition may lead to reduced profit margins and lost business opportunities in the event that we are unable to match the price declines or cost efficiencies, or excel the technological, product, and service advancements of our competitors.

The proprietary technologies that comprise our data intelligence infrastructure may include design or performance defects and may not achieve their intended results, any of which could materially and adversely affect our business, results of operations and financial performance.

We rely on our proprietary technologies, such as AI and pharmaceutical and medical device domain big data platform technology, that support our platforms and cloud-based software to deliver our solutions. Our proprietary technologies are relatively new, and they may contain design or performance defects that are not detectable even after extensive internal testing and may become apparent only after widespread commercial use. In addition, the data rules and models for quality control may not be comprehensive, and various anomalies in data such as incompleteness and inaccuracy may decrease the results delivered by our solutions. Any defect in those technologies as well as their subsequent alterations and improvements

could hinder the effectiveness of our platforms and cloud-based software and the reliability of our solutions and discourage existing or potential customers from utilizing our solutions, which would have a material and adverse effect on our reputation, competitiveness and future prospects. In addition, correction of defects or errors could prove to be impossible or impracticable and the costs incurred in correcting any defects or errors may be substantial and could have a material adverse effect on our business, financial condition and results of operations. Our cloud-based software are subject to product liability laws of China and may also be subject to product liability laws of other jurisdictions where we provide solutions. If the technologies underlying our solutions are found to have design or performance defects, we may be liable for product liability claims in China or such other jurisdictions.

Any service interruption or failure in the systems that we use to provide online services or any failure to timely and effectively scale and adapt our existing technologies and infrastructure could harm our business and results of operations.

We may experience service disruptions, outages and other performance problems in the future due to a variety of factors, including infrastructure changes, human or software errors and hardware failure and our disaster recovery plans might not adequately protect us in the event of a system failure.

In particular, as the number of our users increases and our platforms and solutions become more complex, it may become increasingly difficult to maintain and improve the performance of our solutions. Our platform infrastructure is currently built on our cloud service provider's data centers, whose capacity may need to be expanded as our user base continues to grow and our users' demand for services, solution upgrade and operational monitoring continues to increase. We cannot assure you that we will be able to expand the data center facilities to meet the increased infrastructure capacity demand in a timely manner, or on favorable economic terms. Further, we do not have sufficient control over the operation of the data center facilities. Data center facilities leased by us are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, break-ins, sabotage, acts of terrorism, intentional acts of vandalism, operator errors and other similar events or misconducts. The occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice, or other unanticipated problems at these facilities could result in lengthy interruptions in our platforms and solutions and the loss of data and our business, in which case we may not be able to switch to new data centers or move data from one data center to another on a timely basis, or at all.

Any disruption or failure in our system or the technology infrastructure could hinder our ability to deliver solutions and services, and the day-to-day management of our business, and could result in corruption, loss or unauthorized disclosure of proprietary, confidential or other data, which in turn may harm our reputation and business, entail claims and liabilities and deter prospective customers.

We are subject to risks associated with other parties with which we collaborate. If we cannot effectively cooperate with such other parties, or if such other parties fail to perform their obligations, or provide reliable or satisfactory services, or if such other parties and/or their associates are subject to regulatory or public scrutiny, such as investigations and negative publicity, our reputation, business, financial condition and results of operations may be materially and adversely affected.

We collaborate with certain other parties in providing products and services to our customers. In addition, we may work with hospitals, pharmaceuticals and medical devices suppliers and distributors, and underlying cloud service providers of the platform and SaaS products and services in offering our solutions. These parties may not be able to properly perform their duties under their agreements with us. Any failure by these parties to continue with good business operations, comply with applicable laws and regulations or any negative publicity on these parties could damage our reputation, expose us to significant penalties and decrease our total revenues and profitability. Also, if we fail to retain existing or attract new parties to collaborate with us, our business operations may be affected, and our users may lose confidence in our products and services. If these other parties engage in activities that are negligent, illegal or otherwise harmful to the trustworthiness and security of our system, including the leak or negligent use of data, or if our customers are otherwise dissatisfied with their service quality, we could suffer reputational harm, even if these activities are not related to, attributable to or caused by us.

Furthermore, our third-party service providers and/or their associates may, from time to time, be subject to heightened regulatory and public scrutiny, which includes complaints to regulatory agencies, investigations, negative media coverage and malicious allegations. Such scrutiny could severely damage our reputation and materially and adversely affect our business and prospects. There is no assurance that we or our third-party service providers and/or their associates, would not become a target for regulatory or public scrutiny in the future. For example, one of the network firms of our reporting accountant has recently been the subject of investigations in respect of its audit work for a certain PRC company and as a result of which, the PRC regulators have imposed fines, sanctions and a six-month business suspension, as well as local office closure on such network firm. There are announcements indicating that our reporting accountant is also being investigated by the Accounting and Financial Reporting Council in Hong Kong for audit work for a related entity of the same PRC company. It is uncertain what the outcome of this investigation may be. We are monitoring this development to assess its potential impact, if any. We may consider taking specific measures, including, if deemed necessary, to engage a new auditor in the future.

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

Our success depends in part on our ability to continually enhance our platforms and solutions. If we are unable to respond to rapid technological changes in a cost-effective manner and develop new features and functions that satisfy our customers' demands, our platforms and solutions may become less marketable and less competitive, and our business, results of operations may be adversely affected.

We have made, and will continue to make, investments in research and development which we believe to be helpful to our business, such as developing AI and big data technologies. These investments in research and development may not yield the desired results. We may experience difficulties that could delay or impede the development, after having committed significant time and financial resources. Even if research and development projects successfully lead to new solutions, they may require lengthy period of time for testing before commercial launch, and the final solutions we offer to the market may not be well-received by our customers or generate sufficient revenue to cover the expenses incurred.

We depend on our management team, key employees and talent to grow and operate our business, and if we are unable to retain, motivate, hire, integrate and develop our personnel, we may not be able to grow effectively.

We believe our success and the execution of our growth strategy depend largely on the continued service of our senior management and key employees. The loss of any members of our management team or other key personnel could have a negative impact on our ability to manage and grow our business effectively. We cannot assure you that in such an event we would be able to replace any member of our management team in a timely manner, or at all, on acceptable terms. We believe competition for management and key personnel is intense and the pool of qualified candidates is limited. We may not be able to retain the services of our executives or key personnel, or attract and retain experienced executives or key personnel in the future. If any of our executive officers or key employees joins a competitor or forms a competing business, we may lose crucial business secrets, know-how, customers and other valuable resources.

Our future success and the execution of our growth strategy may also depend largely on our continuing ability to identify, hire, develop, motivate and retain highly specialized personnel. Our competitors, employers in other industries, pharmaceutical and medical device solutions providers, academic institutions and governmental entities and organizations might also often seek persons with similar qualifications. Qualified individuals are in high demand, and we cannot assure you that we will be able to hire or retain a sufficient number of qualified personnel to meet our requirements, or that we will be able to do so at salary and benefit costs that are acceptable to us.

Our financial results may be adversely affected if we underprice our service agreements, overrun our cost estimates or fail to convert out-of-scope work or excessive costs into pricing term amendments.

We generally adopt three pricing models: by subscription, for our SaaS products, which would normally factor in the duration of usage and the number of accounts; by project development workload, for the customized products of our cloud-based software typically deployed on private cloud, which may also consider the duration of usage; and by actual amount of services delivered, for our digital services depending on the type and work involved. In the bidding process, we must submit our tender with pricing terms specified, which is not permitted to be changed through secondary negotiation after the bidding result is announced. If we initially underprice our solutions or otherwise overrun our cost estimates, we may not be able to recover our excessive costs, in which case our profit margin and our results of operations may be adversely impacted. We cannot be sure that we will be able to reach an amendment to the pricing terms in a timely manner without incurring substantial legal and administration costs, or at all. Where we are not successful in converting out-of-scope work or excessive costs into amendments to pricing terms under our current contracts, our profit margin, results of operations, financial condition and cash flows may be adversely affected.

We may be held liable for information displayed on, retrieved from or linked to our platforms or created by us, which may adversely affect our business and results of operations.

We display crucial data, including clinical research institution specifications, digital SMO partner information, and information related to independent imaging review and pharmacovigilance businesses on our platforms. China has enacted laws and regulations governing internet access and the distribution of products, services, news, advertisements, information, audio-video programs and other information through the internet. Under PRC laws, we are required to monitor content, including content posted or distributed by our users or available on our platforms, for items deemed to be factually incorrect or defamatory, and promptly take appropriate actions with respect to such content items. Sometimes, it is not apparent as to whether a piece of information is factually incorrect or involved other types of illegality, and it may be difficult to determine the type of content that may expose us to liabilities. Even though we implement measures to review information displayed on our platforms in light of the relevant laws and regulations as well as our internal guidelines before they are published on our platform, such measures may not be effective and may still subject us to potential liabilities. For the information posted by customers, we have implemented the terms of users for our platforms through which users agree to take all responsibilities and legal consequences for the information they post on the platform. However, we cannot assure that all users will read through and strictly follow these terms and policies. Our burden to administer the content may be exacerbated as we gradually introduce more features and functions to our platforms. If we are found to be liable, we may be subject to fines, have our relevant business operation licenses revoked, or be prevented from operating our websites or mobile interfaces in the PRC.

The potential loss of key customers or any of our large contracts could materially and adversely affect our business, financial condition and results of operations.

In 2021, 2022, 2023, and the three months ended March 31, 2024, the aggregate sales to our five largest customers in each of these years/periods were RMB73.6 million, RMB82.3 million, RMB110.5 million and RMB25.7 million, representing 15.8%, 15.0%, 19.3% and 19.4% of our revenue, respectively. For details, please see "Business — Our Customers." We cannot assure you that we will be able to maintain long-term relationships with our key customers. Our service agreements typically have a term ranging from one to three years. Our customers may delay, terminate or reduce the scope of contracts for our services for a variety of reasons beyond our control, including:

- decisions to forego or terminate a particular project;
- lack of available financing, budget limits or changing priorities;
- actions by regulatory authorities in the PRC or other jurisdictions against us or our customers, or changes to regulatory requirements;
- failure to satisfy applicable safety requirements or efficacy criteria;
- failure to comply with applicable cybersecurity, data security or personal information protection regulations;
- adverse or unexpected data results or failure to pass customer audits;
- decisions to shift business to competitors or carry out the work in-house;
- release of a drug by any competitor of our customer that is sufficiently similar to our customers' drug;
- mergers of our customers that render our services unnecessary; and
- force majeure events, such as the COVID-19 outbreak, that cause project delays.

Our contracts may be terminated, delayed or altered in the normal course of business. For example, if our state-owned customers choose to migrating their data to state-backed cloud system or if they become frustrated by or dissatisfied with our services and products, they may discontinue using our services and products. As a result, our business, results of operations and financial condition could be adversely affected. Losses or delays of multiple contracts or a large contract or a significant reduction in our key customers' spending on our services could adversely affect our business, financial condition and results of operations.

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

We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality and invention assignment agreements with our employees and third parties and other measures to protect our intellectual property rights. We have been enriching our intellectual property portfolio. However, any intellectual property rights we have obtained or may obtain in the future may not be sufficient to provide us with a competitive advantage, and could be challenged, invalidated, circumvented, infringed or misappropriated.

Unauthorized parties may attempt to copy or otherwise obtain and use our copyrighted content and other intellectual property. Monitoring for infringement or other unauthorized use of our intellectual property rights is difficult and costly, and such monitoring may not be effective. From time to time, we may have to resort to courts or administrative proceedings to protect our intellectual property rights, which may result in substantial cost and diversion of resources.

If we are unable to maintain the confidentiality of our trade secrets and those of our customers, our reputation, business and competitive position may be harmed.

We rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology, and other proprietary information, and to maintain our competitive position. We consider trade secrets and know-how to be one of our primary sources of intellectual property. However, trade secrets and know-how could be difficult to protect. We seek to protect these trade secrets and other proprietary technology in part by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, suppliers, customers, advisors, and other third parties. For all of our employees, including management and R&D, we enter into a standard confidentiality, intellectual property rights and non-compete agreement with them. The confidentiality agreements are designed to protect our proprietary information and, in the case of agreements or clauses containing invention assignment, to grant us ownership of technologies that are developed through a relationship with employees or third parties. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information, including our technology and processes. Also, no assurance can be given that the confidentiality agreements we enter into will be effective in controlling access to such proprietary information and trade secrets. The confidentiality agreements on which we rely to protect certain technologies may be breached, may not be adequate to protect our confidential information, trade secrets, and proprietary technologies and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets, or proprietary technology. Further, these agreements do not prevent our competitors or others from independently developing the same or similar technologies and processes, which may allow them to provide a product or service similar or superior to ours, which could harm our competitive position.

Our business and prospects depend on our ability to build our brand and reputation, which may not be effective, and our brand and reputation could be harmed by negative publicity with respect to us, our services and operations, our management or our business partners.

We believe that maintaining and enhancing our brand is of significant importance to the success of our business. Well-recognized brand is important to enhancing our attractiveness to our customers. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and the amount of word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot assure you that these activities are and will be successful or that we can achieve the brand promotion effect we expect. In addition, negative publicity about us, our solutions and operations, our management or our business partners may adversely affect our brand, reputation and business. Certain of such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control.

Future investments in and acquisitions of assets, technologies and businesses may fail and may adversely affect our business, results of operations and financial performance.

We may invest in or acquire assets, technologies and businesses. Our investments or acquisitions may not yield the results we expect. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, significant amortization expenses related to goodwill or intangible assets and exposure to potential unknown liabilities of the acquired business. As of March 31, 2024, we had intangible assets of RMB71.1 million. The impairment assessment of intangible assets is based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to make a significant provision for our intangible assets and record a significant impairment loss, which could in turn adversely affect our results of operations. Any significant impairment of intangible assets could have a material adverse effect on our business, financial condition and results of operations. Such investments and acquisitions may also require our management team to devote a significant amount of attention. Moreover, the cost of identifying and consummating investments and acquisitions, and integrating the acquired businesses into ours, may be significant, and the integration of acquired businesses may be disruptive to our existing business operations. We may also have to obtain approval from the relevant PRC governmental authorities for the investments and acquisitions and comply with any applicable rules and regulations, which may be costly. In the event that our investments and acquisitions are not successful, our results of operations and financial condition may be materially and adversely affected.

Furthermore, integration of an acquired company, its intellectual property or technology into our own operations might be a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services into our integrated services from a sales and marketing perspective, integrate and support preexisting supplier, distribution and customer relationships, coordinate research and development efforts, and consolidate duplicate facilities and functions.

The geographic distance between companies, the complexity of the technologies and operations being integrated and the disparate corporate cultures may altogether increase the difficulties of integrating an acquired company or technology. Future acquisitions may present challenges and could require that our management develop expertise in new areas, manage new business relationships and attract new types of customers. The diversion of our management's attention and any difficulties encountered in these acquisitions may have an adverse effect on our ability to effectively manage our own business.

Providing digital clinical research services may expose us to potential liabilities, including the possibility of claims, lawsuits and liabilities in connection with patient recruitment under digital clinical research services if any of these patients incur personal injury or other harms from drugs or devices tested on them, which could adversely affect our business and results of operations.

In providing our digital clinical research services, we may face a range of potential liabilities. We will undertake to defend, indemnify and hold our customers harmless from and against any liabilities and damages resulting from any third party claims, demands, suits or proceedings to the extent arising out of or relating to our negligence, willful misconduct, unlawful activities or material breach of the long-term service agreement or project-based service contract or a work order under the long-term service agreement.

We provide services in various stages of the R&D process of drugs and medical devices that might be intended ultimately to be used in humans, either in clinical trials or as marketed products. If any of these drugs or medical devices harms people due to our negligence, willful misconduct, unlawful activities or material breach, we may be subject to litigation and may be required to pay damages. Damages awarded in a product liability action could be substantial and could have a material and adverse impact on our reputation, business, financial condition, results of operations and prospects, and our insurance coverage may be inadequate or may become unavailable on terms acceptable to us. In addition, we provide patient recruitment service as part of our digital clinical research services. Our patient recruitment service for clinical trials may nevertheless be affected by a number of factors, some of which are beyond our control. Failure to locate sufficient patients within the timeframe as required by our service agreements could hurt our business, results of operations and financial position.

Overseas markets where our services are and may in the future be provided and where the relevant drug and medical device candidates are located or may be sold, may have similar or more onerous pharmaceutical product regulatory regimes, as well as more litigious environments that may further expose us to the risk of product liability claims. Even if we are able to successfully defend ourselves against any such product liability claims, doing so may require significant financial resources and the time and attention of our management.

In addition, our clinical trial operations involve direct interactions among our employees, staff of our hospital subcontractors and patients and healthy volunteers at the relevant clinical sites. As a part of our clinical trial operations, we employ trained healthcare professionals who work with physicians, nurses or other staff of hospitals to conduct the protocol and testing on individual patients and healthy volunteers. These professionals are primarily responsible for project operations management and delivery support, and these projects may involve administration of the investigational drug, drawing of blood and other medical procedures required under the relevant protocol conducted by contracted personnel. Any personal injury to, or death of, a person participating in a clinical trial caused by medical malpractice or negligence of such professionals may subject us to liabilities and have a material adverse effect on our reputation, business, results of operations, and financial condition.

We may be subject to intellectual property infringement claims or other allegations, which could result in payment of substantial damages, penalties and fines and removal of data or technology from our system.

Our internal procedures and licensing practices may not be effective in completely preventing the unauthorized use of copyrighted materials or the infringement by us of other rights of third parties. As we may face increasing competition and as litigation becomes a more common way to resolve disputes, we may face a higher risk of being the subject of intellectual property infringement claims.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties, and there could be existing intellectual property of which we are not aware that our operations and business may inadvertently infringe. Competitors and other third parties may claim as well that our officers or employees have infringed, misappropriated or otherwise violated their software, confidential information, trade secrets or other proprietary technology in the course of their employment with us. We cannot guarantee that any policies or contractual provisions that we have implemented or may implement will be effective. We may from time to time be subject to legal proceedings and claims relating to the intellectual property rights of others. As of the Latest Practicable Date, we were involved in a litigation in relation to intellectual property infringement. On June 28, 2024, we received the first-instance decisions from the Shanghai IP Court, which decided, among others, that we shall compensate the plaintiff in the dispute for its economic losses and reasonable expenses in the amount of RMB100,000. Both parties have appealed against the decision. For details, see "Business — Legal Proceedings and Regulatory Compliance — Intellectual Property Dispute in the Shanghai Intellectual Property Court" in this prospectus. It is possible that any ongoing or

threatened claim of infringement, misappropriation or violation brought against us or our officers or employees could damage our reputation, and we may be required to pay substantial damages, subject to injunction or court orders or be required to remove the data and redesign our technology, any of which could adversely affect our business, financial condition and results of operations.

In addition, we cannot assure you that we will not become subject to intellectual property laws in other jurisdictions. If a claim of infringement brought against us in another jurisdiction is successful, we may be required to pay substantial penalties or other damages and fines or to enter into license agreements which may not be available on commercially reasonable terms or at all, or we may be subject to injunctions or court orders. Even if allegations or claims lack merit, defending against them could be both costly and time consuming and could significantly divert the efforts and resources of our management and other personnel.

We may not be able to fulfil our obligations in respect of contract liabilities, which may have a material and adverse impact on our results of operations and financial condition.

Our contract liabilities amounted to RMB127.5 million, RMB136.5 million, RMB137.4 million and RMB114.8 million, as of December 31, 2021, 2022, 2023, and March 31, 2024, respectively. Our contract liabilities primarily arose from the advances made by our customers before receiving our products and/or services in full, depending on the needs of our customers and types of services they received from us. If we fail to fulfill our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the advance payments we have received, which may adversely affect our cash flow and liquidity condition. In addition, it may adversely affect our business, our relationship with such customers, which may also affect our reputation and results of operations in the future.

We may not be able to realize and recover the full amount of the contract assets.

Our contract assets represent our right to consideration in exchange for the products and services which we have already provided. Such contract assets are reclassified to trade receivables when our right to the considerations becomes unconditional. We recorded contract assets of RMB21.9 million, RMB33.5 million, RMB21.4 million and RMB22.2 million as of December 31, 2021, 2022, 2023, and March 31, 2024 respectively. See "Financial Information — Discussion of Certain Selected Items from The Consolidated Balance Sheets — Contract Assets." There is no assurance that we will be able to realize and recover the full amount of contract assets as we may not be able to perform our services or the operation and liquidity condition of our customers may change, or they may dispute the services we provided, which will result in impairment of such contract assets. If we fail to realize and recover the full amount of contract assets, the results of our operations, liquidity and financial position may be adversely affected.

If we fail to collect trade receivables from our customers in a timely manner, our business, results of operations and financial condition may be materially and adversely affected.

During the Track Record Period, our trade and notes receivables primarily included outstanding amounts due from our customers for purchase of our cloud-based software and/or provision of digital services. We recorded total trade and notes receivables of RMB101.2 million, RMB129.7 million, RMB146.3 million and RMB146.3 million, as of December 31, 2021, 2022, 2023, and March 31, 2024, and had trade and notes receivables turnover days of 64.2, 76.7, 87.9 and 99.7 for 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. We usually make credit assessment of our customers before entering into service agreements. However, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, neither can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn has a materially adverse effect on our business operations and financial condition.

We may need to make allowance for impairment of other receivables and prepayments.

As of December 31, 2021, 2022, 2023, and March 31, 2024, we recorded other receivables and prepayments of RMB62.1 million, RMB78.9 million, RMB75.0 million and RMB69.3 million, respectively. There is no guarantee that customers, suppliers and service providers will perform their obligations in a timely manner, and we are subject to credit risk in relation to prepayments, deposits and other receivables. We make allowance for impairment of prepayments, deposits and other receivables when we determine the chances of recovering the relevant amounts due are remote. As we conduct assessments on the recoverability of other receivables and prepayments in accordance with information available to us at the time the allowance was determined, there is no assurance that our expectations or estimates will remain accurate in the future. If we are not able to recover the amount as scheduled, we may need to make allowance for impairment of prepayments, deposits and other receivables and our business, financial condition and results of operations may be adversely affected.

We may face exposure to fair value change for financial assets at FVPL and valuation uncertainty due to the use of unobservable inputs.

During the Track Record Period, our financial assets at FVPL primarily represented (i) short-term investments measured at fair value, representing short-term and low-risk wealth management products we purchased, and (ii) contingent consideration in relation to our acquisition of Taimei Xinghuan. In 2019, we acquired Taimei Xinghuan, a limited liability company established under the laws of the PRC on May 21, 2008. For details, please see "History, Development and Corporate Structure — Our Principal Subsidiaries". As of December 31, 2021, 2022, 2023, and March 31, 2024, our financial assets at FVPL was RMB270.7 million, RMB439.9 million, RMB280.8 million and RMB266.3 million, respectively. We recorded the contingent consideration of RMB4.2 million as of December 31, 2021, and 2022 and RMB2.1 million and RMB2.1 million as of December 31, 2023, and March

31, 2024, in relation to our acquisition of Taimei Xinghuan and its calculation was based on the business performance of this company in the year of 2019, 2020 and 2021. We may continue to make such investment as part of our cash management and treasury measures and therefore may face exposure to fair value change for the financial assets at FVPL. We cannot assure you that we can recognize comparable fair value gains in the future, and we may, on the contrary, recognize fair value losses, which would affect the results of our operations for future periods. For example, if the business performance of Taimei Xinghuan is affected by the macroeconomic factors, our contingent consideration in relation to our acquisition of Taimei Xinghuan may in turn, be adversely affected. In addition, the valuation of fair value changes of financial assets at FVPL is subject to uncertainties in estimations. Such estimated changes in fair values involve the exercise of professional judgment and the use of certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the financial assets at FVPL valuation has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in significant fluctuations in profit or loss from period to period.

The discontinuation of any of the government incentives or preferential tax treatment currently available to us could adversely affect our financial condition, results of operations and prospects.

During the Track Record Period, we recorded government grants, as an component of our other income, of RMB11.9 million, RMB16.8 million, RMB16.3 million, RMB7.4 million and RMB8.0 million in 2021, 2022, 2023, and the three months ended March 31, 2023 and 2024, respectively. In addition, operating in the high-technology industry, we enjoy preferential tax treatment as a high and new technology enterprise according to the prevailing PRC tax laws. Our government grants mainly represented financial subsidies granted to innovative businesses or local businesses and rental subsidies issued by local governments. As the determination and granting of such subsidies are subject to the discretion of the government under the law and are non-recurring in nature, the receipt of such subsidies is varied from period to period. We cannot assure you that we will continue to receive government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatments, in which case our business, financial condition and result of operations may be materially and adversely affected.

For a qualified high and new technology enterprise, the applicable enterprise income tax rate is 15%. The high and new technology enterprise qualification is re-assessed by the relevant authorities every three years. During the Track Record Period, our company and certain of our PRC subsidiaries were qualified as "High and New Technology Enterprises" and therefore were entitled to a preferential income tax rate of 15%. In addition, certain of our PRC subsidiaries that qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC enjoyed a preferential income tax rate of 20%. If we fail to maintain their respective qualifications under the relevant PRC laws and regulations, their applicable enterprise income tax rates may increase to up to 25%, which could have a material adverse effect on our results of operations.

Impairment of goodwill and other intangible assets could materially and adversely affect our financial condition and results of operations.

We recorded intangible assets of RMB103.2 million, RMB80.7 million, RMB72.2 million and RMB71.1 million as of December 31, 2021, 2022, 2023, and March 31, 2024, respectively. Goodwill is the major component of our intangible assets. As of December 31, 2021, 2022, 2023, and March 31, 2024, we recorded goodwill of RMB77.6 million, RMB55.2 million, RMB46.8 million and RMB46.8 million, respectively, which were allocated to two cash-generating units ("**CGUs**"), Taimei Xinghuan and Beijing Nuoming. We carry out our impairment test on goodwill by comparing the recoverable amounts of CGUs to the carrying amount. The impairment reviews of the goodwill arising from the acquisition of Taimei Xinghuan in June 2019 and the acquisition of Beijing Nuoming in November 2019 have been conducted by our management at the end of each period during the Track Record Period. As a result, we recognized net impairment losses on goodwill of RMB54.1 million, RMB22.4 million, RMB9.6 million and nil for 2021, 2022, 2023, and the three months ended March 31, 2024, respectively. For details, see "Financial Information — Material Accounting Policies and Estimates — Material Accounting Policies — Intangible Assets — Goodwill." Impairment of some or all of the remaining goodwill on our consolidated balance sheets could have a material adverse effect on our profitability. An impairment of goodwill or other intangible assets may have a material adverse effect on our financial condition and results of operations. For more information on our goodwill and other intangible assets, see the section headed "Financial Information."

We have granted, and may continue to grant, share incentives, which may result in increased share-based payments, cause shareholding dilution to our existing Shareholders, and negatively impact the results of our operations.

We adopted Employee Share Scheme, to enhance our ability to attract and retain qualified individuals and align their interests with our growth and performance. For details of the Employee Share Scheme, see "Appendix VI — Statutory and General Information — Further Information about Our Directors, Supervisors and Substantial Shareholders — 5. Employee Share Scheme" in this prospectus. We recorded share-based payments of RMB134.4 million, RMB89.3 million, RMB13.3 million and RMB4.7 million in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and may continue to grant share based compensation to key personnel pursuant to share incentive plans adopted in the future.

Issuance of additional Shares with respect to such share-based payment would potentially dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have a negative effect on our financial performance.

In addition, pursuant to an equity transfer agreement entered into between our Company and Xinyu Gongji Enterprise Management Partnership (Limited Partnership) (新余共濟企業管理合夥企業(有限合夥)) ("**Xinyu Gongji**") on January 17, 2024, our Company agreed to transfer registered capital in Shanghai Shengfang of RMB7,642,105 (representing approximately 6.00% equity interest in Shanghai Shengfang at the time of transfer) to Xinyu Gongji at nil consideration. For details, please see "History, Development and Corporate Structure — The Pre-IPO Investments — (2) Principal terms of the Pre-IPO Investments" in this prospectus and Note 37 to the Accountant's Report in Appendix I to this prospectus. As a result, our share-based payments may increase, which may have an adverse effect on our results of operations.

If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected.

The pharmaceutical and medical device R&D and commercialization digital solutions industry and the internet industry in China, are highly regulated, which require multiple licenses, permits, filings and approvals to conduct and develop business. As of the Latest Practicable Date, we have obtained all licenses material to our business. Some of the licenses we hold are subject to periodic renewal. If we fail to maintain or renew one or more of our licenses and certificates when their current term expires, or obtain such renewals in a timely manner, our operations could be disrupted. In addition, under relevant PRC laws and regulations, we are required to update certain licenses if any change to our name, registered capital, legal representative or other operation content or business operation method during the validity period of such license. If we fail to properly renew and maintain all such requisite licenses on time, we may face penalties and in extreme circumstances, order to suspend or terminate our business. Due to the evolvement of interpretation and implementation of existing laws and the adoption of relevant laws and regulations, the licenses we held may be deemed insufficient by PRC governments, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. Furthermore, as we develop and expand our business scope, we may need to obtain additional permits and licenses and we cannot assure that we will be able to obtain such permits on time or at all.

We are subject to extensive and evolving regulatory requirements of pharmaceutical and medical device R&D and commercialization digital solutions and other related business.

We are operating a multifaceted business spanning the pharmaceutical and medical device industry and the internet industry, which the PRC government extensively regulates. The licensing and permit requirements pertaining to companies in such an industry and the access and usage of pharmaceutical and medical device data are among such areas that are subject to government scrutiny. These laws and regulations related to the pharmaceutical and medical device industry are relatively new and evolving, and their interpretation and enforcement shall be determined in accordance with the laws and regulations in force. We cannot assure you that we will always be able to determine accurately what actions or omissions may be deemed to

be in violation of applicable laws and regulations. The regulation of the pharmaceutical and medical device R&D and commercialization digital solutions business and other pharmaceutical and medical device business may continue to evolve, which may give rise to the risk that some of our permits, licenses or operations may be subject to challenge. Any failure to comply with restrictions on access to healthcare data, content displayed online in China may subject us to potential liability, temporary blockage of our platforms or complete shut-down of our platforms or business. We have not received notice of violation or faced administrative actions in connection with our operation of business. We cannot assure you, however, that the PRC government will not find such practice incompliant with PRC laws and regulations or the interpretation thereof, in which case we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Moreover, any amendment to applicable laws and regulations may affect the demand for our current products and services. Therefore, our existing customers may reduce their purchases or stop purchasing at all, and we may face difficulties in attracting prospective customers. To address such challenges, we might need to invest significant amounts of time and money in developing new features for our solutions or even launching brand new offerings that are both satisfactory for our customers and also legally compliant. However, there is no guarantee that we might be able to succeed in this regard.

In addition, due to the increased popularity of the pharmaceutical and medical device R&D and commercialization digital solutions and the significant impact of any safety and security breach in the pharmaceutical and medical device R&D and commercialization digital solutions market on the society generally, it is possible that a number of laws and regulations may be adopted with respect to the pharmaceutical and medical device industry and the pharmaceutical and medical device R&D and commercialization digital solutions market. The adoption of additional laws or regulations may heighten requirements on clinical research solutions and other pharmaceutical and medical device R&D and commercialization digital solutions, which could, in turn, increase our cost of doing business and adversely affect our operations.

Furthermore, changes in laws, government regulations or in practices relating to the pharmaceutical, and medical devices industries, such as a relaxation in regulatory requirements, or the introduction of simplified new drug approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements or may make our solutions less competitive, could eliminate or substantially reduce the demand for our solutions. By engaging CROs in the PRC, foreign pharmaceutical or biotechnology companies may be able to reduce the time and cost required to introduce new drugs to the China market. If such regulatory procedures are streamlined, expedited or simplified, foreign pharmaceutical and medical device companies' demand for CROs' services may decrease, which would have a material adverse effect on our business. Furthermore, it is possible that additional exemptions may be introduced in the future, which could further reduce the demand for such CRO services. As a result, demand for our services could decrease, which in turn will have a material and adverse impact on our business, financial condition, results of operations and prospects.

Failure to fully comply with the relevant PRC laws and regulations in respect of contributions to various employee benefit plans, or other non-compliance with respect to payment arrangements for employees, may adversely affect our financial condition and results of operations.

Almost all of our employees are based in the PRC. Pursuant to PRC laws and regulations, we are required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, maternity insurance, work-related injury insurance and the housing provident fund, and to contribute to these plans and funds at the levels specified by the relevant local governmental authorities from time to time at locations where we operate our business. During the Track Record Period and up to the Latest Practicable Date, we did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations. In 2021, 2022, 2023 and the three months ended March 31, 2024, our shortfall of contribution to social insurance and housing provident funds amounted to RMB39.3 million, RMB34.7 million, RMB9.6 million and RMB1.9 million, respectively. We did not make full social insurance and housing provident fund contributions for such employees primarily because (i) there are different interpretations of the relevant laws and regulations by local authorities which may deviate from the strict implementation of the relevant laws and regulations, and we followed the local practices and interpretations of the laws and regulations by the local authorities; (ii) certain of our employees were not willing to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salary, and (iii) some employees were unwilling to participate in the social welfare schemes of the cities where they reside for work and instead chose to participate in local welfare schemes offered in their place of residency. For details, see "Business — Employees" in this prospectus.

As advised by our PRC Legal Adviser, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. We estimate that in the event that we are ordered to make up for the social insurance outstanding contributions during the Track Record Period, the maximum late payment fee would be approximately RMB24.5 million as of June 30, 2024. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue. In addition, an employer that has failed to pay the housing provident fund on time or underpaid the housing provident fund in violation of relevant regulations, may be ordered to make the payment within a stipulated deadline. If the employer still fails to make the payment within the stipulated deadline, the competent authorities may apply to the court for compulsory enforcement. As of the Latest Practicable Date, we were not aware of any complaint filed by any of our employees regarding our social security insurance and housing provident fund policy. Also, as of the Latest Practicable Date, we had not received any notification from the relevant Chinese authorities requiring us to pay for the shortfalls or any overdue charges, nor had we received any material complaints from employees with respect to social insurance and housing provident funds, and we had not been subject to any administrative penalties for the above-mentioned non-compliance. As advised by our PRC

Legal Adviser, based on the confirmations from and interviews with relevant competent authorities, considering relevant regulatory policies and facts stated above, the likelihood that we are subject to collection of historical arrears, late payment fees and any material penalties due to our failure to provide full social insurance and housing provident funds contributions for our employees is remote. We have consulted with the relevant regulatory authorities in the different localities where we operate to adjust the contribution base for social insurance and housing provident funds, the procedure and timing of which may vary based on local rules and policies, such that we can make full contributions as soon as practicable. Based on our consultations, and after reviewing the corresponding regulatory policies and as advised by our PRC Legal Adviser, the earliest possible time for us to adjust our contribution base and make full contributions to social insurance and housing provident funds for all of our employees is expected to be July 2025. Therefore, we currently expect to start making full contributions to social insurance and housing provident funds for all of our employees in compliance with the applicable laws and regulatory requirements by July 2025. However, we cannot assure you that the relevant government authorities will not require us to pay the outstanding amount and impose late payment fees or fines on us in the future.

In addition, from January 2018 to June 2021, some of our sales personnel received a limited portion of staff bonuses under the name of reimbursement (the "**Payment Arrangement**"), which in turn reduced the amounts of individual income taxes. This Payment Arrangement resulted from miscommunication from a human resources employee, who incorrectly informed the business and finance divisions that this practice was permissible. Our finance division became aware of the non-compliance nature of the Payment Arrangement in late May 2021, and subsequently reported it to the Board. Thereafter, we took a series of corrective actions, and no further bonuses under the name of reimbursement have been paid since July 2021. As the employer responsible for withholding employees' individual income taxes, we paid the outstanding individual income taxes of approximately RMB4.35 million arising from these bonuses in full. We increased scrutiny on expense reimbursement and conducted regular employee training to emphasize the prohibition against the Payment Arrangement.

As the interpretation and implementation of labor laws and regulations may be subject to amendments in the future, we cannot assure you that our employment practice policy will be deemed to be in full compliance with labor-related laws and regulations in China. If we are otherwise subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur relevant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

Any failure to comply with anti-corruption and anti-bribery laws of China and other jurisdictions could subject us to penalties and other adverse effects.

Our business involves large volume of business solicitations and development activities targeting public hospitals and companies in the private sector, which may expose us to potential risk of violation by our employees and agents of anti-corruption and anti-bribery laws of China and other jurisdictions. For example, under the Anti-Unfair Competition Law of the PRC, any commercial bribery committed by an employee of a given company will be deemed as conduct of such company unless it has evidence to rebut the presumption, and the offering of anything of value to employees, agents or representatives of any given transacting party or to any person with substantial influence over the decision making of the transacting party with an intent to obtain business opportunities or commercial advantages constitutes bribery. The scope of bribery includes not only kickbacks, gifts and other things of value or benefit transfer, but also rebates that are not properly recorded or evidenced in accounting. In addition, there have been recent regulatory and governance developments in relation to the physician payment transparency, anti-kickback and other anti-corruption issues across the healthcare sector in China recently. Any wrongdoings committed by our employees, even if committed without our knowledge or in violation of our policies, or any bad practice in terms of record keeping of the spending by our employees during the business development process, could subject us to anti-corruption and anti-bribery law liabilities.

We cannot assure that each of our employees is able to strictly follow our guidance on compliance with anti-corruption and anti-bribery laws and regulations or, in situations not covered by the guidance, could use a good judgment as to the dos and don'ts. Any violations of these anti-corruption laws by our employees, or even allegations of such violations, can lead to an investigation and/or enforcement action, which could disrupt our operations, involve significant management distraction, and lead to significant costs and expenses, including legal fees. If we, or our employees or agents acting on our behalf, are found to have engaged in practices that violate these laws and regulations, we could suffer severe fines and penalties, profit disgorgement, injunctions on future conduct, securities litigation, bans on transacting government business, and other consequences that may have a material adverse effect on our business, financial condition and results of operations. In addition, our brand and reputation, our sales activities or our stock price could be adversely affected if we become the subject of any negative publicity related to actual or potential violations of anti-corruption and anti-bribery laws and regulations.

We may become subject to lawsuits and liabilities which could cause us to incur significant expenses and adversely affect our business, financial condition and results of operations.

From time to time, we have become and may in the future become a party to various legal or administrative proceedings or allegations arising in the ordinary course of our business, including breach of contract claims, employment dispute claims, and other matters whether in China or in other jurisdictions where we have business presence. For example, we were defendants in an employment dispute in the Superior Court of the State of California for the

county of Alameda. See "Business — Legal Proceedings and Regulatory Compliance" for more details. We cannot accurately predict the results of such proceedings. Regardless of the outcome and merit of such proceedings, any such legal action could have an adverse impact on our business because of defense costs, negative publicity, diversion of management's attention and other factors.

In addition, it is possible that an unfavorable resolution, including any judgment or settlement subjecting us to liability, of one or more legal or administrative proceedings, whether in China or in another jurisdiction, could be time-consuming and costly to defend and distractive to our management, which could materially and adversely affect our business, financial position, results of operations or cash flows in a particular period or damage our reputation.

Certain of our leased property interests may be defective, which could cause disruption to our business.

As of the Latest Practicable Date, we operated our businesses primarily through 12 leased properties in Beijing, Shanghai and certain other cities in China, U.S. and Singapore. As of the Latest Practicable Date, we had not obtained full lease registration for three properties we leased in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. Such properties had an aggregate floor area of approximately 7,189.5 square meters that were used as offices. Our PRC Legal Adviser has advised us that the lack of registration of the lease contracts will not affect the validity of the lease agreements under PRC laws, and has also advised us that a maximum penalty of RMB10,000 may be imposed for non-registration of each lease. The estimated total maximum penalty is RMB20,000. Also, in the event that the actual use of our leased properties is inconsistent with the use registered on the land use right certificate, the competent authorities may require the lessors to return the land and impose fines on the lessors, or confiscate the proceeds from the leasing of the properties and imposed fines on the lessor if such properties are leased without their consent or handing in such income, as applicable. We can provide no assurance that we will not be subject to the aforementioned penalties as a lessee to the properties, and the relevant lease agreements may be deemed to be in breach of the law and therefore be void.

As of the Latest Practicable Date, we were not aware of any action, claim or investigation being conducted or threatened by the competent government authorities with respect to the defects in our leased properties. However, we cannot assure you that our use of such leased properties will not be challenged. In the event that our use of properties is successfully challenged, we may be subject to fines and forced to relocate the affected operations. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. As a result, our business, financial condition and results of operations may be materially and adversely affected.

If we fail to maintain adequate internal controls or fail to detect or prevent fraud and employee misconduct, we may not be able to effectively manage our business and may experience errors or information lapses affecting our business.

Prior to the Global Offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud or other misconduct involving our employees and other third parties that had a material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in the future. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the trading price of our Shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets, regulatory investigations and civil or criminal sanctions. We have invested, and will continue to invest, substantial efforts and resources in maintaining an effective internal control system and monitoring and remedying any weakness we identify in connection therewith. There is no assurance, however, we will be able to spot and eliminate all weaknesses in our internal control system on a timely basis. If our employees or other parties are found or alleged to have violated anti-bribery or anti-corruption laws and regulations, we may face or be involved in fines, lawsuits and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

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

We maintain various insurance policies to safeguard against risks and unexpected events. However, we do not maintain business interruption insurance or key-man insurance or any insurance covering liabilities resulting from misconducts or illegal activities committed by our employees or users. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

In addition, we are subject to laws, rules, and regulations relating to insurance coverage which could result in proceedings or actions against us by governmental entities or others. Any failure, or perceived failure, by us to comply with laws, rules, and regulations or contractual obligations relating to insurance coverage could result in proceedings or actions against us by governmental entities or others. These lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, require us to amend our insurance policy disclosure, increase our costs, and disrupt our business.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We may require additional cash resources if we incur operating losses or for the future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future may be subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and the PRC governmental regulations over foreign investment and the PRC pharmaceutical and medical device industry and the pharmaceutical and medical device R&D and commercialization digital solution industry. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

We may face risks related to natural disasters, health epidemics and outbreaks of contagious diseases, and other factors beyond our control.

Any future occurrence of force majeure events, natural disasters or outbreaks of other epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, swine influenza caused by the H1N1 virus, or H1N1 influenza, COVID-19 or the Ebola virus, may materially and adversely affect our business, financial condition and results of operations. Any future occurrence of severe natural disasters, such as earthquakes, floods and droughts, may materially and adversely affect its economy and our business. We cannot assure you that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases or the measures taken in response to such contagious diseases will not seriously disrupt our operations or those of our customers, which may materially and adversely affect our business, financial condition and results of operations.

We may be exposed to the risks of conducting business globally.

We may face risks associated with operating in multiple jurisdictions, especially in overseas markets where we provided our solutions. Our business and financial results in the future could be adversely affected due to a variety of factors, including:

- changes in a specific country's or region's political and cultural climate or economic condition;
- unexpected changes in laws and regulatory requirements in relevant jurisdictions;
- the occurrence of economic stagnation or downturn in certain jurisdictions, including those caused by inflation or political instability;
- the burden of complying with a variety of foreign laws, including difficulties in enforcement of contractual provisions;
- inadequate intellectual property protection in certain jurisdictions;
- enforcement of anti-corruption and anti-bribery laws;
- trade-protection measures, restrictions or prohibitions on conducting business or transactions with foreign entities, implementation of import or export licensing requirements, fines or penalties on foreign entities, fines, penalties, or suspension or revocation of export privileges;
- delays resulting from certain barriers and restrictions, potentially longer payment cycles, greater difficulty in accounts receivable collection and potentially adverse tax treatment;
- the effects of applicable local tax regimes and potentially adverse tax consequences;
- significant adverse changes in local currency exchange rates;
- restrictions on the international transmission of scientific data; and
- business interruptions resulting from deterioration in the political and economic relations among countries, geo-political actions and cultural climate or economic condition, including war and acts of terrorism, natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires, or the impact of public health pandemics or epidemics.

Furthermore, global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors, including extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. Such adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms or at all.

Our business and results of operations may be subject to seasonal fluctuations.

Our operating results may fluctuate depending on a number of factors, many of which are out of our control. For instance, we tend to generate higher revenues in the second half of the year as the demand for our solutions are typically higher with customers engaging us to implement their projects during these periods.

Therefore, comparing our operating results for different periods may not be meaningful, and you should not rely on our past results as an indication of our future performance. Our quarterly and annual revenues and costs and expenses as a percentage of our revenues in a given period may be significantly different from our historical or projected rates, and our operating results in future quarters may fall below expectations.

Changes in the social and economic policies, as well as the interpretation and enforcement law, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects could be affected by economic, social, and legal developments in the PRC. The overall economic growth could be influenced by the governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. Any of the foregoing would affect our business, financial condition, results of operations and prospects.

We shall comply with the applicable PRC laws, rules and regulations. With the social development, the relevant PRC laws, rules and regulations in force at present may be amended in the future, and their interpretation and implementation shall be determined in accordance with relevant laws and regulations in force at the time. Any non-compliance with any existing or new laws and regulations could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We are a PRC tax resident and we are subject to PRC tax on our global income, and the dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

As a PRC-incorporated company, under applicable PRC tax laws, we are subject to a tax of up to 25% on our global income. Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares.

Pursuant to Circular on Some Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》), which was promulgated on May 13, 1999, non-PRC individuals are temporarily exempt from individual income tax on dividends and bonus income obtained from foreign-invested enterprises. Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides. Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees and payments through CCASS). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, payment of any such refund will be subject to the PRC tax authorities' verification.

The interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT Law on gains derived by holders of our H Shares from their disposition of our H Shares may be collected, are subject to evolvement and shall be determined in accordance with relevant laws and regulations in force at the time. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

We are subject to the PRC laws and regulations in respect of currency conversion.

The conversion of Renminbi into foreign currencies and in certain cases and the remittance of currency out of China shall be made in compliance with relevant PRC laws and regulations. A substantial majority of our future revenue is expected to be denominated in Renminbi and we will need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our H Shares. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise satisfy our foreign currency denominated obligations.

Under China's current foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Approval from appropriate government authorities may be required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses in accordance with applicable PRC laws and regulations.

Fluctuations in exchange rates could result in foreign currency exchange losses.

During the Track Record Period, a vast majority of our expenditures were denominated in Renminbi, and a vast majority of our financial assets are also denominated in Renminbi. Any significant change in the exchange rates of the Hong Kong dollar against Renminbi may materially and adversely affect our cash flows, earnings and financial position, and the value of, and any dividends payable on, our H Shares in Hong Kong dollars. For example, a further appreciation of Renminbi against the Hong Kong dollar would make any new Renminbi denominated investments or expenditures more costly to us, to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of Renminbi against the Hong Kong dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar denominated financial assets into Renminbi, including proceeds from the Global Offering, as Renminbi is the functional currency of our Company and our subsidiaries inside China. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our H Shares or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management based on Hong Kong or other foreign laws.

We are incorporated under the laws of the PRC, and a majority of our assets are located in the PRC. In addition, a majority of our Directors, Supervisors and senior management personnel reside within the PRC, and substantially all their assets are located within the PRC. As a result, it may not be possible to effect service of process within the United States or elsewhere outside the PRC upon us or our Directors, Supervisors and senior management personnel.

On July 14, 2006, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement") which was taken into effect on August 1, 2008. Pursuant to the Arrangement, where any designated PRC court or any designated Hong

Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People's Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and the mainland China. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the Hong Kong SAR. The New Arrangement will, upon its effectiveness, supersedes the Arrangement. Therefore, before the New Arrangement becomes effective, it may be difficult to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute do not agree to enter into a choice of court agreement in writing.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares.

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of the Global Offering. The initial Offer Price for our H Shares to the public will be the result of negotiations between us and the Overall Coordinators (for themselves and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price of the H Shares following the Global Offering.

We have applied to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the H Shares to be converted from Domestic Shares. A listing on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will not decline following the Global Offering. If an active public market for our H Shares does not develop following the completion of the Global Offering, the market price and liquidity of our H Shares could be materially and adversely affected.

The trading price and trading volume of our H Shares may be volatile, which could result in substantial losses to you.

The trading price and trading volume of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the business, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

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

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

Payment of dividends is subject to restrictions under the PRC law and we cannot assure you whether and when we will pay dividends.

We currently expect to retain all future earnings for use in operation and expansion of our business, and currently do not have any dividend policy to declare or pay any dividends in the foreseeable future. Therefore, you should not rely on an investment in our H Shares as a source for any future dividend income.

Under PRC law and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. The calculation of our distributable profits under the PRC GAAP differs in many aspects from the calculation under HKFRS. Moreover, our operating

subsidiaries in China may not have distributable profit as determined under the PRC GAAP. Accordingly, we may not receive sufficient distributions from our subsidiaries for us to pay dividends. Failure by our operating subsidiaries to pay us dividends could adversely impact our ability to make dividend distributions to our Shareholders and our cash flow, including periods in which we are profitable.

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

We have derived certain facts and other statistics in this prospectus, particularly the section headed "Industry Overview," from information provided by the PRC and other government agencies. The reproduction of such information has not been prepared or independently verified by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, affiliates, advisors or representatives, or any other party (other than CIC) involved in the Global Offering, and, therefore, we cannot assure you as to the accuracy and reliability of such facts and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media relating to us, our H Shares or the Global Offering.

You should rely solely upon the information contained in this prospectus, the Global Offering and any formal announcements made by us in Hong Kong in making your investment decision regarding our Shares. We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or media regarding our Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on such information.

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

Our Controlling Shareholders have substantial influence over our business and operations, including matters relating to management and policies, decisions in relation to acquisitions, expansion plans, dividend distributions, as well as other significant corporate actions. Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), our Controlling Shareholders will be collectively entitled to exercise approximately 32.02% voting rights in our Company. The concentration of voting rights and the substantial influence of our Controlling Shareholders over our Company may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reduce the price of our Shares. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions which conflict with the best interests of our other Shareholders.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our headquarters and most of our business operations are based, managed and conducted in the PRC. As our executive Directors play very important roles in our business operation, it is in our best interest for them to be based in the places where our Group has significant operations. We consider it practicably difficult and commercially unreasonable for us to arrange for two executive Directors to ordinarily reside in Hong Kong, either by means of relocation of our executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

(a) we have appointed Ms. NI Xiaomei (倪曉梅) and Mr. POON Ping Yeung (潘秉揚) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our Company's principal channel of communication with the Hong Kong Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;

(b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Hong Kong Stock Exchange with the contact details (i.e. mobile phone number, office phone number, email address and fax number (if any)) of all Directors to facilitate communication with the Hong Kong Stock Exchange;

(c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period upon the request of the Hong Kong Stock Exchange;

(d) we have appointed Anglo Chinese Corporate Finance, Limited as our compliance adviser upon the Listing pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date. Our compliance adviser, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the authorized representatives are not available, will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules; and

(e) meetings between the Hong Kong Stock Exchange and our Directors can be arranged through our authorized representatives or our compliance adviser, or directly with our Directors within a reasonable time frame.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

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

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

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

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

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

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

(a) whether the issuer has principal business activities primarily outside Hong Kong;

(b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

(c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

(a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

(b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. NI Xiaomei (倪曉梅) ("**Ms. Ni**"), our executive Director, legal director and Board secretary, as one of our joint company secretaries. She has considerable experience in handling legal matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. POON Ping Yeung (潘秉揚) ("**Mr. Poon**"), an associate member (a holder of practitioner's endorsement) of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Ni for an initial period of three years from the Listing Date to enable Ms. Ni to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Mr. Poon's professional qualifications and experience, he will be able to explain to both Ms. Ni and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Mr. Poon will also assist Ms. Ni in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Poon is expected to work closely with Ms. Ni and will maintain regular contact with Ms. Ni, our Directors and the senior management of our Company. In addition, Ms. Ni will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the Listing Date. She will also be assisted by our compliance adviser and our legal advisers as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Ni does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Ni may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the Listing Date on the conditions that (a) Ms. Ni must be assisted by Mr. Poon who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Mr. Poon ceases to provide assistance to Ms. Ni as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Ni will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Hong Kong Stock Exchange to enable it to assess whether Ms. Ni, having benefited from the assistance of Mr. Poon for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. We submitted a filing to the CSRC for application for the Listing on January 31, 2024. The CSRC confirmed completion of such filing on July 9, 2024. No other approvals from the CSRC are required to be obtained for the Listing.

INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 2,241,800 Offer Shares and the International Offering of initially 20,174,800 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed "Structure of the Global Offering" in this prospectus and without taking into consideration any exercise of the Offer Size Adjustment Option and the Over-allotment Option).

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

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, create any implication that there has been no change or development in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering" in this prospectus, and the procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares".

UNDERWRITING

The listing of our H Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement, subject to us and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) agreeing on the Offer Price. The International Offering is expected to be fully underwritten by the International Underwriters pursuant to the terms of the International Underwriting Agreement which is expected to be entered into on or around the Price Determination Date. Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed "Underwriting" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on the offer and sale of the Hong Kong Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered and sold, directly or indirectly, in the PRC or the United States.

APPLICATION FOR LISTING OF THE H SHARES ON THE HONG KONG STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the H Shares to be converted from Domestic Shares.

Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Tuesday, October 8, 2024. No part of our Shares or loan capital is listed on or dealt in on any other stock exchange, and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date.

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

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

H SHARE REGISTER AND STAMP DUTY

All of the Offer Shares will be registered on our register of members of H Share to be maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our principal register of members will be maintained by us at our headquarters in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars.

Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.06440 to US$1.00; (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.90655 to HK$1.00; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.79262 to US$1.00.

No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all.

LANGUAGE

If there is any inconsistency between this prospectus and its Chinese translation, this prospectus shall prevail. For ease of reference, the names of the PRC laws and regulations, government authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this prospectus in both Chinese and English languages. In the event of any inconsistency, the Chinese version shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed in any table, chart or elsewhere in this prospectus are due to rounding.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. ZHAO Lu (趙璐)	Room 302 No. 46, Lane 508, Baonan Road Minhang District Shanghai PRC	Chinese
Mr. MA Dong (馬東)	Room 2-502 Block 37, Yunfenglijing No. 2999 South Yunfeng Road Laizhou, Yantai Shandong PRC	Chinese
Mr. ZHANG Hongwei (張宏偉)	Room 301 No. 2, Lane 941, Hutai Road Jing'an District Shanghai PRC	Chinese
Mr. LU Yiming (陸一鳴)	Unit 503, No. 15 Lane 531 Kangle Community Shanghai PRC	Chinese
Mr. HUANG Yufei (黃玉飛)	Room 501 No. 23, Lane 212, Zaozhuang Road Pudong New Area Shanghai PRC	Chinese
Ms. NI Xiaomei (倪曉梅)	Room 102 No. 45, Lane 168, Qinchun Road Minhang District Shanghai PRC	Chinese

Name	Address	Nationality
Independent Non-executive Directors		
Dr. JIANG Xiao (蔣驍)	Room 1602 No. 28, Lane 388, Furongjiang Road Changning District Shanghai PRC	Chinese
Dr. LI Zhiguo (李治國)	Room 501 No. 129, Lane 285, Jujin Road Pudong New Area Shanghai PRC	Chinese
Mr. FUNG Che Wai Anthony (馮志偉)	Flat G, 11/F, Hong Yan Court Healthy Street Central North Point Hong Kong	Chinese (Hong Kong)
SUPERVISORS		
Ms. DONG Xiaohan (董曉晗)	Room 202, No. 61 Lane 1881, Dongfang Road Pudong New Area Shanghai PRC	Chinese
Mr. WEN Gang (文綱)	Unit 805, 7/F, Block 1 No. 1 Taiyanggong First Street Chaoyang District Beijing PRC	Chinese
Mr. CAI Xin (蔡鑫)	Room 202 No. 140, Hanghua Second Village Minhang District Shanghai PRC	Chinese

For details with respect to our Directors and Supervisors, see "Directors, Supervisors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors, Sponsor-Overall Coordinators, Overall Coordinators and Joint Global Coordinators	**Morgan Stanley Asia Limited** 46th Floor, International Commerce Centre 1 Austin Road West Kowloon Hong Kong **China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries	**Morgan Stanley Asia Limited** 46th Floor, International Commerce Centre 1 Austin Road West Kowloon Hong Kong **China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Hong Kong **CMB International Capital Limited** 45/F, Champion Tower 3 Garden Road Central Hong Kong

CCB International Capital Limited
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong

Futu Securities International (Hong Kong) Limited
34/F, United Centre
No. 95 Queensway, Admiralty
Hong Kong

Tiger Brokers (HK) Global Limited
1/F, No. 308 Des Voeux Road Central
Sheung Wan
Hong Kong

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

Legal Advisers to the Company

As to Hong Kong and U.S. laws:

O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong

As to PRC laws:

Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

	As to PRC cybersecurity and data privacy protection laws: **Jingtian & Gongcheng** 34/F, Tower 3, China Central Place 77 Jianguo Road Chaoyang District Beijing PRC *As to PRC intellectual property litigation matters:* **Grandall Law Firm (Shanghai)** 23-25/F, Garden Square 968 West Beijing Road Shanghai 200041 PRC
Legal Advisers to the Joint Sponsors and Underwriters	*As to Hong Kong and U.S. laws:* **Cooley HK** 35/F, Two Exchange Square 8 Connaught Place Central Hong Kong *As to PRC laws:* **Zhong Lun Law Firm** 6/10/11/16/17 Floor, Two IFC 8 Century Avenue Pudong New Area Shanghai PRC
Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants and Registered Public Interest Entity Auditor* 22/F Prince's Building Central Hong Kong SAR, China

Industry Consultant	**China Insights Industry Consultancy Limited** 10/F, Block B, Jing'an International Center 88 Puji Road Jing'an District Shanghai 200070 PRC
Compliance Adviser	**Anglo Chinese Corporate Finance, Limited** Room 4001, 40th Floor Two Exchange Square 8 Connaught Place Central Hong Kong
Receiving Banks	**CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong **Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered Office, Headquarters and Principal Place of Business in the PRC	3/F, Building 9 Smart Industry Innovation Park 36 Changsheng South Road, Jiaxing Zhejiang PRC
Principal Place of Business in Hong Kong	19/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Company's Website	**www.taimei.com** (*Information contained on this website does not form part of this prospectus*)
Joint Company Secretaries	**Ms. NI Xiaomei (倪曉梅)** Room 102 No. 45, Lane 168, Qinchun Road Minhang District Shanghai PRC **Mr. POON Ping Yeung (潘秉揚)** 19/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Authorized Representatives	**Ms. NI Xiaomei (倪曉梅)** Room 102 No. 45, Lane 168, Qinchun Road Minhang District Shanghai PRC **Mr. POON Ping Yeung (潘秉揚)** 19/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Audit Committee	**Mr. FUNG Che Wai Anthony (馮志偉)** (*Chairperson*) **Dr. JIANG Xiao (蔣驍)** **Dr. LI Zhiguo (李治國)**

Remuneration and Appraisal Committee	**Dr. LI Zhiguo (李治國)** (*Chairperson*) **Mr. ZHAO Lu (趙璐)** **Mr. FUNG Che Wai Anthony (馮志偉)**
Nomination Committee	**Mr. ZHAO Lu (趙璐)** (*Chairperson*) **Dr. JIANG Xiao (蔣驍)** **Dr. LI Zhiguo (李治國)**
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Bankers	**China Minsheng Banking Corp., Ltd., Jiaxing Sub-branch** 1818 Zuili Road Nanhu District, Jiaxing Zhejiang PRC **Bank of Hangzhou Co., Ltd., Jiaxing Sub-branch** 1/F, Yihong Building 1029 Chengnan Road Nanhu District, Jiaxing Zhejiang PRC

The information in this section is derived from an independent report prepared by China Insights Consultancy, an Independent Third Party (the "CIC Report"). The CIC Report is based on information from its database, publicly available sources, industry reports, data obtained from interviews and other sources. We believe that the sources of the information in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any part has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, affiliates, advisors or representatives, or any other party (other than CIC) involved in the Global Offering, and no representation is given as to its accuracy.

PHARMACEUTICAL AND MEDICAL DEVICE R&D AND COMMERCIALIZATION MARKET

Overview of the Pharmaceutical and Medical Device Industry

The pharmaceutical and medical device industry, encompassing both the pharmaceutical industry and medical devices industry, has exerted a profound influence on human lifestyles, public health, and well-being. Propelled by expanding clinical demand, improved payment capacity, and continuous R&D advancements, the global pharmaceutical and medical device market in terms of pharmaceutical and medical devices sales value grew from US$1,746.9 billion in 2019 to US$2,134.4 billion in 2023 and is expected to further grow to US$2,878.0 billion in 2028.

Over the past decade, the pharmaceutical and medical device industry in China has witnessed substantial growth. China's pharmaceutical and medical device market size in terms of pharmaceutical and medical devices sales value grew at a CAGR of 6.5% from RMB2,295.0 billion in 2019 to RMB2,947.5 billion in 2023, positioning China as the second-largest market globally and one of the fastest-growing markets among major economies. This market is expected to further grow at a CAGR of 8.6% to RMB4,460.4 billion in 2028.

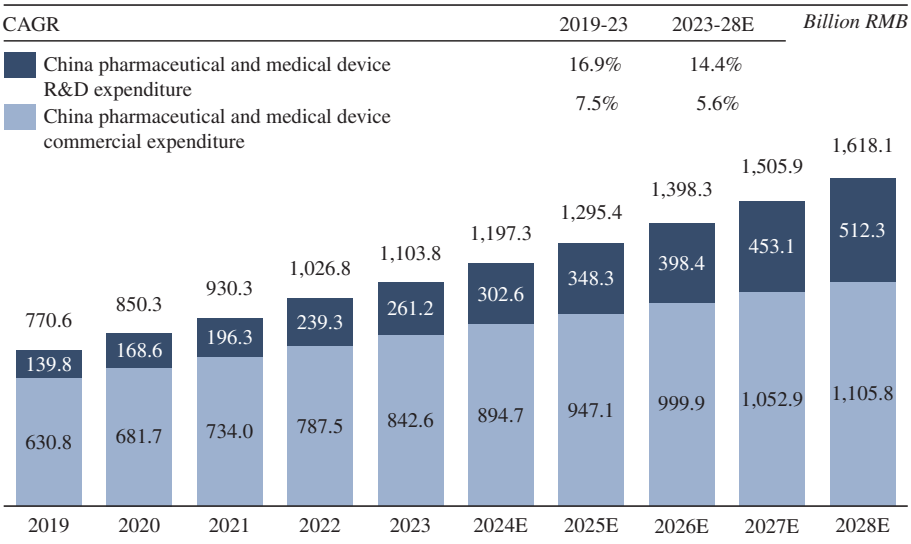
China's Pharmaceutical and Medical Device R&D and Commercialization Expenditures

R&D and commercialization are the two primary expenditures of pharmaceutical and medical device companies, with R&D serving as a key growth driver of the pharmaceutical and medical device industry due to its ability to fuel innovation, drive the development of new treatments and technologies, and enable companies to maintain competitiveness in a rapidly evolving industry landscape. In the meantime, commercialization has been essential to unleash the full potential of pharmaceuticals and medical devices by raising product awareness and fostering a deeper understanding of the features and characteristics of the products among physicians.

In China, the world's second largest pharmaceutical and medical device market in terms of sales value, numerous research institutes, medical institutions, and enterprises are actively engaged in pharmaceutical and medical device R&D, especially new drug R&D, fueling the industry's rapid development. China's pharmaceutical and medical device R&D expenditures grew at a CAGR of 16.9% from RMB139.8 billion in 2019 to RMB261.2 billion in 2023, and is expected to further grow at a CAGR of 14.4% to RMB512.3 billion in 2028. Concurrently, commercialization covers the sales and marketing of pharmaceuticals and medical devices after completion of clinical research. China's pharmaceutical and medical device commercialization expenditures grew at a CAGR of 7.5% from RMB630.8 billion in 2019 to RMB842.6 billion in 2023, and is expected to further grow at a CAGR of 5.6% to RMB1,105.8 billion in 2028. The joint effort of R&D and commercialization helps pharmaceutical and medical device companies complete a product's journey from lab to patient, providing overall benefits to all participants in the pharmaceutical and medical device industry.

The following table sets forth the market size of China's pharmaceutical and medical device R&D and commercialization expenditures.

China's Pharmaceutical and Medical Device R&D and Commercialization Expenditure, 2019-2028E



Source: Periodic reports released by public companies, NMPA, NDA, National Bureau of Statistics of China, China Insights Consultancy

Key Features of China Pharmaceutical and Medical Device R&D and Commercialization Activities

- ***Rapid expansion in scale.*** China's pharmaceutical and medical device R&D expenditures grew at a CAGR of 16.9% from RMB139.8 billion in 2019 to RMB261.2 billion in 2023, and China's pharmaceutical and medical device commercialization expenditures grew at a CAGR of 7.5% from RMB630.8 billion in 2019 to RMB842.6 billion in 2023. This can be attributed to the intensifying new drug R&D in China, which continues to gain traction and propels a corresponding increase in R&D and commercialization investment due to its capital-intensive nature, and the rapidly increasing number of newly registered clinical trials in China, which grew from 3.9% of the same number globally in 2015 to 10.8% in 2023. With technological breakthroughs being progressively applied to new drug

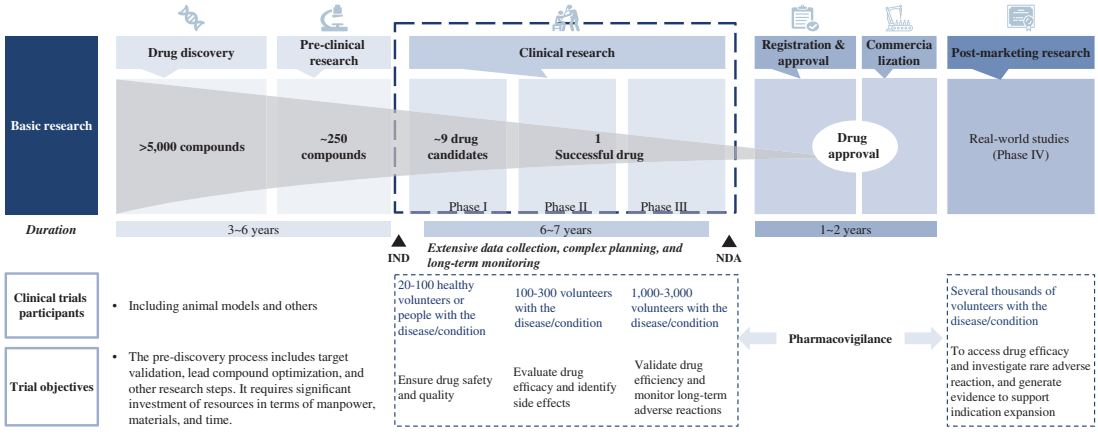
development and development efforts being increasingly focused on innovative drugs and medical devices, China's pharmaceutical and medical device industry is expected to further grow at a CAGR of 8.6% from RMB2,947.5 billion in 2023 to RMB4,460.4 billion in 2028.

- ***Lengthy cycles and complex processes.*** The R&D process, rooted in advanced science, typically spans 10-15 years from drug discovery to approval. Therefore, it requires strong project management capabilities all down the line. It also necessitates a series of intricate interactions and business activities with a range of stakeholders, including regulators, pharmaceutical and medical device companies, CROs, SMOs, clinical research institutions, physicians/researchers, and patients/subjects. The increasing adoption of advanced scientific methods, especially in new drug R&D, further demands improved accuracy and reliability of the pharmaceutical and medical device R&D processes, thus increasing the demand for efficient multi-party collaboration. As such, efficient data management, multi-party collaboration, and information exchange are necessary to promote overall efficiency.

- ***Rigorous and strict regulatory requirements***. Pharmaceutical and medical device R&D and commercialization activities need to comply with a suite of rules and regulations that aim to safeguard patients against health risks. Non-compliance can impede successful drug development, new drug registration, and subsequent commercialization, and may lead to severe penalties, thus creating the need for industry-specific digital solutions for R&D and commercialization. In addition, in response to various regulations and policies in China that were implemented to reduce the prices of medical products and the layers of distribution channels, such as centralized procurement and "two-invoice" policy, pharmaceutical and medical device companies are also focusing on improving the cost-effectiveness of their commercialization efforts, driving the demand for commercialization digital solutions.

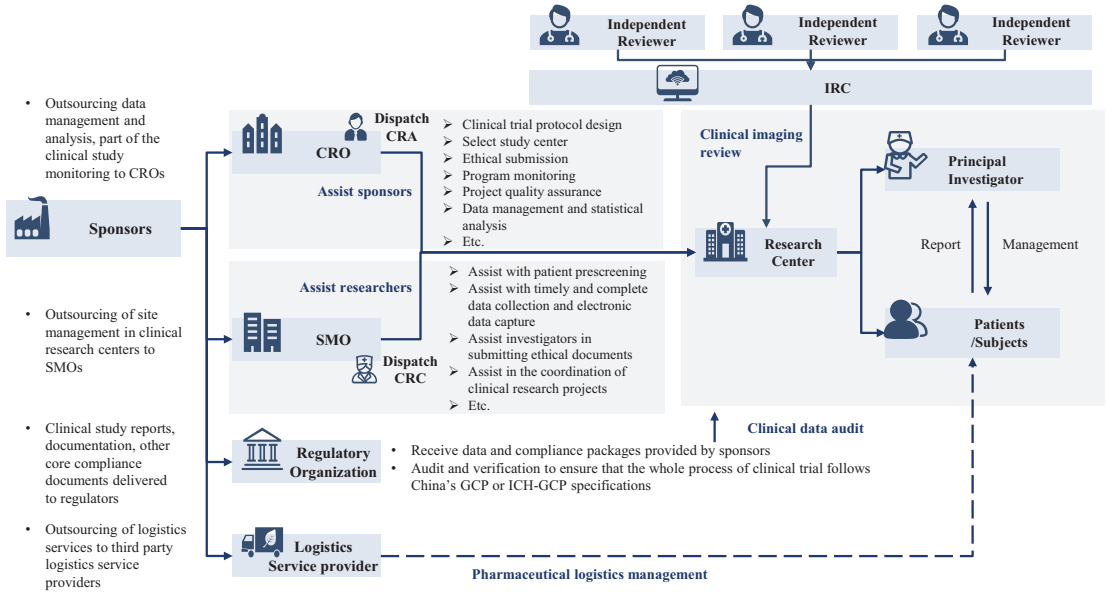
The following table sets forth an overview of drug development process from basic research to commercialization.

Overview of Drug Development Process from Basic Research to Commercialization



Source: Drug Design, Development and Therapy, China Insights Consultancy

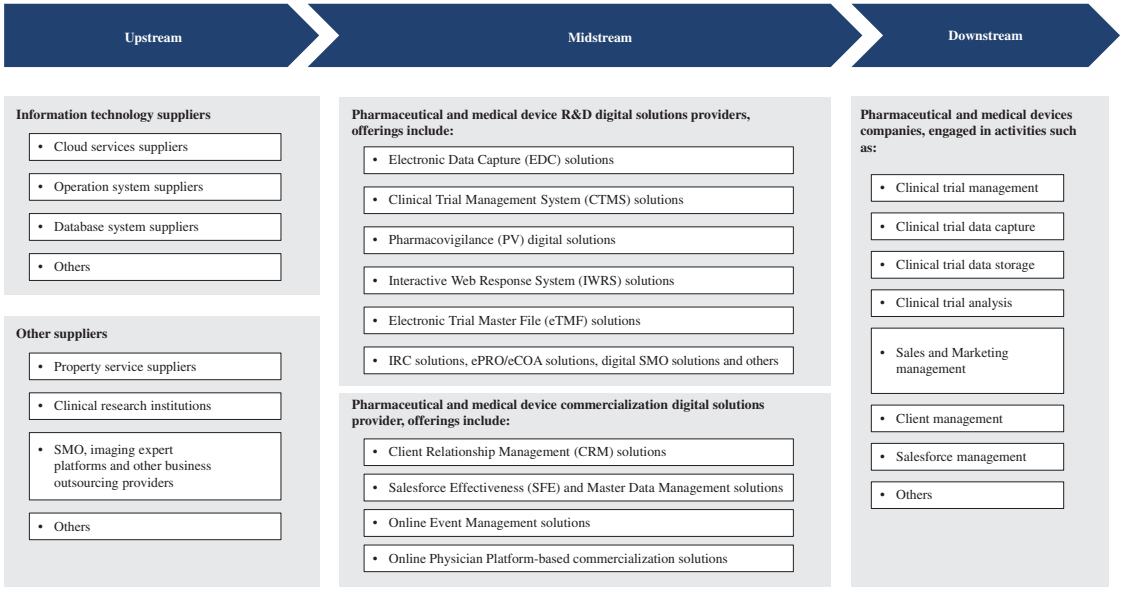
For clinical research specifically, multiple stakeholders collaborate in the process, the complex nature of which is one of the reasons that give rise to pharmaceutical and medical device R&D digital solutions:



CHINA'S PHARMACEUTICAL AND MEDICAL DEVICE R&D AND COMMERCIALIZATION DIGITAL SOLUTIONS MARKET

Industry Chain Position

Pharmaceutical and medical device R&D and commercialization digital solution providers, including the Group, are at the midstream of the industry chain, with the upstream players primarily being information technology suppliers and the downstream customers primarily being various pharmaceutical and medical device companies. The following diagram sets forth the position of such providers' position:



The Evolution of China's Pharmaceutical and Medical Device Digital Solutions Industry

Globally, pharmaceutical and medical device R&D and commercialization digital solutions have experienced three major development phases starting from the 1990s, namely the on-premises solutions phase that focuses on providing digital tools, the cloud-based solutions phase that provides on-cloud SaaS solutions, and the platform-based phase that offers digital collaborative platforms. The following table sets forth the development stages and key features of each stage:

Time	Stage of Development	Key Features
Before 2010	**On-premises solutions** • Initially, the digitalization of China's pharmaceutical and medical device industry heavily relied on on-premises software deployed in-house.	• On-premises software addresses the industry's initial demand for digital clinical data capture and processing • On-premises software cannot meet the evolving needs of pharmaceutical and medical device companies as it requires substantial investments in infrastructure and also complex and lengthy deployment.
Starts to prevail from 2015	**Cloud-based solutions** • As the pharmaceutical and medical device industry rapidly expands and regulatory demands grow more stringent and complex, on-premises software can no longer meet the agile needs of pharmaceutical and medical device companies. • Simultaneously, the emergence of cutting-edge technologies such as cloud computing, artificial intelligence, big data, and the IoT has propelled the widespread adoption of cloud-based solutions, commonly known as SaaS.	• SaaS solution offers advantages such as lower initial investment, easy-to-use, enhanced convenience, and scalability, compared to on-premises software. • SaaS solution typically addresses the needs of distinct business functions, but lacks system integration, thus forcing repetitive data entry and lengthy learning curve of adopting different interfaces and incompatible systems.

Time	Stage of Development	Key Features
From 2018 on	**Platform-based solutions** • With diversifying demands in drug development and clinical trials, conventional SaaS software could not address the demand for multi-party collaboration in the industry. • In recent years, digital collaboration platforms that prioritize cross-organizational features and connectivity have emerged.	• Industry participants are breaking down organizational barriers to provide digital collaboration platforms that foster interconnection across the industry, catering to the collaborative needs of all stakeholders involved.

Source: CIC Report

Due to the short development period and geographical imbalance in China's pharmaceutical and medical device industry, which affects the customers' purchase preferences, the three different stages of digitalization coexist and are almost under parallel development in China, contrasting with a more linear, step-by-step pattern in other countries, e.g., the United States. The dynamic development trajectory presents both opportunities and challenges for the digital transformation of China's pharmaceutical and medical device industry.

- ***Opportunities:*** The late-comer advantage of China's pharmaceutical and medical device industry provides vast greenfield for more innovative platform-based solutions. Without huge legacy IT system, the benefits of direct upgrading are substantial, and platform-based solutions can be more easily identified and adopted by pharmaceutical and medical device industry participants. In addition, the rapid expansion of China's pharmaceutical and medical device market caused an overall shortage of skillful clinical research professionals in China, which increases the demand for professional clinical research digital solutions that combine software product and outsourced services to enhance efficiency, control costs, and ultimately drive innovation.

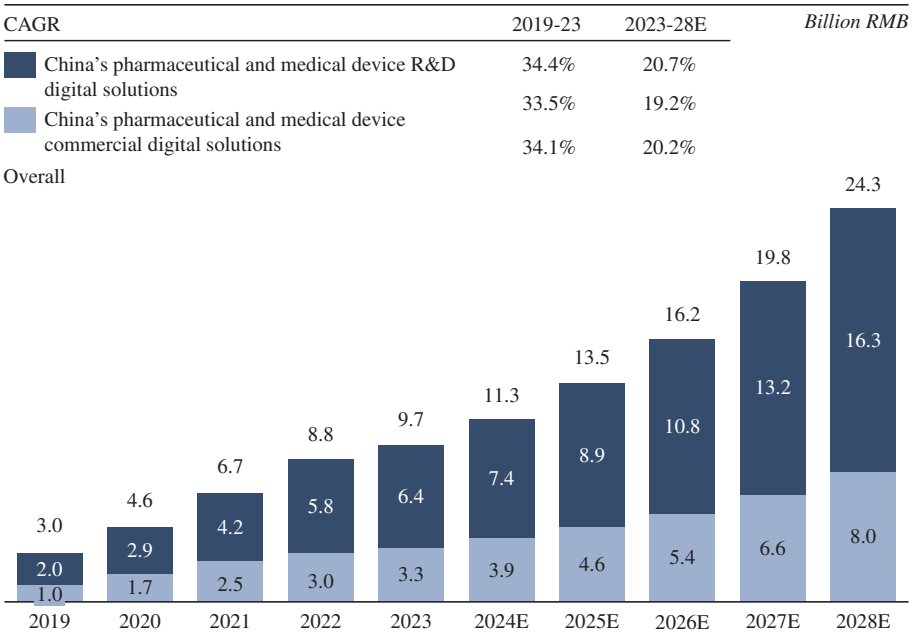
- ***Challenges:*** The variation in business scale and existing digital infrastructure of China pharmaceutical and medical device companies led to the participants' adoption of vastly different business models, digital technologies and data management practices, which may hinder effective data sharing, create bottlenecks for industry-wide interconnection and collaboration and hamper the realization of digital solutions' potential. Additionally, the willingness of pharmaceutical and medical device companies to invest in digital initiatives might not be strong enough due to a relatively lack of digital exposure and adoption inertia.

Overview of China's Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market

Having experienced substantial growth in recent years, China's pharmaceutical and medical device R&D and commercialization digital solutions market still has spacious headroom to grow. The overall penetration rate of digital solutions, i.e., the proportion of China's pharmaceutical and medical device R&D and commercialization digital solutions market divided by China's pharmaceutical and medical device R&D and commercialization expenditures, remains relatively low at 0.9% in 2023 and is expected to grow to 1.5% in 2028, driven by climbing R&D and commercialization expenditures, deepening understanding of digital transformation among industry participants, technological advancements, and growing market acceptance of SaaS products.

The following table sets forth the market size of China's pharmaceutical and medical device R&D and commercialization digital solutions.

China Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market Size in Terms of Revenue, 2019-2028E



Source: Periodic reports released by public companies, NMPA, National Bureau of Statistics of China, JAMA, Front. Med., J Pharm Policy Pract, China Insights Consultancy

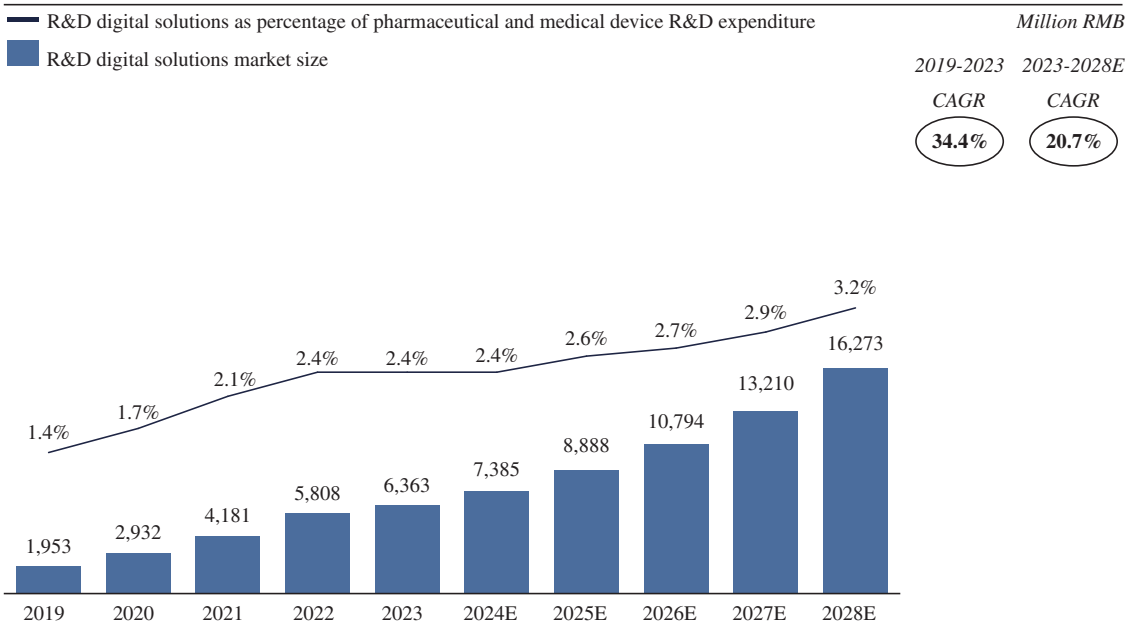
The anticipated slowdown in growth for China's pharmaceutical and medical device R&D and commercialization digital solutions market from 2023 to 2028 can be attributed to the natural maturation of the market. From 2019 to 2023, the market experienced high growth rates starting from a smaller base. As the market approaches 2023, the base has significantly expanded. This larger market base necessitates greater resources and efforts for additional growth, leading to a more moderate growth rate compared to the rapid expansion observed in the earlier period.

China's Pharmaceutical and Medical Device R&D Digital Solutions Market

Pharmaceutical and medical device companies in China are increasingly adopting and upgrading digital solutions to improve efficiency in crucial areas of R&D. While R&D digital solutions cover new drug discovery, pre-clinical research and clinical research, the clinical research segment accounts for approximately 85% of China's pharmaceutical and medical device R&D digital solutions market in 2023.

Although the pharmaceutical and medical device R&D digital solutions market has achieved remarkable expansion in China, having grown at a CAGR of 34.4% from RMB2.0 billion in 2019 to RMB6.4 billion in 2023, its penetration rate remains relatively low at 2.4% in 2023 primarily because China's integrated platform solutions are still new and underdeveloped. Going forward, the same market is expected to grow at a CAGR of 20.7% to RMB16.3 billion and reach a penetration rate of 3.2% in 2028 despite temporary market headwind in 2023 that affected pharmaceutical and medical device companies' R&D activities. This industry-wide trend in late 2022 and early 2023 is attributable to tightened market liquidity that required higher return of investment in capital markets, which suppressed financing activities in the pharmaceutical and medical device industry and led many pharmaceutical and medical device companies to face short-term challenges in adjusting their R&D activities and improving the cost-efficiency of their R&D investment. However, subsequently, such transition steadily progresses and the market rebounds, which is signaled by multiple pharmaceutical and medical device deals in early 2024 that heavily focus on acquiring or enhancing pharmaceutical and medical device R&D capabilities. Such deals help to bolster confidence within the industry, e.g., investors, pharmaceutical and medical device companies, and digital solution providers, encouraging increased investment, funding for R&D, and the expansion of product pipelines. These deals can also encourage leading biotech companies in China to invest more resources in the acceleration of R&D by engaging various suppliers, including digital solutions providers, given the latter's ability to improve fund utilization efficiency in R&D activities and facilitate the achievement of their commercial objectives more effectively. Furthermore, market recovery from temporary market headwind is also evident from the amount of global investment and financing in innovative drugs, which increased by around 30% from approximately US$13 billion in the fourth quarter of 2023 to approximately US$17 billion in the first quarter of 2024, indicating elevated market confidence and increased interest in innovative drug investment. In addition, industry participants increasingly adopt the more multi-faceted and interconnected solutions with greater problem-solving capabilities, perfected by digital solutions providers in the interim.

China's Pharmaceutical and Medical Device R&D Digital Solutions Market in Terms of Revenue, 2019-2028E



Source: Periodic reports released by public companies, NMPA, National Bureau of Statistics of China, JAMA, Front. Med., J Pharm Policy Pract, China Insights Consultancy

Digital Solutions Addressing China's Pharmaceutical and Medical Device R&D Digital Solutions Market

China's pharmaceutical and medical device R&D market can be further divided into (i) pharmaceutical and medical device clinical trials digital solutions market, (ii) pharmaceutical and medical device pharmacovigilance digital solutions market, and (iii) pharmaceutical and medical device pre-clinical trials digital solutions market. These markets are distinguished by the stage of pharmaceutical and medical device R&D that they serve: whereas pharmacovigilance covers pre-clinical, clinical and post-clinical pharmaceutical and medical device R&D, pre-clinical and clinical trials digital solutions only cover their respective stages, with the latter covering a wide spectrum of solutions, primarily including EDC, CTMS, IRC, etc. For the end use applications of each of these solutions, see "Glossary of Technical Terms." During the Track Record Period, the Group participated in (i) and (ii).

China's pharmaceutical and medical device clinical trials digital solutions market in terms of revenue grew at a CAGR of 33.3% from RMB1.7 billion in 2019 to RMB5.2 billion in 2023, and is expected to further grow at a CAGR of 17.3% to RMB11.7 billion in 2028. Its growth is highly related to the number of new clinical trials. In recent years, such number as registered with the CDE has risen from 2,386 in 2019 to 4,300 in 2023 at a CAGR of 15.9%. This growth is partly due to the increasing use of digital technology in clinical research, which has created a higher demand for solutions that make trial processes more efficient, improve how data is managed, and make it easier to involve patients. Advances in technology, like AI, machine learning, and big data analytics, are leading to new innovations in how trials are designed, how patients are found and enrolled, and how trials are monitored in real-time, opening up more opportunities for improvement in this field.

However, this market also engenders multiple entry barriers and challenges. Many players may be overwhelmed by the need to adhere to stringent regulatory compliance across different regions. Establishing robust data security measures to protect sensitive clinical trial data is essential but requires substantial investment. A deep understanding of the pharmaceutical and medical device industry, including clinical trial processes and regulations, is crucial for developing effective solutions. Keeping pace with rapidly evolving technologies and incorporating them into solutions also presents a continuous challenge, which can be further compounded by the need to equip these solutions with the capabilities to deal with multiple industry stakeholders and addressing their diverse needs. Additionally, long sales cycles due to complex procurement processes and regulatory approvals further complicate market entry and expansion.

In the meantime, the pharmaceutical and medical device pharmacovigilance digital solutions market also experienced growth. China's pharmaceutical and medical device pharmacovigilance digital solutions market in terms of revenue grew at a CAGR of 32.3% from RMB89.8 million in 2019 to RMB275.0 million in 2023, and is expected to further grow at a CAGR of 19.7% to RMB675.0 million in 2028. Such growth is influenced by the number of drug adverse reaction/incident reports. From 2019 to 2023, the NMPA reported an increase in such reports from 1,514 million to 2,419 million at a CAGR 12.4%. This period has seen an increased demand for pharmacovigilance digital solutions due to stricter regulatory requirements and the growing complexity of monitoring drug safety. These digital solutions automate PV processes, making adverse event reporting, signal detection, risk management, and regulatory compliance more efficient. Furthermore, advancements in AI and natural language processing are improving these digital solutions, contributing to market growth. Currently, AI-enabled software are capable of performing tasks that usually require human intelligence, such as learning, reasoning, problem-solving, perception, and language understanding. An example of current AI technologies includes machine learning, where systems improve through experience, through which natural language processing is enabled, which gives computers the ability to interpret, manipulate, and comprehend human language, allowing various digital solutions to replace or assist human labor through automation of tasks performance and analysis of complex raw texts and data. These advancements enhance pharmaceutical and medical device solutions by providing innovative solutions and improving efficiency in healthcare and other industries, thereby driving industry growth and transforming business operations.

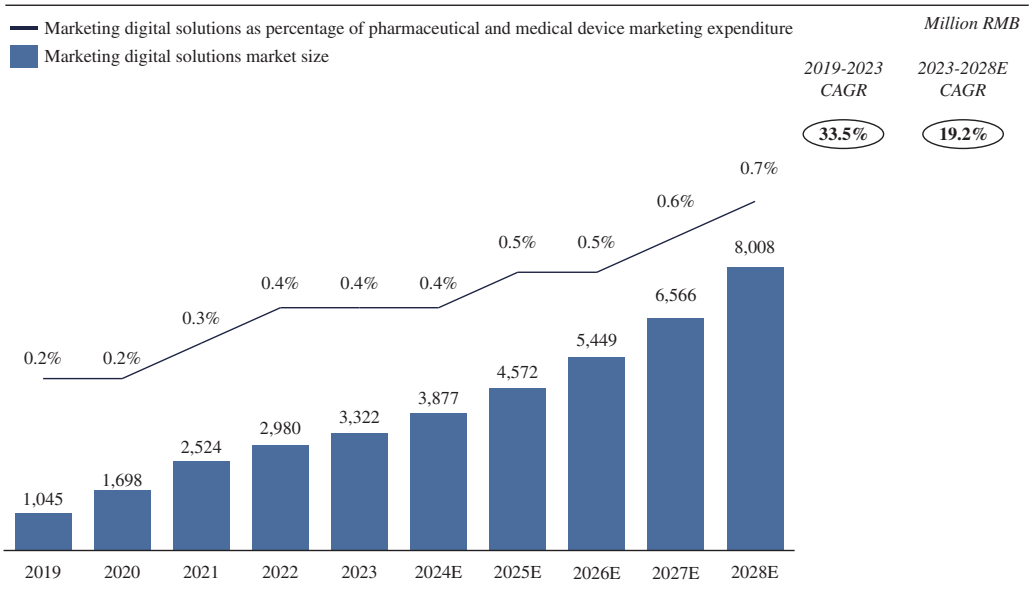
Certain substantial barriers and challenges also exist in the pharmaceutical and medical device pharmacovigilance digital solutions market. Adhering to strict and evolving global pharmacovigilance regulations and adapting solutions accordingly demands both expertise and substantial resources. A profound understanding of pharmacology and drug safety principles is essential for creating effective PV solutions. The management of vast amounts of adverse event data, while ensuring accuracy and compliance, can require significant know-how. Moreover, integrating pharmacovigilance data from various sources and formats into cohesive systems remains difficult.

China's Pharmaceutical and Medical Device Commercialization Digital Solutions Market

Traditionally, pharmaceutical and medical device commercialization activities in China primarily include physician visits conducted by medical representatives and participation in medical conferences and seminars. While such practices remain irreplaceable, given the complex and evolving needs of pharmaceutical and medical devices companies, they face major challenges, including data availability and standardization, sales force support for physician outreach and sales force management.

Compared with traditional commercialization approaches, digital solutions offer significant advantages in terms of coverage, cost-effectiveness, operational efficiency, and data visualization. With expanding market penetration and robust industry growth, there remains substantial untapped potential for their further development. China's pharmaceutical and medical device commercialization digital solutions market grew at a CAGR of 33.5% from RMB1.0 billion in 2019 to RMB3.3 billion in 2023, increasing its penetration rate from 0.2% to 0.4% during the same years, and is projected to further grow at a CAGR of 19.2% to RMB8.0 billion in 2028, realizing a penetration rate of 0.7%.

China's Pharmaceutical and Medical Device Commercialization Digital Solutions Market in Terms of Revenue, 2019-2028E



Source: Periodic reports released by public companies, NMPA, National Bureau of Statistics of China, China Market, China Insights Consultancy

Pharmaceutical and medical device commercialization digital solutions have a lower penetration rate compared to R&D digital solutions primarily because marketing budgets, which are substantially larger, cover a broader spectrum of activities such as traditional advertising, promotions, and campaigns in which offline efforts, face-to-face interaction and physical presence are still indispensable. While digital solutions have been increasingly used to enhance the efficiency of these traditional methods, such traditional methods still have remained as the mainstay of product promotion, and as a result, the relative allocation to digital commercialization solutions would appear smaller in comparison to the total marketing expenditure.

Digital Solutions Addressing China's Pharmaceutical and Medical Device Commercialization Digital Solutions Market

Digital solutions in China's pharmaceutical and medical device commercialization digital solutions market primarily assist with marketing efforts. In response to challenges related thereto, China's pharmaceutical and medical device commercialization digital solutions, including customer relationship management ("**CRM**"), sales force effectiveness ("**SFE**"), online event management, master data subscription, and online physician platform-based commercialization, were developed to enhance coverage of healthcare professionals and effectively conduct sales force management. China's pharmaceutical and medical device commercialization expenditures grew at a CAGR of 7.5% from RMB630.8 billion in 2019 to RMB842.6 billion in 2023, and is expected to further grow at a CAGR of 5.6% to RMB1,105.8 billion in 2028, driving the growth of the pharmaceutical and medical device commercialization digital solutions market. Against the backdrop of increasing competition and evolving market dynamics, pharmaceutical and medical device companies seek to accelerate product development, improve market access, and enhance commercialization effectiveness, there is a growing demand for advanced digital solutions that provide actionable insights and facilitate data-driven decision-making, driving the market's growth.

However, several key challenges in this market impact the competitive landscape and business operations. A large number of present and potential competitors, not only from within the pharmaceutical and medical device industry but also from other digital solution providers targeting similar markets, make customer acquisition more challenging. To acquire a high-quality and stable user base, strategic marketing efforts, effective networking with industry stakeholders, and the ability to convincingly demonstrate the platform's value proposition are crucial. Additionally, scaling operations to accommodate a growing user base, while ensuring service quality and adherence to regulatory standards, presents a significant challenge for providers in this market.

Key Drivers for Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market

- ***The rapid development of pharmaceutical and medical device industry.*** The pharmaceutical and medical device industry is experiencing rapid growth due to the strong support of policies aimed at new drug development. For example, in February 2024, China's National Healthcare Security Administration issued a *Draft for Comments on Establishing a Mechanism for Forming Initial Prices for Newly Listed Chemical Drugs and Encouraging High-Quality Innovation*, which encourages R&D for innovative drugs by allowing higher pricing potential for innovative drugs through enabling higher initial price setting and five-year price protection once included in the National Reimbursement Drug List. In addition, in early 2024, the local HSAs in Beijing, Guangzhou and Zhuhai issued several measures and policies to support the high-quality development of innovative drugs. These policies ranged from speeding up regulatory approval of innovative drugs and medical devices and expanding drug payment channels, to strengthening biotech fundraising and financing. This support has led to a thriving innovative drug industry and an increasing demand for clinical research and commercialization.

- ***Continuous advancement of technology.*** The continuous advancements in cutting-edge technologies such as cloud computing, big data, and artificial intelligence have shown their capabilities to increase the productivity of the pharmaceutical and medical device industry participants and enhance their overall competitiveness. As such, the adoption of these technologies further propels the acceleration of the digitalization process in pharmaceutical and medical device R&D.

- ***Increasingly tightening regulations.*** The increasing regulatory oversight of pharmaceutical and medical device R&D and commercialization is driving companies to adopt digital solutions to manage clinical trials and comply with underlying regulations given such solutions' greater accuracy and ability to achieve streamlined and efficient management.

- ***Transformation of R&D and commercialization approaches.*** The pharmaceutical and medical device industry is undergoing significant transformation in R&D and commercialization approaches, which is prompted by shifting preferences towards cross-organizational connectivity in clinical studies and enhanced efficiency in commercialization.

- ***Effective application of medical data.*** Throughout the processes of R&D, manufacturing and commercialization, industry participants have amassed substantial data assets. Being able to efficiently process and analyze such data may generate insights that could help formulate data-informed R&D and commercialization strategies.

Future Trends for Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market

- ***Growing penetration of digital solutions.*** More robust policies towards data compliance in clinical trials led to more pharmaceutical and medical device companies' adoption of digital solutions to ensure clinical trial data compliance and quality. Meanwhile, the increasing demand for R&D efficiency and commercialization productivity incentivizes pharmaceutical and medical device companies to utilize digital solutions to gain competitive advantages. Moreover, the pharmaceutical and medical device industry itself is increasingly digitalized, with more functions, sectors and processes regarding R&D and commercialization shifting from offline to online.

- ***Rising application of technologies.*** Continuous technological development, such as low-code development, AI, big data and cloud computing, led to rising application in pharmaceutical and medical device R&D and commercialization. Consequently, digital solutions are becoming more intelligent, and the development process of such digital solutions are becoming more agile. These tailwinds would facilitate digital solutions development and their expansion in functions and application scenarios.

- ***Platform-oriented transformation.*** The numerousness of stakeholders in pharmaceutical and medical device R&D and commercialization demands interactive collaboration and data connection. In response, digital solution providers are building up digital platforms that are "open" in the sense that they are breaking the boundaries between organizations and supporting data interoperability among different software products and digital services in the pharmaceutical and medical device industry, which would gradually evolve to become resource accumulation and distribution infrastructures, on which platform-oriented business models could be initiated. In addition, through these open digital platforms, digital solution providers' service capabilities and experiences would mutually reinforce, which could further streamline pharmaceutical and medical device R&D and commercialization.

- ***Increasing horizontal and vertical integration.*** Most digital solution providers initiated their business by offering standalone software to only a few stakeholders within the collaborative circle. As digital solution providers integrate product and services for multiple stakeholders, they are progressively breaking horizontal organizational boundaries to facilitate information exchange. Moreover, the increasing demand of end-to-end, one-stop services from pharmaceutical and medical device companies propels the vertical integration of software and services.

Competitive Landscape

In China's pharmaceutical and medical device R&D and commercialization digital solutions market, various market players with distinctive business focuses and models compete. There are four types of service providers in the pharmaceutical and medical device digital solutions market, each addressing different market needs. The first type of providers offer a comprehensive suite of digital solutions covering the entire spectrum from R&D to post-market stages for pharmaceuticals and medical devices. The second type of providers specialize in selected solutions for pharmaceutical and medical device companies, focusing on niche offerings. The third type of providers are centered around solutions based on physician platforms, whereas the fourth type of providers represent traditional IT service providers with a broad business scope that includes the pharmaceutical and medical device among other industries. The revenue contribution of these types of service providers in 2022 varied across difference market segments: the first type of providers account for over 70% and over 60% of the market share respectively in clinical trial digital solutions market and pharmacovigilance market. This is attributable to the nature of R&D activities undertaken in these markets, in which customers prefer the first type of digital solution providers for their ability to offer a complementary suite of digital solutions that allow for data interconnectivity, consistent user experience, and convenient stakeholder interaction between each working module and working groups. Meanwhile, the third type of providers account for around 70% of the revenue generated in the commercialization market. The second type and the fourth type of service providers only account for limited market shares in terms of revenue due to their niche positioning or comparably less focus in the pharmaceutical and medical device industry. Among them, the Company belongs to the first type of providers and is the first to initiate integrated, platform-based pharmaceutical and medical device digital solutions globally, and has the most comprehensive coverage regarding R&D and commercialization digital solutions.

The following table sets forth the business coverage and service capability of major market players in the pharmaceutical and medical device R&D and commercialization digital solutions market in China.

Company/ Competitors	Drug discovery solutions	Clinical research solutions								Commercialization solutions	Clinical research digital platform
		EDC	IWRS	CTMS	eTMF	ePRO/ eCOA	PV	IRC	SMO		
Taimei	–	√	√	√	√	√	√	√	√	√	√
Company A[(1)]	–	√	√	√	√	√	√	–	–	√	√
Company B[(2)]	–	√	√	√	√	√	√	√	–	–	√
Company C[(3)]	–	√	–	√	–	√	√	–	–	√	–
Company D[(4)]	–	√	√	√	√	√	√	–	–	√	–
Company E[(5)]	√	–	–	–	–	–	–	–	–	–	–

Source: Periodic reports released by public companies, China Insights Consultancy

Notes:

(1) Company A was established in 2007 and is headquartered in San Francisco, USA. It is a NYSE-listed cloud-based solution provider specializing in the pharmaceutical and medical device industry.

(2) Company B was founded in 1999 and is headquartered in New York, USA. It is a formerly Nasdaq-listed company which specializes in cloud-based solutions that enable its clients to design and conduct clinical trials.

(3) Company C was founded in 1996 and is headquartered in Beijing, China. It is a company listed on the Stock Exchange that provides an online medical platform for physicians, pharmaceutical and medical equipment companies and patients.

(4) Company D was founded in 2014 and is headquartered in Beijing, China. It is a company listed on the Stock Exchange that specializes in medical intelligence development and application. Its primary business include big data platforms and solutions, pharmaceutical and medical device solutions, and health management platforms and solutions.

(5) Company E was founded in 2014 and is headquartered in Hong Kong, China. It is an AI-driven biotech company focused on AIDD pipeline progress, specializing in drug discovery and development.

China's pharmaceutical and medical device R&D and commercialization digital solutions market is relatively fragmented, with the top five market players accounting for 23.1% of market share in terms of revenue generated in 2023. The Company ranks the first in this market by the same metric with a 5.9% market share.

Breakdown of China's Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market, 2023

Ranking	Company	Revenue, RMB million	Market share
1	Taimei	~580	5.9%
2	Company A	~550	5.7%
3	Company C	~400	4.1%
4	Company B	~370	3.8%
5	Company E	~340	3.5%
Top five subtotal		**~2,250**	**23.1%**
Total		**9,685**	**100.0%**

Source: Periodic reports released by public companies, China Insights Consultancy

The customers served by overseas digital solution providers are mainly large multinational pharmaceutical and medical device companies whose average selling price of products is generally higher than that of domestic digital solution providers, whose main clientele comprise domestic and smaller international pharmaceutical and medical device companies. The Company is the largest pharmaceutical and medical device R&D digital solution provider in China in terms of revenue generated in 2023, and the Company ranks the first in terms of total pharmaceutical and medical device companies served as of 2023.

Breakdown of China's Pharmaceutical and Medical Device R&D Digital Solutions Market, 2023

Ranking	Company	Revenue, RMB million	Market share
1	Taimei	~520	8.2%
2	Company B	~370	5.8%
3	Company E	~340	5.3%
4	Company D	~300	4.7%
5	Company A	~240	3.7%
Top five subtotal		**~1,800**	**27.7%**
Total		**6,363**	**100.0%**

Source: Periodic reports released by public companies, China Insights Consultancy

Among the constituent markets of China's pharmaceutical and medical device R&D market, China's pharmaceutical and medical device clinical trials digital solutions market is relatively fragmented, with the top five market players accounting for around 29% of market share in terms of revenue generated in 2023. The Company ranks the first in this market by the same metric with a market share of around 8%.

Breakdown of China's Pharmaceutical and Medical Device Clinical Trials Digital Solutions Market, 2023

Ranking	Company	Revenue, RMB million	Market share
1	Taimei	~435	~8%
2	Company B	~370	~7%
3	Company D	~300	~6%
4	Company A	~240	~5%
5	Company F*	~170	~3%

Source: Periodic reports released by public companies, China Insights Consultancy

Note: Company F was founded in 2014. It is headquartered in North Carolina, USA. It provides medical imaging, eClinical, and regulatory solutions and services to solve complex challenges in clinical research.

In comparison, another sub-market of China's pharmaceutical and medical device R&D market, i.e., China's pharmaceutical and medical device pharmacovigilance digital solutions market, is relatively concentrated, with the top four market players accounting for around 67% of market share in terms of revenue generated in 2023. The Company ranks the first in this market by the same metric with a market share of around 32%.

Breakdown of China's Pharmaceutical and Medical Device Pharmacovigilance Digital Solutions Market, 2023

Ranking	Company	Revenue, RMB million	Market share
1	Taimei	~90	~32%
2	Company G[(1)]	~50	~19%
3	Company H[(2)]	~30	~10%
4	Company I[(3)]	~20	~6%

Source: Periodic reports released by public companies, China Insights Consultancy

Notes:

(1) Company G was established in 1977 and headquartered in California, USA. It main engages in the handling, analyzing, and reporting of various adverse event cases of drugs, biological products, vaccines, medical devices, and combination products before and after market approval.

(2) Company H was founded in 1987 and headquartered in Florida, USA. It provides cloud-based software for medical affairs, clinical development, pharmacological, and drug safety.

(3) Company I was founded in 2007 and is based in Beijing, China. It primarily serves pharmaceutical companies, CROs, and medical institutions, helping to build a digital collaboration ecosystem.

For China's pharmaceutical and medical device commercialization digital solutions market, similar fragmentation can be observed, with the top five market players accounting for around 36% of market share in terms of revenue generated in 2023. The Company ranks the seventh in this market by the same metric with a market share of around 2%.

Breakdown of China's Pharmaceutical and Medical Device Commercialization Digital Solutions Market, 2023

Ranking	Company	Revenue, RMB million	Market share
1	Company C	~350	~11%
2	Company A	~320	~10%
3	Company J[(1)]	~200	~5%
4	Company K[(2)]	~175	~5%
5	Company L[(3)]	~170	~5%
6	Company M[(4)]	~110	~3%
7	Taimei	~55	~2%

Source: Periodic reports released by public companies, China Insights Consultancy

Notes:

(1) Company J was founded in 2014 and is based in Hangzhou, Zhejiang, China. It helps patients inquire about professional information and communicate directly with doctors online.

(2) Company K was founded in 2012 and is based in Shanghai, China. It offers data-based products and platform support, clinical research, digital marketing, as well as academic training and online education services.

(3) Company L was founded in 2014 and is based in Chengdu, Sichuan. It primarily serves the healthcare industry and focuses on online diagnosis and treatment.

(4) Company M was founded in 2012 and is based in Beijing, China. It provides cloud services, big data analysis, and AI management processes for healthcare companies.

Key Success Factors of China's Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market

- ***First-mover advantage.*** The pharmaceutical and medical device R&D and commercialization digital solutions market has high technical barrier. Once a customer adopts the solutions from one company, it will incur significant learning costs and transfer costs if it switches to those of another. In addition, the data accumulated from the prior solutions will increase in amount and complexity with time and may not be able to be fully utilized by the new solutions without substantial costs, which will further disincentivize switching solution providers. For example, a late stage clinical trial usually takes 3~5 years from protocol design and patient enrollment to completion and reporting clinical results. The data captured throughout the trial discourages the sponsor to switch vendors during a clinical trial. As such, first movers can quickly gain more customer resources and accumulate associated industry know-how, thereby occupying a leading position in the market.

- ***Competitive solution portfolio with high brand awareness.*** Maintaining healthy cash flow and profitability requires premium customer resources. To achieve high customer acquisition and retention, digital solution providers must provide quality solutions that can establish and keep enhancing their brand awareness. As pharmaceutical and medical device companies seek digital solutions to cover the full lifecycle of pharmaceuticals and medical devices, which typically requires a package of solutions offering three to four major functionalities, digital solution providers that have a broad portfolio can better meet those demands. In the meantime, given the rapid evolution of the pharmaceutical and medical device digital solutions market, the ability to keep abreast of the developing technologies to ensure the adaptability and edge of digital solutions is critical.

- ***Well-structured business ecosystem.*** A diversified and healthy business ecosystem enables pharmaceutical and medical device digital solution providers to meet diverse demands from customer, achieve healthy business flywheel, remove industry-wise efficiency blockage and ultimately improve patients' welfare. A well-structured business ecosystem integrates various service offerings and connects multiple stakeholders on the value chain, which facilitates the improvement and development of products and services that fulfill underserved needs. It can thereby push the business boundaries, achieve vertical extension of business, and generate more revenue streams. By elevating the overall operational efficiency of the pharmaceutical and medical device industry, it in turn enhances patients' well-being.

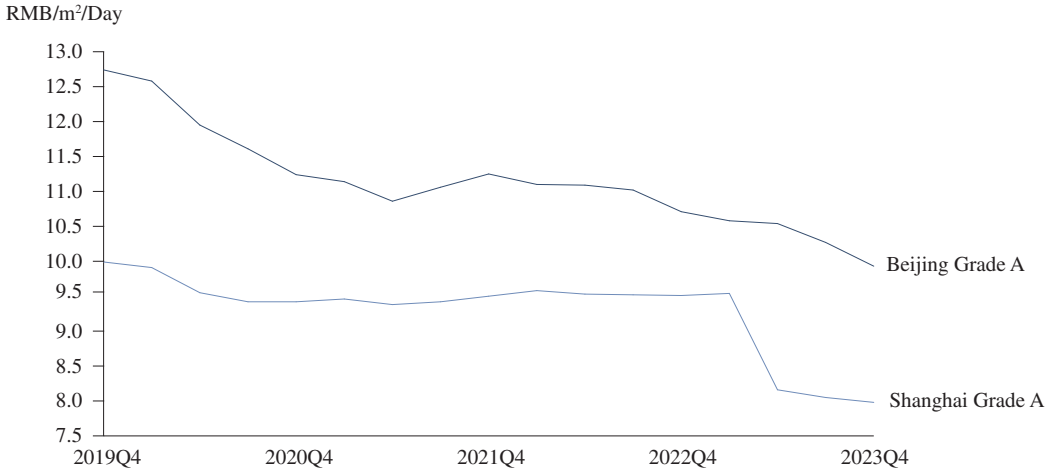
- ***Professional and cross-functional talents.*** Pharmaceutical and medical device digital solutions market is a talent-intensive business that requires the joint effort of both pharmaceutical and medical device and digitalization experts. Market players typically invest more than 20% of their revenue in R&D expenses to enhance their continuous growth. Hence, a well-positioned and cross-functional team is a core prerequisite for pharmaceutical and medical device digital solution providers to thrive in the market. The ability to attract and retain highly skilled talents with expertise in medical knowledge, advanced technology, and abundant commercialization experiences is thus crucial for digital solution providers to maintain their competitive strength and succeed in the market.

- ***Business acumen for localization.*** It is essential to cater to the specific business needs of pharmaceutical and medical device companies in China, especially given their distinct business models and business operations. According to CDE, of all the clinical trials applications received in 2022, nearly 90% come from a domestic sponsor. Digital solution providers who are familiar with and proficient in interacting with local customers would be better positioned to win over pharmaceutical and medical device companies in China as they would be better equipped to identify, develop and optimize user-friendly products and services that specifically speak to the underserved business needs of these customers.

HISTORICAL AND FORECAST TREND OF STAFF COSTS AND RENTAL COSTS

Over the past five years, the average annual salary for employees within China's software and information technology sector has seen a steady increase at a CAGR of 8.6% from RMB160.2 thousand in 2019 to RMB223.1 thousand in 2023, according to the National Bureau of Statistics. This trend of growth is anticipated to continue over the next five years, propelled by the expansion of the Chinese economy and the burgeoning pharmaceutical and medical device digital solutions industry.

Grade A Office Rent per Square Meter per Day in Beijing and Shanghai, 2019-2023



Source: WIND

As for rental costs, the average rent for Grade A office space in Beijing and Shanghai experienced fluctuations from the fourth quarter of 2019 through the fourth quarter of 2023. However, the overall office leasing rent across China is expected to stabilize in the coming five years. This stabilization is anticipated as the Chinese economy grows and the supply-demand equation for office spaces finds equilibrium. Nevertheless, regional variances may occur, influenced by the specific demands of certain industries.

SOURCES OF INFORMATION

We commissioned China Insights Consultancy, an independent market research and consulting firm, to conduct a detailed research and analysis of China's pharmaceutical and medical device R&D and commercialization digital solutions market. China Insights Consultancy, founded in Hong Kong, provides professional services including, among others, industry consulting, commercial due diligence and strategic consulting. We have agreed to pay a fee of RMB560,000 to China Insights Consultancy in connection with the preparation of the CIC Report. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the CIC Report. We have extracted certain information from the CIC Report in this section, as well as in the sections headed "Summary," "Risk Factors," "Business," "Financial Information" and elsewhere in this prospectus to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

During the preparation of the CIC Report, China Insights Consultancy performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into China's pharmaceutical and medical device R&D and commercialization digital solutions market. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The CIC Report was compiled based on the following assumptions: (1) the overall social, economic, and political environment in China is expected to remain stable during the forecast period; (2) relevant key drivers are likely to drive the continued growth of China's pharmaceutical and medical device R&D and commercialization digital solutions market throughout the forecast period; and (3) there is no extreme force majeure or unforeseen industry regulations in which the industry may be affected in either a dramatic or fundamental way. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) was adopted by the NPC on March 15, 2019 and it took effect on January 1, 2020. The Foreign Investment Law sets out the definitions of foreign investments and the framework for promotion, protection and administration of foreign investment activities.

The Foreign Investment Law defines foreign investments as any investment activities directly or indirectly carried out in the PRC by one or more foreign natural persons, enterprises or other organizations, and specifically stipulates four forms of investment activities as foreign investments, namely, (a) establishment of a foreign-invested enterprise in the PRC by a foreign investor, either individually or collectively with any other investor, (b) obtaining shares, equities, assets interests or any other similar rights or interests of an enterprise in the PRC by a foreign investor, (c) investment in any new project in the PRC by a foreign investor, either individually or collectively with any other investor, and (d) investment in any other manners stipulated under laws, administrative regulations or provisions prescribed by the State Council.

On December 30, 2019, the MOFCOM and the SAMR jointly issued the Measures for Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the "**Foreign Investment Information Measures**"), which came into effect on January 1, 2020. Beginning on January 1, 2020, when foreign investors carry out investment activities directly or indirectly in China, foreign investors or foreign-invested enterprises shall submit investment information through the Enterprise Registration System and the National Enterprise Credit Information Publicity System operated by the SAMR. Specifically, foreign investors or foreign-invested enterprises shall report their establishments, modifications and cancellations and file their annual reports in accordance with the Foreign Investment Information Measures. When a foreign-invested enterprise has completed filing of such reports, the relevant information will be passed by the competent market regulation department to the competent commercial department, so the reports do not need to be submitted separately.

On October 26, 2022, the MOFCOM and the NDRC released the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**") which became effective on January 1, 2023, to replace the previous encouraging catalog. The Special Administrative Measure (Negative List) for the Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List**") was promulgated by the NDRC and the MOFCOM on December 27, 2021 and became effective on January 1, 2022. The Negative List enumerates ownership requirements, requirements for senior executives, and other special management measures in the aspect of the access of foreign investment for the industries that falls within the Negative List. Any field not on the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. Our Group is currently engaged in Brand digital solutions and government and enterprise digital solution businesses, and such businesses are not listed in the Negative List.

REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法) (the "**Trial Measures**") and five relevant guidelines which were promulgated by the CSRC on February 17, 2023 pursuant to Securities Law of the PRC, and were applicable to the direct and indirect overseas share subscription and listing of domestic companies. According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing.

The Notice on Filing Management Arrangements for Overseas Listing of Domestic Enterprises

According to the Notice on Filing Management Arrangements for Overseas Listing of Domestic Enterprises (關於境內企業境外發行上市備案管理安排的通知) promulgated by the CSRC on February 17, 2023, a domestic company that has already obtained the approval document from the CSRC for overseas public offering and listing may proceed with the overseas listing within the validity period of the approval document. Where the overseas listing has not been completed upon the expiration of the approval document, filing procedures specified in the Trial Measures shall be made as required. In addition, pursuant to Rule 2(6) of the Regulatory Guidelines for the Application Documents and Examination Procedures for the Overseas Share Issuance and Listing by Joint Stock Companies (關於股份公司境外發行股票和上市申報文件及審核程序的監管指引) promulgated by the CSRC and effective from January 1, 2013, the approval documents for overseas stock issuance and listing by the company granted by CSRC shall be valid for a period of 12 months.

REGULATIONS ON H SHARE FULL CIRCULATION

The Guidance of H-share Companies Applying for "Full Circulation" Business of Unlisted Shares in China and the Trial Measures

On November 14, 2019, the CSRC promulgated the Guidance of H-share Companies Applying for "Full Circulation" Business of Unlisted Shares in China (H股公司境內未上市股份申請"全流通"業務指引) ([2019] No. 22), which was amended and came into effect on August 10, 2023. This provision is to regulate the listing and circulation ("**Full Circulation**") of unlisted domestic shares of domestic joint-stock limited companies ("**H share Companies**") listed on the stock exchange of Hong Kong (including unlisted domestic capital stock held by domestic shareholders before overseas listing, unlisted domestic capital stock issued in China after overseas listing and unlisted shares held by foreign shareholders) to the Hong Kong Stock Exchange. Unlisted domestic joint-stock limited companies may file with the CSRC for "Full Circulation" simultaneously when applying for overseas initial public offering and listing.

On February 17, 2023, the CSRC promulgated the Trial Measures, which came into effect on March 31, 2023. According to the Trial Measures, for a domestic company seeking direct overseas listing, the shareholders holding the domestic unlisted shares of such domestic company who apply for the conversion of the domestic unlisted shares into overseas listed shares shall comply with the relevant provisions of the CSRC and entrust such domestic company to file with the CSRC.

REGULATIONS RELATING TO COMPUTER SOFTWARE

In accordance with the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and last amended in March 2013, Chinese citizens, legal persons or other entities own the copyright in software developed by them, including the right of publication, right of authorship, right of modification, right of reproduction, distribution right, rental right, right of communication through network, translation right and other rights that software copyright owners shall have, regardless of whether such software has been published.

In accordance with the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration in April 1992 and last amended in July 2004 software copyrights, exclusive licensing contracts for software copyrights and software copyright transfer contracts may be registered, and the National Copyright Administration shall be the competent authority for the administration of software copyright registration and designates the Copyright Protection Center of China as a software registration authority. The Copyright Protection Center of China shall grant a registration certification to a computer software copyright applicant who complies with regulations.

The Several Policies on Further Encouraging the Development of the Software and the Integrated Circuit Industries (《進一步鼓勵軟件產業和集成電路產業發展的若干政策》) which was promulgated by the State Council on January 28, 2011 and came into effect on the same date specifies a series of policies on tax preference, promotion of investment, scientific research, talent support, intellectual properties for the software industry. Furthermore, the Several Policies on Promoting the High-quality Development of the Integrated Circuit Industries and the Software Industries in the New Era (《新時期促進集成電路產業和軟件產業高質量發展若干政策》) which was promulgated by the State Council on July 27, 2020 and came into effect on the same date sets forth further policies on tax preference, promotion of investment, research and development, import and export, talent support, intellectual properties for the software industry.

REGULATIONS RELATING TO PRIVACY PROTECTION

According to the PRC National Security Law (《中華人民共和國國家安全法》) issued by the Standing Committee of the National People's Congress (全國人民代表大會常務委員會) (the "**SCNPC**") on February 22, 1993 and latest revised on July 1, 2015, the State shall establish systems and mechanisms for national security review and supervision, conduct national security review on key technology, network information technology products and services related to state security, so as to prevent and neutralize state security risks in an effective way. On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which became effective on June 1, 2017, to protect cyberspace security and order. Pursuant to the Cybersecurity Law, any individual or organization using the network must comply with the constitution and the applicable laws, follow the public order and respect social moralities, and must not endanger cybersecurity, or leverage the network to engage in activities that endanger the national security, honor and interests, or infringe on the fame, privacy, intellectual property and other legitimate rights and interests of others. The Cybersecurity Law sets forth various security protection obligations for network operators, which are defined as "owners and administrators of networks and network service providers". Pursuant to the Cybersecurity Law, network operators shall follow the "lawful, justifiable and necessary" principle in collecting and using personal information, and shall disclose the rules for collection and use, expressly notify the purpose, methods and scope of such collection and use, and obtain the consent of the person whose personal information is to be collected. In addition, "Provisions on Protecting the Personal Information of Telecommunications and Internet Users" ("**《電信和互聯網用戶個人信息保護規定》**"), issued by the Ministry of Industry and Information Technology on July 16, 2013 and effective on September 1, 2013 contain specific requirements on the use and collection of personal information, according to which in the course of providing services telecommunications business operators and Internet information service providers collecting and using users' personal information, shall follow the principles of lawfulness, legitimacy and necessity and shall be responsible for the security of the personal information of users collected and used in the course of providing services.

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》) which was promulgated by SCNPC on June 10, 2021 and took effect on September 1, 2021, any organization or individual collecting data shall employ lawful and appropriate methods and must not steal or obtain data through other illegal methods. Where laws and administrative regulations have provisions on the purpose or scope of data collection and use, data is to be collected or used within the purpose and scope provided for in those laws and administrative regulations. The carrying out of data processing activities shall be in accordance with laws and regulations, establishing and completing data security management systems for the entire process, organizing and carrying out education and training on data security, and employing corresponding technical measures and other necessary measures to safeguard data security. And when data security flaws, vulnerabilities, or other risks are discovered, remedial measures shall be immediately employed; and when data security incidents occur, methods for addressing them shall be immediately employed, users are to be promptly notified as provided, and reports are to be made to the relevant regulatory departments.

According to the Regulations on Protecting the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) issued by the State Council on July 30, 2021 and implemented on September 1, 2021, critical information infrastructure means network facilities and information systems in important industries and fields – such as public communication and information services, energy, transportation, irrigation, finance, public services, e-government, and science and technology industries for national defense – that may seriously endanger national security, national economy and people's livelihood, and public interests in the event that they are damaged or lose their functions or their data are leaked. The Regulations emphasize that no individual or organization may engage in any activity of illegally hacking into, interfering with, or damaging any critical information infrastructure or endanger the critical information infrastructure security. Pursuant to the Regulations for the Security Protection of Critical Information Infrastructure, the relevant governmental authorities are responsible for stipulating rules for the identification of critical information infrastructures with reference to several factors set forth therein, and further identify the critical information infrastructure in the related industries in accordance with such rules. The relevant authorities shall also notify operators of the determination as to whether they are categorized as critical information infrastructure operators.

On August 20, 2021, the SCNPC issued the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) which took effect on November 1, 2021. The Personal Information Protection Law stipulates that personal information shall be processed under the principle of lawfulness, propriety, necessity and good faith, and may not be processed by misleading, fraud, coercion or other means. Personal information shall be processed for a clear and reasonable purpose which is directly related to the processing purpose and in the manners that have the minimum impacts on the rights and interests of individuals. Personal information shall be collected within the smallest scope required for achieving the processing purpose, and excessive collection of personal information is forbidden. No organization or individual may illegally collect, use, process, or transmit the personal information or illegally buy, or sell, provide, or publish the personal information of other persons; or engage in personal information processing activities compromising national security or public interests. And among other things, the circumstances under which a personal information processor could process personal information and the requirements for such circumstances, such as when (i) the individual's consent has been obtained; (ii) the processing is necessary for the conclusion or performance of a contract to which the individual is a party; (iii) the processing is necessary to fulfill statutory duties and statutory obligations; (iv) the processing is necessary to respond to public health emergencies or protect natural persons' life, health and property safety under emergency circumstances; (v) the personal information that has been made public is processed within a reasonable scope in accordance with this Law; (vi) personal information is processed within a reasonable scope to conduct news reporting, public opinion-based supervision, and other activities in the public interest; or (vii) under any other circumstance as provided by any law or regulation.

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

On July 7, 2022, the CAC issued the Measures for Security Assessment for Outbound Data Transfer (《數據出境安全評估辦法》), which come into effect on September 1, 2022, data processors shall undergo security assessment according to relevant laws where they provide overseas parties with important data collected and generated during the operation in the PRC and personal information required to undergo safety assessment pursuant to relevant laws. Data processors shall apply for the security assessment of an outbound data transfer to the CAC through the provincial cyberspace administration in the place where they operate if they provide data outside China and fall into one of the following conditions: (1) data processors provide overseas parties with important data; (2) personal information provided outside China by the operators of critical information infrastructure or the personal information processors who process personal information of up to 1 million individuals; (3) personal information provided outside China by the personal information processors who has provided outside China with personal information of 100 thousand individuals or the sensitive personal information of 10 thousand individuals cumulatively since January 1 of the previous year; or (4) other situation needed to be declared in the security assessment of an outbound data transfer by the CAC.

On November 14, 2021, the CAC published the Regulations on Network Data Security Management (Consultation Draft) (《網絡數據安全管理條例(徵求意見稿)》) (the "Draft Data Security Regulations"), which provides that data processors conducting the following activities shall apply for cybersecurity review: (i) merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad of data processors processing over one million individuals' personal information; (iii) listing in Hong Kong which affects or may affect national security; (iv) other data processing activities that affect or may affect national security. The Draft Data Security Regulations also provide that operators of large Internet platforms that set up headquarters, operation centers or R&D centers overseas shall report to the national cyberspace administration and competent authorities.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**2022 Review Measures**"), which came into effect on February 15, 2022, and the Measures for Cybersecurity Review promulgated on April 13, 2020 was repealed simultaneously. The 2022 Review Measures provides that, among others, (i) the purchase of cyber products and services by critical information infrastructure operators, or CII operators, and the network platform operators (the "Network Platform Operators") which engage in data processing activities that affects or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office (網絡安全審查辦公室), the department which is responsible for the implementation of cybersecurity review under the CAC; and (ii) the Network Platform Operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. The cybersecurity review will evaluate, among others, (i) risks of illegal control, interference or destruction of critical information infrastructure after the use of products and services, (ii) damage caused to the business continuity of critical information infrastructure by supply interruption of products and services, (iii) the security, openness, transparency and diversity of sources of products and services, reliability of supply channels, and risks of supply interruption due to political, diplomatic, trade or other factors, (iv) compliance with relevant PRC laws and regulations by product and service providers, (v) risks of core data, important data, or a large amount of personal information being stolen, revealed, destructed or illegally used or transferred to overseas parties, (vi) risks of critical information infrastructure, core data, important data, or a large amount of personal information being influenced, controlled or maliciously used by foreign governments after going public, and cyber information security risk, and (vii) other factors that may endanger the security of CII, cybersecurity and data security.

On December 8, 2022, The Ministry of Industry and Information Technology issued the Measures for Data Security Management in the Industrial and Information Technology Sector (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which provides that a data processor in the industrial and information technology sector shall sort out data regularly, identify important and core data in accordance with the relevant standards and specifications, and form its own specific catalog. A data processor in the industrial and information technology sector shall file the catalog of its important and core data with the local industry regulatory authority for the record. The content to be filed shall include but not be limited to basic information such as data source, category, grade, scale, carrier, purpose, and method of processing, scope of use, subject of responsibility, external sharing, cross-border transmission, and security protection measures, but does not include the data content per se.

REGULATION RELATING TO LEASING

Pursuant to the Law on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》) which came to effect on January 1, 2020, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of parties thereto.

According to the PRC Civil Code (《中華人民共和國民法典》) which took effect on January 1, 2021, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease agreement if the lessee subleases the premises without the prior consent of the lessor.

Pursuant to the Administrative Measures for Commodity Housing Leasing (《商品房屋租賃管理辦法》) issued by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, the parties concerned to a housing lease shall go through the housing lease registration formalities with the competent construction (real estate) departments of the municipalities directly under the central government, cities and counties where the housing is located within 30 days after the housing lease contract is signed.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Patent

On March 12, 1984, the NPC promulgated the PRC Patent Law (《中華人民共和國專利法》), which was amended on September 4, 1992, August 25, 2000, December 27, 2008, October 17, 2020, and latest effective as of June 1, 2021. On June 15, 2001, the State Council promulgated the Implementation Regulations for the PRC Patent Law (《中華人民共和國專利法實施細則》) and last amended on January 20, 2024. According to these laws and regulations, the Patent Administrative Authorities of the State Council (國務院專利行政部門) is responsible for administering patents in the PRC. The Chinese patent system adopts a "first to file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who filed the application first. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. A patent is valid for 20 years in the case of an invention and 10 years in the case of utility models and designs. A third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, third-party use constitutes an infringement of patent rights.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) (the "Copyright Law"), adopted by the NPC on September 7, 1990 and last amended on November 11, 2020, and latest effective as of June 1, 2021, as well as the Implementation Regulation of the PRC Copyright Law (《中華人民共和國著作權法實施條例》) adopted by the State Council on August 2, 2002 and last amended on January 30, 2013, and effective as of March 1, 2013, provide that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which includes, among others, works of literature, art, natural science, social science, engineering technology and computer software. A copyright shall subsist on the date when a work is created. In terms of the work created in the course of employment, the copyright shall belong to the individual author except for where (i) the work is created primarily with the use of material and technical conditions of the employer and for which the employer bears responsibility of the work, or (ii) the copyright of the work belongs to the employer pursuant to the provisions of laws and regulations or contractual agreement. Under such circumstances, the individual author shall be entitled to the right of authorship on the work, while copyright other than right of authorship shall belong to the employer, and the employer may reward the individual author who create or develop the work. In addition, there is a voluntary registration system administered by the China Copyright Protection Center and a work registration certificate shall be issued by the Center after successful registration.

Measures on Administrative Protection of Internet Copyright (《互聯網著作權行政保護辦法》), that were promulgated by the MII and the NCAC and took effect on May 30, 2005, provide that an internet information service provider shall take measures to remove the relevant contents, record relevant information after receiving the notice from the copyright owner that some content communicated through internet infringes upon his/its copyright and preserve the copyright owner's notice for 6 months. Where an internet information service provider clearly knows an internet content provider's tortuous act of infringing upon another's copyright through internet, or fails to take measures to remove relevant contents after receipt of the copyright owner's notice although it does not know it clearly, and meanwhile damages public benefits, the infringer shall be ordered to stop the tortious act, and may be imposed of confiscation of the illegal proceeds and a fine of not more than 3 times the illegal business amount; if the illegal business amount is difficult to be calculated, a fine or not more than RMB100,000 may be imposed.

Trademark

Trademarks are protected by the PRC Trademark Law (《中華人民共和國商標法》) adopted by the NPC on August 23, 1982 and subsequently revised on February 22, 1993, October 27, 2001, August 30, 2013, and April 23, 2019, as well as the Implementation Regulation of the PRC Trademark Law (《中華人民共和國商標法實施條例》) adopted by the State Council on August 3, 2002 and amended on April 29, 2014. The Trademark Office (商標局) under the State Administration for Industry and Commerce of the People's Republic of China handles trademark registrations and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the first or any renewed ten-year term. Trademark license agreements must be filed with the Trademark Office for record.

Domain Name

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names (《互聯網域名管理辦法》) that issued by MIIT as of August 24, 2017 and became effective on November 1, 2017, and the Implementing Rules of China ccTLD Registration (《國家頂級域名註冊實施細則》) that became effective on June 18, 2019. The applicants become domain name holders upon successful registration. The domain name registration shall be valid for a maximum period of ten years. If a domain name is renewed, the maximum period from the renewal date to the expiration date after renewal shall not exceed ten years, except for the automatic renewal due to the change of the registrar.

REGULATIONS RELATING TO TAX

Regulations on the Income Tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**"), which was promulgated on March 16, 2007 and last amended on December 29, 2018 by the SCNPC, and the Implementation Rules to the EIT Law (《中華人民共和國企業所得税法實施條例》) (the "**Implementation Rules**"), which was promulgated on December 6, 2007 and amended on April 23, 2019 by the State Council, enterprises are divided into resident enterprises and non-resident enterprises. A resident enterprise shall pay enterprise income tax on its income deriving from both inside and outside China at the rate of enterprise income tax of 25%. A non-resident enterprise that has an establishment or place of business in the PRC shall pay enterprise income tax on its income deriving from inside China and obtained by such establishment or place of business, and on its income which derives from outside China but has actual relationship with such establishment or place of business, at the rate of enterprise income tax of 25%.

The general enterprise income tax rate is 25%. The non-resident enterprises that have no establishment or place of business in the PRC, or that have establishment or place of business in the PRC but their income is not actually related to such establishment or place of business, shall pay enterprise income tax at the reduced rate of 10% for their income originating from the PRC.

In line with the EIT Law, the EIT tax rate of a high and new technology enterprise is 15%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》), promulgated on April 14, 2008 and last amended on January 29, 2016, the certificate of a high and new technology enterprise is valid for three years and may renewed after the inspection of the State Administration of Taxation (the "**SAT**") and other relevant authority.

Regulations on the Dividend Distribution

The PRC and the government of Hong Kong entered into the Arrangement between the Mainland of the PRC and Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得稅避免雙重徵稅和防止偷漏稅的安排》) (the "**Arrangement**") on August 21, 2006. According to the Arrangement, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong resident, provided that such Hong Kong resident directly holds at least 25% of the equity interests in the PRC company. The 10% withholding tax rate applies to dividends paid by a PRC company to a Hong Kong resident if such Hong Kong resident holds less than 25% of the equity interests in the PRC company.

Pursuant to the Circular of SAT on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated by the SAT and became effective on February 20, 2009, all of the following requirements shall be satisfied where a fiscal resident of the other party to a tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a Chinese resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) owner's equity interests and voting shares of the Chinese resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the Chinese resident company directly owned by such a fiscal resident, at any time during the twelve months prior to the obtainment of the dividends, reach a percentage specified in the tax agreement.

In accordance with the Measures for Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》) which was issued by the SAT on October 14, 2019, and took effect on 1 January 2020, if non-resident taxpayers consider they are eligible for treatments under the tax treaties through self-assessment, they may, at the time of filing tax returns or making withholding tax filings through withholding agents, enjoy the treatments under the tax treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities' post-filing administration.

Regulations on the Value-added Tax

According to the Temporary Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and last amended on November 19, 2017, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated by the MOF on December 25, 1993, and last amended on October 28, 2011, and latest effective as of November 1, 2011, entities and individuals that sell goods or provision of processing, repair or replacement labor services, sell services, intangible assets, or real estate, or import goods within the territory of the PRC are taxpayers of value-added tax ("VAT"), and shall pay VAT in accordance with this Regulation.

VAT rates shall be as follows: (1) taxpayers who sell goods, labor services or leasing services for tangible movable assets or import goods shall be subject to VAT of 17%, unless otherwise prescribed by Item (2), Item (4) or Item (5) of article 2 of Temporary Regulations on Value-added Tax of the PRC (2) taxpayers shall be subject to VAT of 11% if they sell transportation services, postal services, basic telecommunications services, construction services or real estate leasing services, sell real estate, transfer land-use rights, or sell or import any of the following goods: 1. Grains and other agricultural products, edible vegetable oil or edible salt; 2. Tap water, heating, air-conditioning, hot water, gas, liquefied petroleum gas, natural gas, dimethyl ether, bog gas or residential coal products; 3. Books, newspapers, magazines, audio-visual products or electronic publications; 4. Feeds, fertilizers, pesticides, agricultural machinery or plastic films for agricultural use; or 5. Other goods prescribed by the State Council. (3) Taxpayers who sell services or intangible assets shall be subject to VAT of 6%, unless otherwise prescribed by Item (1), Item (2) or Item (5) of article 2 of Temporary Regulations on Value-added Tax of the PRC (4) Taxpayers who export goods shall be subject to zero-rated VAT, unless otherwise prescribed by the State Council; and (5) Domestic entities and individuals who engage in cross-border sales of services or intangible assets that are within the scope prescribed by the State Council shall be subject to zero-rated VAT.

Furthermore, according to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (《營業税改徵增值税試點方案》), which was promulgated by the MOF and the SAT on November 16, 2011, the State began to launch taxation reforms in a gradual manner with effect from January 1, 2012, whereby the collection of value-added tax in lieu of business tax items was implemented on a trial basis in regions showing significant radiating effects in economic development and providing outstanding reform examples, beginning with production service industries such as transportation and certain modern service industries.

In accordance with the Notice of the MOF and the SAT on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax (《財政部、國家税務總局關於全面推開營業税改徵增值税試點的通知》), which was promulgated on March 23, 2016 and took into effect from May 1, 2016 and was partly abolished since July 1, 2017, January 1, 2018 and April 1, 2019, upon the approval of the State Council, the pilot program of the collection of value-added tax in lieu of business tax shall be promoted nationwide in a comprehensive manner starting from May 1, 2016.

The Notice of the MOF and the SAT on the Adjustment to Value-add Tax Rates (《財政部、税務總局關於調整增值税税率的通知》), which was promulgated by the MOF and the SAT on April 4, 2018 and became effective on May 1, 2018, reduced the applicable value-added tax rates for general value-added taxpayers from 17% and 11% to 16% and 10%, respectively. The Announcement on Policies for Deepening the Value-added Tax Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》), which was promulgated by the MOF, the SAT and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, has further reduced the applicable value-added tax rates of 16%, 10% for general value-added taxpayers with respect to value-added taxable sales or imported goods to 13% and 9%, respectively.

Regulations Relating to Foreign Currency Exchange

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Rules of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Administration Rules**"). The Foreign Exchange Administration Rules was promulgated by the State Council of the PRC on January 29, 1996, and last amended on August 5, 2008. Under these rules, Renminbi is generally freely convertible for payments of current account items, but not freely convertible for capital account items, unless the prior approval by the competent authorities for the administration of foreign exchange is obtained.

Under the Foreign Exchange Administration Rules, foreign-invested enterprises in the PRC may purchase foreign exchange without the approval of State Administration of Foreign Exchange ("**SAFE**") for paying dividends by providing certain evidencing documents (board resolutions, tax certificates, etc.), or for trade and services-related foreign exchange transactions by providing commercial documents evidencing such transactions. They are also allowed to retain foreign currency (subject to a cap approval by SAFE) to satisfy foreign exchange liabilities. In addition, foreign exchange transactions involving overseas direct investment or investment and trading in securities, derivative products abroad are subject to registration with the competent authorities for the administration of foreign exchange and approval or filings with the relevant governmental authorities (if necessary).

The SAFE promulgated the Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) on January 18, 2017. It stipulates certain capital control measures for domestic institutions to remit profits to foreign institutions, including: (i) a bank shall review the resolutions of the board of directors related to the remittance of profits, the original tax filing form, and the audited financial statements in accordance with the principle of real transactions; and (ii) a domestic institution shall cover losses in the previous years as legally required before the outward remittance of profits. Besides, a domestic institution shall explain the source of the investment funds and the use of funds (use plan) to the bank and provide the resolution of the board of directors (or the resolution of partners), contract, or other proof on the authenticity of such investment.

The Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange (《結匯、售匯及付匯管理規定》) was promulgated on June 20, 1996 and became effective on July 1, 1996. Under this regulations, domestic entities, resident individuals, foreign establishments in China and foreign nationals shall comply with these provisions with respect to the settlement and sales of foreign exchange, opening foreign exchange accounts and making external payments. The Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) promulgated by SAFE on November 19, 2012, became effective on December 17, 2012 and further amended on May 4, 2015, October 10, 2018 and December 30, 2019 simplified the capital verification and confirmation formalities for

foreign-invested enterprises (the "**FIE**") and the foreign capital and foreign exchange registration formalities required for the foreign investors to acquire the equities of Chinese party, and further improve the administration on exchange settlement of foreign exchange capital of FIEs.

Pursuant to the Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated on February 13, 2015, and subsequently amended on December 30, 2019, the initial foreign exchange registration for establishing or taking control of an SPV by domestic residents can be conducted with a qualified bank, instead of the local foreign exchange bureau.

The Circular of the SAFE on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular No. 19**") was promulgated on March 30, 2015 and became effective on June 1, 2015, subsequently amended on December 30, 2019. According to the SAFE Circular No. 19, a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). For the time being, FIEs are allowed to settle 100% of their foreign exchange capitals on a discretionary basis; an FIE shall use its capital for its operational purposes within the scope of business; where an ordinary FIE makes domestic equity investment with the amount of foreign exchange settled, the invested enterprise shall first go through domestic re-investment registration and open a corresponding Account for Foreign Exchange Settlement Pending Payment with the foreign exchange bureau (bank) at the place of registration.

The Circular of the SAFE on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular No. 16**") was promulgated and became effective on June 9, 2016. According to the SAFE Circular No. 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency into RMB on a self-discretionary basis. The SAFE Circular No. 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on a self-discretionary basis, which applies to all enterprises registered in the PRC. The SAFE Circular No. 16 reiterates the principle that RMB converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope and may not be used for investments in securities or other investment with the exception of bank financial products that can guarantee the principal within the PRC unless otherwise specifically provided. Besides, the converted RMB shall not be used to make loans for related enterprises unless it is within the business scope or to build or to purchase any real estate that is not for the enterprise own use with the exception for the real estate enterprise.

On October 23, 2019, SAFE issued Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(the "**SAFE Circular No. 28**"). Pursuant to the SAFE Circular 28, on the basis that investment-oriented foreign-funded enterprises (including foreign-funded companies with an investment nature, foreign-funded venture capital enterprises and foreign-funded equity investment enterprises) may make equity investment with their capital funds in China in accordance with the laws and regulations, non-investment foreign-funded enterprises are allowed to make domestic equity investment with their capital funds in accordance with the law on the premise that the existing special administrative measures (negative list) for foreign investment access are not violated and the projects invested thereby in China are true and compliant.

According to the Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), which was issued by the SAFE on April 10, 2020 and took effect from the same day, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING FUND

Pursuant to the PRC Labor Law (《中華人民共和國勞動法》) promulgated by the NPC on July 5, 1994 with effect from January 1, 1995, and revised on August 27, 2009 and December 29, 2018, as well as the PRC Labor Contract Law (《中華人民共和國勞動合同法》) promulgated by the NPC on June 29, 2007 and revised on December 28, 2012, if an employment relationship is established between an entity and its employees, written labor contracts shall be executed between them. The relevant laws stipulate the maximum number of working hours per day and per week, respectively. Furthermore, the relevant laws also set forth the minimum wage. The entities shall establish and develop systems for occupational safety and sanitation, implement the rules and standards of the PRC government on occupational safety and sanitation, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

As required under the Regulation of Insurance for Labor Injury (《工傷保險條例》) implemented on January 1, 2004 and amended in 2010, latest effective as of January 1, 2011, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Old-Aged Pension Insurance of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, the Unemployment Insurance Measures (《失業保險條例》) promulgated on January 22, 1999,

employers are required to provide their employees in the PRC with welfare benefits covering basic pension insurance, unemployment insurance, maternity insurance, labor injury insurance and basic medical insurance. The Law on Social Insurance of the PRC (《中華人民共和國社會保險法》), which was promulgated by the NPC on October 28, 2010 and amended on December 29, 2018, has established social insurance systems of basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance (the "five social insurance"), and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國税地税徵管體制改革方案》), which was issued by the General Office of the Communist Party of China (中國中央辦公廳) and the General Office of the State Council of the PRC (國務院辦公廳) on July 20, 2018, from January 1, 2019, all the social insurance premiums including the five social insurance will be collected by the tax authorities. Furthermore, according to the Notice by the General Office of the State Taxation Administration on Conducting the Relevant Work Concerning the Administration of Collection of Social Insurance Premiums in a Steady, Orderly and Effective Manner (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) issued on September 13, 2018 and the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (《人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) issued on September 21, 2018, all the local authorities responsible for the collection of social insurance are strictly forbidden to conduct self-collection of historical unpaid social insurance contributions from enterprises. Notice of the State Taxation Administration on Implementing Measures to Further Support and Serve the Development of Private Economy (《國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知》) issued on November 16, 2018 repeated that tax authorities at all levels may not organize self-collection of arrears of taxpayers including private enterprises in the previous years.

Pursuant to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council, which was effective from April 3, 1999, and subsequently amended on March 24, 2002 and March 24, 2019, housing provident fund paid and deposited both by employee themselves and their employer, shall be owned by the employees. An employer shall undertake registration of payment and deposit of the housing provident fund in the Housing Provident Fund Management Center, and upon verification by the Housing Provident Fund Management Center, open a housing provident fund account on behalf of its employees in a commissioned bank. Employers shall timely pay and deposit housing provident fund contributions in full amount and late or insufficient payments shall be prohibited. With respect to employers who violate the above regulations and fail to complete housing provident fund payment and deposit registrations or open housing provident fund accounts for their employees, such employers shall be ordered by the Housing Provident Fund Management Center to complete such procedures within a designated period. Those who fail to complete their registrations within the designated period shall be subject to a fine from

RMB10,000 to RMB50,000. When employers are in breach of these regulations and fail to pay deposit housing provident fund contributions in full amount as they fall due, the Housing Provident Fund Management Center shall order such unit employers to pay within a prescribed time period, failing which an application may be made to a people's court for compulsory enforcement.

REGULATIONS RELATING TO ANTI-MONOPOLY

The currently effective Anti-Monopoly Law of PRC (《中華人民共和國反壟斷法》), or the Anti-Monopoly Law, was promulgated by SCNPC on August 30, 2007, and the SAMR has sought public comments on the Draft Amendment to the Anti-Monopoly Law on January 2, 2020. The Anti-Monopoly Law prohibits monopolistic conduct such as entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have the effect of eliminating or restricting competition. Pursuant to the Anti-Monopoly Law, the relevant operators of a concentration of undertakings which reaches the standard for declaration shall make an advance declaration to the anti-monopoly law enforcement authority under the State Council.

On February 7, 2021, the Anti-Monopoly Committee of the State Council promulgated the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) which stipulates that any concentration of undertakings involving control through contractual arrangement shall fall within the scope of anti-monopoly review.

REGULATION RELATING TO UNFAIR COMPETITION

In accordance with the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-Unfair Competition Law**"), promulgated by the NPC on September 2, 1993 and last revised and took effect on April 23, 2019, a business operator shall not conduct any false or misleading commercial publicity in respect of the performance, functions, quality, sales, user reviews, and honors received of its commodities, in order to defraud or mislead consumers. The Anti-Unfair Competition Law also stipulates that a business operator engaging in production or distribution activities online shall abide by the provisions of the Anti-Unfair Competition Law. No business operator may, by technical means to affect users' options, among other things, commit the acts of interfering with or sabotaging the normal operation of online products or services legally provided by another business operator.

In addition, according to the Anti-Unfair Competition Law, a business operator is prohibited from any of the following unfair activities: (i) committing act of confusion to mislead a person into believing that a commodity is one of another person or has a particular connection with another person; (ii) seeking transaction opportunities or competitive edges by bribing relevant entities or individuals with property or by any other means; (iii) infringing trade secrets; (iv) premium campaign violating the provision of the Anti-Unfair Competition Law; and (v) fabricating or disseminating false or misleading information to damage the goodwill or commodity reputation of a competitor.

On August 17, 2021, the SAMR issued a discussion draft of Provisions on the Prohibition of Unfair Competition on the Internet (《禁止網絡不正當競爭行為規定(公開徵求意見稿)》), under which business operators should not use data or algorithms to hijack traffic or influence users' choices, or use technical means to illegally capture or use other business operator' data.

Furthermore, business operators are not allowed to (i) fabricate or spread misleading information to damage the reputation of competitors, or (ii) employ marketing practices such as fake reviews or use coupons or "red envelopes" to entice positive ratings.

OVERVIEW

We are the largest digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of revenue in 2023, taking up a market share of 5.9%, according to CIC.

Our Company was established in the PRC on June 6, 2013. Mr. Zhao, our executive Director, chairperson of our Board and general manager, has led the overall operations and management of our Group since he joined our Group in January 2016. For more details of the experience and qualifications of Mr. Zhao, see "Directors, Supervisors and Senior Management" in this prospectus.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2013	We were established as a limited liability company under the name of Jiaxing Taimei Medical Technology Co., Ltd. (嘉興太美醫療科技有限公司)
2014	We launched the Electronic Data Capture System (eCollect/EDC), Clinical Trial Management System (eCooperate/CTMS)
2015	We launched the Pharmacovigilance System (eSafety/PVS) and Electronic Trial Master File Management System (eArchives/eTMF)
2016	We completed Series A Financing and Series B Financing, and raised RMB50 million in total
2017	We completed Series C Financing and raised RMB100 million
2018	We completed Series D Financing and raised RMB300 million
2019	We launched the R&D Digital Operating System TrialOS
	We acquired Taimei Xinghuan and expanded our offerings from clinical research solutions to pharmaceutical commercialization solutions
	We completed Series E-1 Financing and Series E-2 Financing, and raised approximately RMB622.78 million
2020	We were converted into a joint stock limited company under the laws of the PRC and was renamed as Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司)

Year	Milestone
	We completed Series F Financing and raised RMB1,070 million
	We were accredited as a "High and New Technology Enterprise" (高新技術企業)
2021	We launched the Digital Collaboration Platform for Pharmaceutical and Medical Device Commercialization, PharmaOS
2022	We were accredited as a "Zhejiang Province High and New Technology Enterprise R&D Center" (浙江省高新技術企業研究開發中心) and one of the 2022 Fourth Batch Specialized Focused and Innovative "Little Giants" (2022年第四批專精特新小巨人)
2023	We were accredited as "Zhejiang Province Science and Technology Little Giant Enterprise" (浙江省科技小巨人企業)
	Shanghai Shengfang was accredited as a "High and New Technology Enterprise" (高新技術企業)

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, we had the following four subsidiaries which we regard as our principal subsidiaries in terms of contribution to our business and financial performance during the Track Record Period.

Subsidiary	Date and place of incorporation	Registered capital	Principal business activities
Taimei Xingyun	September 7, 2017; PRC	RMB20,000,000	Provision of technical services and R&D support to our Group
Shanghai Shengfang	November 20, 2019; PRC	RMB127,368,421	Provision of clinical operation services, data management services and statistical analysis services
Taimei Xinghuan	May 21, 2008; PRC	RMB152,000,000	Provision of pharmaceutical marketing solutions
Taimei Digital Technology	January 22, 2021; PRC	RMB30,000,000	Provision of technical services and R&D support to our Group

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

(1) Establishment of Our Company and Initial Capital Increase

On June 6, 2013, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB1,000,000. The shareholding structure of our Company upon establishment is set forth in the table below:

Shareholders	**Registered capital subscribed for** *(RMB)*	**Corresponding equity interest in our Company** *(%)*
Ms. Tang[(1)]	550,000	55
Mr. XIAO Liang (肖亮) ("**Mr. Xiao**")[(2)]	450,000	45
Total	1,000,000	100

Notes:

(1) Ms. Tang is the spouse of Mr. Zhao, our executive Director, the chairperson of our Board and our general manager. Since the establishment of our Company in June 2013 to July 2022, Ms. Tang held full-time positions at various pharmaceutical companies, during which she also served as an external R&D consultant of our Group to provide advice and guidance on the R&D activities of our Group from January 2016 to December 2018. Due to her personal career planning, Ms. Tang decided to focus on preclinical research at the relevant time and ceased to be an external R&D consultant of our Group in December 2018, and transferred her entire direct equity interest in our Company (which has been community property of Mr. Zhao and Ms. Tang) to Mr. Zhao in April 2019 to further enhance his control over our Group through direct equity interest in our Company. As Ms. Tang only served as an external R&D consultant of our Group which was only of a non-executive advisory role and did not hold any other position within our Group at the relevant time, her departure from our Group at the relevant time did not have any material adverse impact on our business operations.

Ms. Tang joined our Group as a manager of the investment division at Taimei Digital Technology in July 2022, and has subsequently been a manager of the Singapore business division at Shanghai Shengfang (a subsidiary of our Company principally engaged in provision of clinical operation services, data management services and statistical analysis services) since September 2023, where she has been primarily responsible for overseeing the business expansion of Shanghai Shengfang in Singapore, and research and evaluation of new products of Shanghai Shengfang.

(2) Mr. Xiao was a university classmate of Ms. Tang and is an Independent Third Party. He was our general manager from June 2013 to June 2016, primarily responsible for overall operation and management of our Group. Since the joining of Mr. Zhao to our Group in January 2016, Mr. Zhao has gradually taken over the responsibilities of overseeing overall operation and management of our Group from Mr. Xiao and has been our general manager since then and our Director since December 2016. Mr. Xiao served as our Director from February 2016 to August 2019 and our chief scientific officer from June 2016 to August 2019, primarily responsible for intellectual property applications, government relations and internal control of our Group. Due to his personal career development, Mr. Xiao decided to resign from our Group and ceased to be our Shareholder upon disposal of his entire equity interest in our Company to Xinyu Shenkong in September 2019. As our Group has been under the leadership of Mr. Zhao since 2016 and the duties subsequently discharged by Mr. Xiao have been undertaken by other employees of our Group, his departure or divestment from our Group did not have any material adverse impact on our Group's business operations.

On June 26, 2014, the registered capital of our Company increased from RMB1,000,000 to RMB5,000,000 with the increased registered capital of RMB4,000,000 subscribed for by Ms. Tang and Mr. Xiao in proportion to their respective equity interest in our Company.

(2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company

(a) Series Pre-A Financing and Equity Transfers in January 2016

On December 23, 2015, the following parties entered into equity transfer agreements, respectively, pursuant to which the following transfers of equity interest in our Company were agreed (the below transfers to Nanjing Kaiyuan are collectively referred to as "**Series Pre-A Financing**"):

Transferors	**Transferees**	**Registered capital transferred** *(RMB)*	**Consideration[(1)]** *(RMB)*	**Approximate corresponding equity interest in our Company** *(%)*
Ms. Tang	Nanjing Kaiyuan Growth Investment Partnership (Limited Partnership) (南京凱元成長創業投資合夥企業(有限合夥)) ("**Nanjing Kaiyuan**")[(2)]	445,650	0	8.91
	Shanghai Xiaoju[(3)]	360,950	0	7.22
	Shanghai Kunrui[(3)]	343,750	0	6.88
Mr. Xiao	Nanjing Kaiyuan	364,600	0	7.29
	Shanghai Xiaoju	295,300	0	5.91
	Shanghai Kunrui	281,250	0	5.63

Notes:

(1) The consideration of each above transfer is zero as the registered capital transferred had not been paid up at the time of such transfer. In January 2016, all transferred registered capital was paid up by Nanjing Kaiyuan, Shanghai Xiaoju and Shanghai Kunrui, respectively.

(2) Nanjing Kaiyuan is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(3) Each of Shanghai Xiaoju and Shanghai Kunrui is a limited partnership established under the laws of the PRC and our Employee Shareholding Platform. See " – Employee Shareholding Platforms" in this section.

The above equity transfers were completed on January 5, 2016.

(b) Series A Financing in March 2016

Pursuant to the shareholders' resolutions dated February 14, 2016, the registered capital of our Company increased from RMB5,000,000 to RMB6,250,000, and Jingwei Chuangteng (Hangzhou) Venture Capital Partnership (Limited Partnership) (經緯創騰(杭州)創業投資合夥企業(有限合夥)) ("**Jingwei Chuangteng**") agreed to subscribe for the increased registered capital of RMB1,250,000 of our Company (representing 20% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB20,000,000 ("**Series A Financing**"). The capital increase was completed on March 21, 2016.

Jingwei Chuangteng is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(c) Series B Financing in July 2016

Pursuant to the shareholders' resolutions dated June 28, 2016, the registered capital of our Company increased from RMB6,250,000 to RMB7,352,900, and the relevant subscribers agreed to subscribe for the increased registered capital of RMB1,102,900 of our Company (representing approximately 15.00% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB30,000,000 ("**Series B Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	**Registered capital subscribed for** *(RMB)*	**Consideration** *(RMB)*	**Approximate corresponding equity interest in our Company (upon completion of the capital increase)** *(%)*
Jingwei Chuangteng	147,100	4,000,000	2.00
Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光正源創業投資合夥企業(有限合夥)) ("**Northern Lights Zhengyuan**")	561,600	15,276,500	7.64
Suzhou Northern Lights Hongyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光泓源創業投資合夥企業(有限合夥)) ("**Northern Lights Hongyuan**")	320,700	8,723,500	4.36

Subscribers	Registered capital subscribed for *(RMB)*	Consideration *(RMB)*	Approximate corresponding equity interest in our Company (upon completion of the capital increase) *(%)*
Shanghai Kaifeng Changyang Venture Capital Partnership (Limited Partnership) (上海凱風長養創業投資合夥企業(有限合夥)) ("**Kaifeng Changyang**")	73,500	2,000,000	1.00

The capital increase was completed July 12, 2016.

Northern Lights Zhengyuan, Northern Lights Hongyuan and Kaifeng Changyang are Pre-IPO Investors. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(d) Equity Transfers in December 2016

On December 1, 2016, the following parties entered into equity transfer agreements, respectively, pursuant to which the following transfers of equity interest in our Company were agreed:

Transferors	Transferees	Registered capital transferred *(RMB)*	Consideration *(RMB)*	Approximate corresponding equity interest in our Company *(%)*
Ms. Tang	Mr. Zhao	1,452,600	0[(1)]	19.75
Mr. Xiao	Mr. Zhao	344,100	5,616,300[(2)]	4.68
	Zhoushan Yijin	229,400	3,744,200[(2)]	3.12

Notes:

(1) The consideration was nil as the equity transfer was conducted pursuant to a family asset arrangement among Mr. Zhao and Ms. Tang.

(2) The respective considerations for the equity transfers from Mr. Xiao to Mr. Zhao and Zhoushan Yijin were determined after arm's length negotiations between the relevant parties with reference to the cost of subscribing for such registered capital in our Company paid by Mr. Xiao, the contribution and devotion of Mr. Xiao to our Group during the early stage of development of our Group, the then status of the business development of our Company, and no special right attached to such registered capital.

The above equity transfers were completed on December 15, 2016.

Zhoushan Yijin is a limited partnership established in the PRC. The general partner of Zhoushan Yijin is Mr. Zhao who holds 5% partnership interest and the sole limited partner of Zhoushan Yijin is Ms. Tang who holds 95% partnership interest.

(e) Series C Financing in March 2017

Pursuant to the shareholders' resolutions dated March 12, 2017, the registered capital of our Company increased from RMB7,352,900 to RMB8,578,383, and the relevant subscribers agreed to subscribe for the increased registered capital of RMB1,225,483 of our Company (representing approximately 14.29% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB100,000,000 ("**Series C Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	**Registered capital subscribed for** *(RMB)*	**Consideration** *(RMB)*	**Approximate corresponding equity interest in our Company (upon completion of the capital increase)** *(%)*
Jingwei Chuangteng	232,850	19,000,672	2.71
Northern Lights Zhengyuan	93,600	7,637,805	1.09
Northern Lights Hongyuan	53,450	4,361,546	0.62
Gongqingcheng Yuanxi Investment Management Partnership (Limited Partnership) (共青城元熙投資管理合夥企業(有限合夥)) ("**Gongqingcheng Yuanxi**")	698,283	56,980,227	8.14
Nanjing Kaitai Venture Capital Partnership (Limited Partnership) (南京凱泰創業投資合夥企業(有限合夥)) ("**Nanjing Kaitai**")	147,300	12,019,751	1.72

The capital increase was completed on March 22, 2017.

Gongqingcheng Yuanxi and Nanjing Kaitai are Pre-IPO Investors. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(f) Equity Transfer in June 2017

Pursuant to an equity transfer agreement entered into between Ms. Tang and Nanjing Kaitai on June 12, 2017, Ms. Tang agreed to transfer registered capital in our Company of RMB129,086 to Nanjing Kaitai (representing approximately 1.50% equity interest in our Company) at a consideration of RMB10,000,000. The equity transfer was completed on June 12, 2017.

(g) Capital Increase in April 2018

Pursuant to the shareholders' resolutions dated March 28, 2018, the registered capital of our Company increased from RMB8,578,383 to RMB9,029,877, and Xinyu Haolin agreed to subscribe for the increased registered capital of RMB451,494 (representing approximately 5.00% equity interest in our Company upon completion of the capital increase) at par value. The capital increase was completed on April 19, 2018.

Xinyu Haolin is a limited partnership established under the laws of the PRC and one of our Employee Shareholding Platforms. The consideration for the increased registered capital subscribed for by Xinyu Haolin was determined with reference to the amount of capital contribution payable by the selected participants in Xinyu Haolin who consisted primarily of managers, directors and heads of different business divisions of our Group and were considered as key employees of our Group as part of the Employee Share Scheme. See " – Employee Shareholding Platforms" in this section.

(h) Series D Financing in May 2018

Pursuant to the shareholders' resolutions dated April 23, 2018, the registered capital of our Company increased from RMB9,029,877 to RMB11,113,694, and the relevant subscribers agreed to subscribe for the increased registered capital of RMB2,083,817 of our Company (representing approximately 18.75% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB300,000,000 ("**Series D Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	**Registered capital subscribed for** *(RMB)*	**Consideration** *(RMB)*	**Approximate corresponding equity interest in our Company (upon completion of the capital increase)** *(%)*
Nanjing Kaitai	138,921	20,000,000	1.25

Subscribers	Registered capital subscribed for *(RMB)*	Consideration *(RMB)*	Approximate corresponding equity interest in our Company (upon completion of the capital increase) *(%)*
Shanghai Chenxi Venture Capital Center (Limited Partnership) (上海晨熹創業投資中心(有限合夥)) ("**5Y Chenxi**")[1]	486,224	70,000,000	4.37
Hangzhou Yongjian Investment Partnership (Limited Partnership) (杭州勇健投資合夥企業(有限合夥)) ("**Hangzhou Yongjian**")[2]	208,382	30,000,000	1.88
Hangzhou Yangjian Investment Partnership (Limited Partnership) (杭州仰健投資合夥企業(有限合夥)) ("**Hangzhou Yangjian**")[1]	277,842	40,000,000	2.50
Suzhou SAIF Puxin Medical and Health Industry Investment Center (Limited Partnership) (蘇州賽富璞鑫醫療健康產業投資中心(有限合夥)) ("**Suzhou SAIF**")[1]	555,685	80,000,000	5.00
Chengdu SBCVC Tiantou Venture Capital Center (Limited Partnership) (成都軟銀天投創業投資中心(有限合夥)) ("**Chengdu SBCVC**")[1]	277,842	40,000,000	2.50
Ivy (Changzhou) Equity Investment Fund Partnership (Limited Partnership) (常春藤(常州)股權投資基金合夥企業(有限合夥)) ("**Changzhou Ivy**")[1]	138,921	20,000,000	1.25

Notes:

(1) Each of 5Y Chenxi, Hangzhou Yangjian, Suzhou SAIF, Chengdu SBCVC and Changzhou Ivy is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(2) Hangzhou Yongjian, an Independent Third Party, transferred its entire equity interest in our Company to Hangzhou Yangjian at a consideration of RMB35,000,000 and ceased to be our Shareholder in July 2018.

The above capital increase was completed on May 14, 2018.

(i) Equity Transfers in April and June 2019

Pursuant to an equity transfer agreement entered into between Ms. Tang and Mr. Zhao on February 12, 2019, Ms. Tang agreed to transfer registered capital in our Company of RMB18,014 to Mr. Zhao (representing approximately 0.16% equity interest in our Company) at a consideration of RMB18,014. The equity transfer was completed on April 11, 2019.

Pursuant to an equity transfer agreement entered into between Zhoushan Yijin and Ningbo SBCVC Stable Growth Investment Partnership (Limited Partnership) (寧波軟銀穩定成長投資合夥企業(有限合夥)) ("**Ningbo SBCVC**") on June 21, 2019, Zhoushan Yijin agreed to transfer registered capital in our Company of RMB55,568 to Ningbo SBCVC (representing approximately 0.50% equity interest in our Company) at a consideration of RMB15,075,000. The equity transfer completed on June 25, 2019.

Ningbo SBCVC is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(j) Capital Increase and Series E-1 Financing in July 2019

Pursuant to the shareholders' resolutions dated June 28, 2019, the registered capital of our Company increased from RMB11,113,694 to RMB11,698,625. Among the increased registered capital of RMB584,931, (i) Mr. Zhao agreed to subscribe for the increased registered capital of RMB467,945 (representing 4.00% equity interest in our Company upon completion of the capital increase) at par value, and (ii) Xinyu Qiwushi agreed to subscribe for the increased registered capital of RMB116,986 (representing approximately 1.00% equity interest in our Company upon completion of the capital increase) at par value. The subscription for the increased registered capital by Mr. Zhao was agreed and conducted as part of the capital increase agreement dated June 21, 2019 in respect of Series E-1 Financing and Series E-2 Financing as disclosed below (the "**June 2019 Agreement**") in recognition of the contribution of Mr. Zhao to our Group. The capital increase was completed on July 4, 2019.

Xinyu Qiwushi is a limited partnership established under the laws of the PRC and one of our Employee Shareholding Platforms. The consideration for the increased registered capital subscribed for by Xinyu Qiwushi was determined with reference to the amount of capital contribution payable by the selected participants in Xinyu Qiwushi who consisted primarily of managers, directors and heads of different business divisions of our Group and were considered as key employees of our Group as part of the Employee Share Scheme. See " – Employee Shareholding Platforms" in this section.

Pursuant to the June 2019 Agreement and the shareholders' resolutions dated July 15, 2019, the registered capital of our Company increased from RMB11,698,625 to RMB12,972,475, and Internet Fund V Pte. Ltd. ("**Internet Fund V**") subscribed for the increased registered capital of RMB1,273,850 of our Company (representing approximately 9.82% equity interest in our Company upon completion of the capital increase) at a total consideration of US$49,000,000 ("**Series E-1 Financing**"). The capital increase was completed on July 19, 2019. Internet Fund V, an Independent Third Party, ceased to be our Shareholder in April 2020.

(k) Equity Transfers in September 2019

Pursuant to an equity transfer agreement entered into between Mr. Xiao and Xinyu Shenkong on August 28, 2019, Mr. Xiao agreed to transfer registered capital in our Company of RMB735,300 to Xinyu Shenkong (representing approximately 5.67% equity interest in our Company) at a consideration of RMB33,000,000. The consideration for the equity transfer was determined after arm's length negotiations between the relevant parties with reference to transfer arrangements upon Mr. Xiao's departure from our Group where Ms. Tang may purchase equity interest in our Company held by Mr. Xiao as previously agreed during Series A Financing, the cost of subscribing for such registered capital in our Company paid by Mr. Xiao, the contribution and devotion of Mr. Xiao to our Group, the then status of the business development of our Company, and no special right attached to such registered capital. The equity transfer was completed on September 12, 2019.

Xinyu Shenkong is a limited partnership established in the PRC. The general partner of Xinyu Shenkong is Mr. Zhao who holds 1% partnership interest, and the sole limited partner of Xinyu Shenkong is Ms. Tang who holds 99% partnership interest.

Pursuant to an equity transfer agreement entered into between Xinyu Shenkong and Suzhou Kaifeng Taimei Venture Capital Partnership (Limited Partnership) (蘇州凱風太美創業投資合夥企業(有限合夥)) ("**Kaifeng Taimei**") on September 12, 2019, Xinyu Shenkong agreed to transfer registered capital in our Company of RMB147,143 to Kaifeng Taimei (representing approximately 1.13% equity interest in our Company) at a consideration of RMB39,620,000. The equity transfer was completed on September 23, 2019.

Kaifeng Taimei is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about our Pre-IPO Investors" in this section.

(l) Series E-2 Financing and Subscription by Ruansu Enterprise Management in November 2019

Pursuant to the June 2019 Agreement and the Board resolutions dated November 11, 2019, the registered capital of our Company increased from RMB12,972,475 to RMB14,079,945, and the relevant subscribers agreed to subscribe for the increased registered capital of RMB1,107,470 of our Company (representing approximately 7.87% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB298,200,000 (other than the subscription by Ruansu Enterprise Management, the subscriptions are collectively referred to as "**Series E-2 Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	**Registered capital subscribed for** *(RMB)*	**Consideration** *(RMB)*	**Approximate corresponding equity interest in our Company (upon completion of the capital increase)** *(%)*
5Y Chenxi	129,985	35,000,000	0.92
Changzhou Ivy	25,997	7,000,000	0.18
Ningbo SBCVC	285,966	77,000,000	2.03
Kaifeng Taimei	8,839	2,380,000	0.06
Shanghai Chenyu Investment Management Partnership (Limited Partnership) (上海晨馭投資管理合夥企業(有限合夥)) ("**5Y Chenyu**")[1]	129,985	35,000,000	0.92
Nanjing SAIF Hengzhun Venture Capital Fund (Limited Partnership) (南京賽富衡准創業投資基金(有限合夥)) ("**Nanjing SAIF**")[1]	37,956	10,220,000	0.27
Huangshan SAIF Tourism Cultural Industry Development Fund (Limited Partnership) (黃山賽富旅遊文化產業發展基金(有限合夥)) ("**Huangshan SAIF**")[1]	37,956	10,220,000	0.27
Shenzhen Futian SAIF Dynamiques Equity Investment Fund Partnership (Limited Partnership) (深圳市福田賽富動勢股權投資基金合夥企業(有限合夥)) ("**Shenzhen SAIF**")[1]	38,475	10,360,000	0.27
Zheshang Venture Capital Co., Ltd. (浙商創投股份有限公司) ("**Zheshang VC**")[1]	103,988	28,000,000	0.74
Mr. LI Shenjia (李申嘉) ("**Mr. Li**")[1]	160,141	43,120,000	1.14
Ms. JIANG Wenxin (蔣雯昕) ("**Ms. Jiang**")[1]	74,091	19,950,000	0.53
Ruansu Enterprise Management[2]	74,091	19,950,000	0.53

Notes:

(1) Each of 5Y Chenyu, Nanjing SAIF, Huangshan SAIF, Shenzhen SAIF, Zheshang VC, Mr. Li and Ms. Jiang is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(2) Ruansu Enterprise Management is a limited partnership established under the laws of the PRC and one of our Employee Shareholding Platforms. See " – Employee Shareholding Platforms" in this section.

The above capital increase was completed on November 19, 2019.

(m) Conversion into Joint Stock Limited Company and Restoration to Limited Liability Company in March 2020

Our Company was converted into a joint stock company with limited liability on March 12, 2020, and was restored and converted into a limited liability company on March 30, 2020 to facilitate the disposal of equity interests in our Company by Internet Fund V as promoters of a joint stock limited company (being all the then Shareholders, including Internet Fund V) were prohibited from transfers of their equity interests in our Company within one year after such conversion pursuant to the Company Law of the PRC (2018 Amendment).

(n) Equity Transfers and Capital Increase in April 2020

Pursuant to a capital increase agreement dated October 18, 2019 (the "**October 2019 Agreement**"), Linzhi Tencent Investment Management Co., Ltd. (林芝騰訊投資管理有限公司) ("**Linzhi Tencent**") and an affiliate of Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) ("**Suzhou Paiyi**") agreed to subscribe for the increased registered capital in our Company of RMB1,599,837 at a consideration of RMB500,000,000. The consideration for the increased registered capital was determined with reference to the Company's then valuation of approximately RMB4,401.81 million. Subsequently, in view of the outbreak of the COVID-19 pandemic and the then market conditions, Internet Fund V intended to exit from its investment in our Company. Upon discussions among our Company, Linzhi Tencent, Suzhou Paiyi and all the then Shareholders, pursuant to a supplemental agreement dated April 2, 2020 (the "**April 2020 Agreement**"), it was agreed that (i) Linzhi Tencent and Suzhou Paiyi would invest in our Company by acquiring the registered capital in our Company of RMB1,273,850 from Internet Fund V at the consideration of RMB500,000,000 (instead of subscription of the increased registered capital in our Company), and (ii) Linzhi Tencent and Suzhou Paiyi were entitled to subscribe for additional registered capital in our Company of RMB367,688 at par value considering that our Company's then valuation as referenced in the October 2019 Agreement was adjusted to approximately RMB4,400.64 million while the total investment amount of Linzhi Tencent and Suzhou Paiyi remained in line with their initial proposed investment amount, such that the additional registered capital subscribed for by Linzhi Tencent and Suzhou Paiyi, together with the registered capital of RMB1,273,850 acquired from Internet Fund V, represented the aggregate amount of registered capital in our Company corresponding to the total investment amount made by Linzhi Tencent and Suzhou Paiyi with reference to the adjusted valuation of the Company.

Following the April 2020 Agreement, pursuant to the shareholders' resolutions dated April 3, 2020, (i) Linzhi Tencent acquired registered capital in our Company of RMB1,053,518 (representing approximately 7.29% equity interest in our Company upon completion of the capital increase) at a consideration of RMB413,517,500 and Suzhou Paiyi acquired registered capital in our Company of RMB220,332 (representing approximately 1.53% equity interest in our Company upon completion of the capital increase) at a consideration of RMB86,482,500, from Internet Fund V; and (ii) the registered capital of our Company increased from RMB14,079,945 to RMB14,447,633, among which (a) Linzhi Tencent agreed to subscribe for the increased registered capital of RMB304,091 (representing approximately 2.10% equity interest in our Company upon completion of the capital increase) at par value and (b) Suzhou Paiyi agreed to subscribe for the increased registered capital of RMB63,597 (representing approximately 0.44% equity interest in our Company upon completion of the capital increase) at par value. The above equity transfers and capital increase were completed on April 3, 2020.

Linzhi Tencent and Suzhou Paiyi (a limited partnership managed by a fellow subsidiary of Linzhi Tencent) are Pre-IPO Investors. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(o) Capital Increase in June 2020

Pursuant to the shareholders' resolutions dated June 29, 2020, the registered capital of our Company increased from RMB14,447,633 to RMB14,473,895, and Xinyu Nuoming agreed to subscribe for the increased registered capital of RMB26,262 of our Company (representing approximately 0.18% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB8,000,000. The capital increase was completed on June 30, 2020.

Xinyu Nuoming is established as a limited partnership established under the laws of the PRC and one of our Employee Shareholding Platforms. See " – Employee Shareholding Platforms" in this section.

(p) Equity Transfers in September 2020

Pursuant to respective equity transfer agreements entered into between (i) Linzhi Tencent and (ii) Nanjing Kaiyuan or Gongqingcheng Yuanxi on September 8, 2020, Linzhi Tencent agreed to acquire (i) registered capital in our Company of RMB144,739 from Nanjing Kaiyuan (representing approximately 1.00% equity interest in our Company) at a consideration of RMB70,000,000 and (ii) registered capital in our Company of RMB206,770 from Gongqingcheng Yuanxi (representing approximately 1.43% equity interest in our Company) at a consideration of RMB100,000,000. The equity transfers were completed on September 30, 2020.

(3) Conversion into Joint Stock Limited Company and Major Shareholding Changes of Our Company After Conversion

(a) Conversion into Joint Stock Limited Company

Pursuant to the promoters' agreement dated September 10, 2020 entered into by all the then Shareholders and the shareholders' resolutions dated September 10, 2020, all promoters (being all the then Shareholders) agreed to convert our Company from a limited liability company into a joint stock limited company. Upon completion of the conversion, the share capital of our Company was RMB14,473,895 divided into 14,473,895 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on September 11, 2020 when our Company obtained a new business license and was renamed as Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司).

(b) Series F Financing in September 2020 and Capital Increase in October 2020

Pursuant to the shareholders' resolutions dated September 29, 2020, the registered capital of our Company increased from RMB14,473,895 to RMB16,686,333, and the relevant subscribers agreed to subscribe for 2,212,438 Shares (representing approximately 13.26% equity interest in our Company upon completion of the share subscriptions) at a total consideration of RMB1,070,000,000 ("**Series F Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	**Number of Shares subscribed for**	**Consideration** *(RMB)*	**Approximate corresponding equity interest in our Company (upon completion of the capital increase)** *(%)*
Linzhi Tencent	103,385	50,000,000	0.62
Kaifeng Taimei	82,708	40,000,000	0.50
Ningbo SBCVC	62,031	30,000,000	0.37
Shanghai Chenxi	51,692	25,000,000	0.31
Changzhou Ivy	20,677	10,000,000	0.12
Aochuan Bangde Investment Partnership (Limited Partnership) (蘇州市相城區奧傳邦德投資合夥企業(有限合夥)) ("**Aochuan Bangde**")	457,384	221,204,400	2.74

Subscribers	Number of Shares subscribed for	Consideration *(RMB)*	Approximate corresponding equity interest in our Company (upon completion of the capital increase) *(%)*
Shanghai Yunfeng Ruichi Investment Center (Limited Partnership) (上海雲鋒銳持投資中心(有限合夥)) ("**Yunfeng Ruichi**")	413,540	200,000,000	2.48
Zhuhai Fuheng Investment L.P. (Limited Partnership) (珠海芙恒投資合夥企業(有限合夥)) (formerly known as Zhuhai Gaoling Fuheng Equity Investment Partnership (Limited Partnership) (珠海高瓴芙恒股權投資合夥企業(有限合夥))) ("**Zhuhai Fuheng**")	413,540	200,000,000	2.48
Shanghai Kaifeng Zhide Venture Capital Partnership (Limited Partnership) (上海凱風至德創業投資合夥企業(有限合夥)) ("**Kaifeng Zhide**")	124,062	60,000,000	0.74
Suzhou Jingwei Chuangbo Investment Center (Limited Partnership) (蘇州經緯創博投資中心(有限合夥)) ("**Jingwei Chuangbo**")	113,724	55,000,000	0.68
Nanjing Wuyuan Qixing Venture Capital Investment Center (Limited Partnership) (南京五源啟興創業投資中心(有限合夥)) ("**5Y Qixing**")	103,385	50,000,000	0.62
Ningbo Jinjiao Langqiu Investment Partnership (Limited Partnership) (寧波金蛟朗秋投資合夥企業(有限合夥)) ("**Jinjiao Langqiu**")	100,584	48,645,600	0.60
Ningbo Xuri Xinzhu Investment Partnership (Limited Partnership) (寧波旭日新竹投資合夥企業(有限合夥)) ("**Xuri Xinzhu**")	62,341	30,150,000	0.37

Subscribers	Number of Shares subscribed for	Consideration *(RMB)*	Approximate corresponding equity interest in our Company (upon completion of the capital increase) *(%)*
Hangzhou Qizhen Future Innovation Equity Investment Partnership (Limited Partnership) (杭州啟真未來創新股權投資合夥企業(有限合夥)) ("**Hangzhou Qizhen**")	62,031	30,000,000	0.37
Beijing Qichuang Keyuan Equity Investment Fund Partnership (Limited Partnership) (北京啟創科遠股權投資基金合夥企業(有限合夥)) ("**Qichuang Keyuan**")	20,677	10,000,000	0.12
Gongqingcheng Jingqiong Investment Management Partnership (Limited Partnership) (共青城晶瓊投資管理合夥企業(有限合夥)) ("**Gongqingcheng Jingqiong**")	20,677	10,000,000	0.12

The above capital increase was completed on September 29, 2020.

Aochuan Bangde, Yunfeng Ruichi, Zhuhai Fuheng, Kaifeng Zhide, Jingwei Chuangbo, 5Y Qixing, Jinjiao Langqiu, Xuri Xinzhu, Hangzhou Qizhen, Qichuang Keyuan and Gongqingcheng Jingqiong are Pre-IPO Investors. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

Further, pursuant to the shareholders' resolutions dated October 16, 2020, the registered capital of our Company increased from RMB16,686,333 to RMB17,381,597, and Mr. Zhao agreed to subscribe for 695,264 Shares (representing approximately 4.00% equity interest in our Company upon completion of the share subscription) at par value. The capital increase and share subscription by Mr. Zhao were agreed and conducted as part of the capital increase agreement in respect of Series F Financing dated September 8, 2020 in recognition of the contribution of Mr. Zhao to our Group. The capital increase was completed on October 20, 2020.

(c) Capitalization of Capital Reserve and Adoption of Weighted Voting Rights Structure

Pursuant to the shareholders' resolutions dated November 20, 2020, the registered capital of our Company increased from RMB17,381,597 to RMB538,000,000 by way of capitalization of the capital reserve of our Company of RMB520,618,403, representing a total increase of 520,618,403 Shares based on the total number of 17,381,597 Shares immediately before the capitalization, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company immediately before the capitalization.

Further, pursuant to the shareholders' resolutions dated November 20, 2020, it was resolved to adopt a weighted voting rights structure, under which, among others, the Company's share capital would comprise Class A Shares (comprising 92,173,388 Shares held by Mr. Zhao at the time of the passing of the shareholders' resolutions) and Class B Shares (comprising 445,826,612 Shares held by all other Shareholders at the time of the passing of the shareholders' resolutions). Each Class A Share would entitle Mr. Zhao to exercise eight votes, and each Class B Share would entitle the holder to exercise one vote, respectively, on any resolution tabled at our Company's general meetings, except for resolutions with respect to a limited number of reserved matters (including amendments to the articles of association of our Company, variation of number of votes attaching to each Class A Share, appointment and removal of our Company's independent Directors, appointment and removal of our Company's auditors, merger, division, dissolution and change of corporate form of our Company), in relation to which each Share would entitle the holder to exercise one vote. In addition, Shareholders, including Mr. Zhao and holders of Class B Shares, holding one-tenth or more of the Shares are entitled to request our Board in writing to convene an extraordinary general meeting of our Company, and Shareholders holding 3% equity interest in our Company or more are entitled to add resolutions to the meeting agenda at a general meeting of our Company.

Upon completion of the capitalization on November 26, 2020, the shareholding structure of our Company was as follows:

Shareholders	**Number of Shares**[*(note)*]	**Approximate corresponding equity interest in our Company** *(%)*
Mr. Zhao	92,173,388	17.13
Nanjing Kaiyuan	20,598,944	3.83
Shanghai Xiaoju	20,312,190	3.78
Shanghai Kunrui	19,344,866	3.60
Jingwei Chuangteng	50,450,412	9.38
Northern Lights Zhengyuan	20,279,910	3.77
Northern Lights Hongyuan	11,580,988	2.15
Kaifeng Changyang	2,275,202	0.42
Zhoushan Yijin	5,380,538	1.00

Shareholders	Number of Shares[(note)]	Approximate corresponding equity interest in our Company *(%)*
Gongqingcheng Yuanxi	15,213,564	2.83
Nanjing Kaitai	12,854,434	2.39
Xinyu Haolin	13,974,550	2.60
5Y Chenxi	20,673,188	3.84
Hangzhou Yangjian	15,049,474	2.80
Suzhou SAIF	17,199,860	3.20
Chengdu SBCVC	8,599,930	1.60
Changzhou Ivy	5,744,764	1.07
Ningbo SBCVC	12,491,284	2.32
Xinyu Qiwushi	3,620,740	0.67
Xinyu Shenkong	18,204,844	3.38
Kaifeng Taimei	7,387,816	1.37
5Y Chenyu	4,023,164	0.75
Nanjing SAIF	1,174,992	0.22
Huangshan SAIF	1,174,992	0.22
Shenzhen SAIF	1,190,594	0.22
Zheshang VC	3,218,854	0.60
Mr. Li	4,956,594	0.92
Ms. Jiang	2,293,494	0.43
Ruansu Enterprise Management	2,293,494	0.43
Linzhi Tencent	56,101,026	10.43
Suzhou Paiyi	8,788,230	1.63
Xinyu Nuoming	812,918	0.15
Aochuan Bangde	14,156,932	2.63
Yunfeng Ruichi	12,800,096	2.38
Zhuhai Fuheng	12,800,096	2.38
Kaifeng Zhide	3,839,706	0.71
Jingwei Chuangbo	3,520,134	0.65
5Y Qixing	3,200,024	0.59
Jinjiao Langqiu	3,113,406	0.58
Xuri Xinzhu	1,929,806	0.36
Hangzhou Qizhen	1,920,122	0.36
Qichuang Keyuan	640,220	0.12
Gongqingcheng Jingqiong	640,220	0.12
Total	538,000,000	100

Note: The 92,173,388 Shares held by Mr. Zhao are Class A Shares and the 445,826,612 Shares held by all the other Shareholders are Class B Shares.

Under the weighted voting rights structure, Mr. Zhao, directly and indirectly through his controlled entities (namely, Shanghai Xiaoju, Shanghai Kunrui, Zhoushan Yijin, Xinyu Haolin, Xinyu Qiwushi, Xinyu Shenkong, Ruansu Enterprise Management and Xinyu Nuoming), held approximately 32.74% equity interests in our Company and was able to control approximately 69.42% voting rights in our Company, except for resolutions with respect to the reserved matters as set out above. The weighted voting rights structure was adopted in preparation for the application for listing on the SSE STAR Market in order to enhance and consolidate the control of Mr. Zhao, who has been primarily responsible for strategic planning, execution, operation and overall management of our Group, to facilitate and ensure the continuity, stability and effectiveness of our business operation and management.

(d) Equity Transfers in October 2021

On September 28, 2021, the following parties entered into equity transfer agreements, respectively, pursuant to which the following transfers of equity interest in our Company were agreed:

Transferors	**Transferees**	**Number of Shares transferred**	**Consideration** *(RMB)*	**Approximate corresponding equity interest in our Company** *(%)*
Mr. Li	Xinyu Xingmeng[1]	2,433,000	36,495,000	0.45
	Mr. Zhao	600,000[3]	9,000,000	0.11
	Huzhou Kaifeng Housheng Enterprise Management Partnership (General Partnership) (湖州凱風厚生企業管理合夥企業(普通合夥)) ("**Kaifeng Housheng**")[2]	201,995	3,029,925	0.04
Ms. Jiang	Kaifeng Housheng	468,005	7,020,075	0.09
	Jiaxing SBCVC Venture Capital Partnership (Limited Partnership) (嘉興軟銀創業投資合夥企業(有限合夥)) ("**Jiaxing SBCVC**")[2]	964,690	14,470,350	0.18

Notes:

(1) Xinyu Xingmeng is a limited partnership established under the laws of the PRC on and one of our Employee Shareholding Platforms. See " – Employee Shareholding Platforms" in this section.

(2) Each of Kaifeng Housheng and Jiaxing SBCVC is a Pre-IPO Investor. See " – The Pre-IPO Investments – (5) Information about Our Pre-IPO Investors" in this section.

(3) Pursuant to the shareholders' resolutions dated October 26, 2021, it was resolved that Class A Shares would comprise 92,773,388 Shares held by Mr. Zhao following the equity transfers. As a result, under the weighted voting rights structure, Mr. Zhao, directly and indirectly through his controlled entities (namely, Shanghai Xiaoju, Shanghai Kunrui, Zhoushan Yijin, Xinyu Haolin, Xinyu Qiwushi, Xinyu Shenkong, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng), held approximately 33.30% equity interests in our Company and was able to control approximately 69.78% voting rights in our Company, except for resolutions with respect to the reserved matters as further elaborated in the paragraph headed " – Establishment and Development of Our Company – (3) Conversion into Joint Stock Limited Company and Major Shareholding Changes of Our Company After Conversion – (c) Capitalization of Capital Reserve and Adoption of Weighted Voting Rights Structure" in this section.

The above equity transfers were completed on October 11, 2021.

(e) Termination of Weighted Voting Rights Structure

On November 1, 2022, the then Shareholders of our Company resolved to terminate the weighted voting rights structure, following which each Share would entitle the holder to exercise one vote on any resolution tabled at our Company's general meetings, and Mr. Zhao, directly and indirectly through his controlled entities (namely, Shanghai Xiaoju, Shanghai Kunrui, Zhoushan Yijin, Xinyu Haolin, Xinyu Qiwushi, Xinyu Shenkong, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng), was able to control approximately 33.30% voting rights in our Company. The weighted voting rights structure was terminated due to the change of applicable listing eligibility requirements in our previous application for listing on the SSE STAR Market on a voluntary basis where our Company applied for listing with different financial eligibility requirements under which a weighted voting rights structure was not allowed. For details of our previous application for listing on the SSE STAR Market, see " – Previous Listing Attempt" in this section.

(f) Equity Transfer in September 2023

Pursuant to an equity transfer agreement entered into between Mr. Li and Mr. Zhao on September 22, 2023, Mr. Li agreed to transfer 269,000 Shares to Mr. Zhao (representing 0.05% equity interest in our Company) at a consideration of RMB2,017,500. The equity transfer was completed on September 22, 2023. The consideration for the equity transfer was determined after arm's length negotiations between the relevant parties primarily with reference to Mr. Li's personal cash flow needs, the consideration paid by Mr. Li for his subscription of the registered capital in our Company in November 2019, the 12-month lock-up period following the listing of our Company on any stock exchange as required under the applicable PRC law, the status of our listing attempt and the then general capital market conditions.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees, Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng were established in the PRC as our Company's employee shareholding platforms. As of the date of this prospectus, 73 existing employees of our Group (including certain Directors, Supervisor and senior management) and 15 former employees of our Group hold partnership interests in one or more than one Employee Shareholding Platforms as limited partners.

(1) Shanghai Xiaoju

Shanghai Xiaoju was established as a limited partnership under the laws of the PRC on December 17, 2015. Mr. Zhao is the executive partner of Shanghai Xiaoju and is responsible for the management of Shanghai Xiaoju. As of the date of this prospectus, Shanghai Xiaoju had five limited partners, being Mr. MA Dong (our executive Director), Mr. ZHANG Hongwei (our executive Director), Mr. HUANG Yufei (our executive Director), Ms. NI Xiaomei (our executive Director and senior management) and an existing employee of our Group, and directly held approximately 3.78% equity interest in our Company.

(2) Shanghai Kunrui

Shanghai Kunrui was established as a limited partnership under the laws of the PRC on December 17, 2015. Mr. Zhao is the executive partner of Shanghai Kunrui and is responsible for the management of Shanghai Kunrui. As of the date of this prospectus, Shanghai Kunrui had 19 limited partners, being Mr. MA Dong (our executive Director), 15 existing employees of our Group and three former employees of our Group, and directly held approximately 3.60% equity interest in our Company.

(3) Xinyu Haolin

Xinyu Haolin was established as a limited partnership under the laws of the PRC on March 16, 2018. Mr. Zhao is the executive partner of Xinyu Haolin and is responsible for the management of Xinyu Haolin. As of the date of this prospectus, Xinyu Haolin had 22 limited partners, being Mr. LU Yiming (our executive Director), Ms. NI Xiaomei (our executive Director and senior management), Ms. DONG Xiaohan (our Supervisor), Mr. CAI Xin (our Supervisor) and 18 existing employees of our Group, and directly held approximately 2.60% equity interest in our Company.

(4) Xinyu Qiwushi

Xinyu Qiwushi was established as a limited partnership under the laws of the PRC on December 20, 2018. Mr. Zhao is the executive partner of Xinyu Qiwushi and is responsible for the management of Xinyu Qiwushi. As of the date of this prospectus, Xinyu Qiwushi had 19 limited partners, all of which are existing employees of our Group, and directly held approximately 0.67% equity interest in our Company.

(5) Ruansu Enterprise Management

Ruansu Enterprise Management was established as a limited partnership under the laws of the PRC on August 26, 2019. Mr. Zhao is the executive partner of Ruansu Enterprise Management and is responsible for the management of Ruansu Enterprise Management. As of the date of this prospectus, Ruansu Enterprise Management had 27 limited partners, all of which are existing employees of our Group, and directly held approximately 0.43% equity interest in our Company.

(6) Xinyu Nuoming

Xinyu Nuoming was established as a limited partnership under the laws of the PRC on March 11, 2020. Mr. Zhao is the executive partner of Xinyu Nuoming and is responsible for the management of Xinyu Nuoming. As of the date of this prospectus, Xinyu Nuoming had five limited partners, all of which are former employees of our Group, and directly held approximately 0.15% equity interest in our Company.

(7) Xinyu Xingmeng

Xinyu Xingmeng was established as a limited partnership under the laws of the PRC on September 16, 2021. Mr. Zhao is the executive partner of Xinyu Xingmeng and is responsible for the management of Xinyu Xingmeng. As of the date of this prospectus, Xinyu Xingmeng had 35 limited partners, being Mr. MA Dong (our executive Director), Mr. ZHANG Hongwei (our executive Director), Mr. LU Yiming (our executive Director), Mr. HUANG Yufei (our executive Director), Ms. NI Xiaomei (our executive Director and senior management), Mr. CAI Xin (our Supervisor), 21 existing employees of our Group and eight former employees of our Group, and directly held approximately 0.45% equity interest in our Company.

Mr. Zhao, as the executive partner of the Employee Shareholding Platforms, is responsible for their respective management, and controls the voting rights attached to the Shares held by the Employee Shareholding Platforms at his discretion, whereas limited partners of the relevant Employee Shareholding Platforms (being the selected participants under the Employee Share Scheme) are not entitled to any voting rights in our Company through the relevant Employee Shareholding Platforms.

As of the Latest Practicable Date, the considerations for acquisition of partnership interests in the relevant Employee Shareholding Platforms were settled in full by our existing or former employees. Former employees of our Company holding partnership interests in Shanghai Kunrui, Xinyu Nuoming and Xinyu Xingmeng are entitled to retain such partnership interests in accordance with the terms of the Employee Share Scheme. See " – Further Information about Our Directors, Supervisors and Substantial Shareholders – 5. Employee Share Scheme – Arrangements for Departing Employees" in Appendix VI to this prospectus for further details.

For further details of our Employee Shareholding Platforms, see " – Further Information about Our Directors, Supervisors and Substantial Shareholders – 5. Employee Share Scheme" in Appendix VI to this prospectus.

EMPLOYEE SHARE SCHEME

We have adopted the Employee Share Scheme, the purpose of which is to recognize the contribution to our Group by our employees.

For details of the Employee Share Scheme, see "Further Information about Our Directors, Supervisors and Substantial Shareholders – 5. Employee Share Scheme" in Appendix VI to this prospectus.

Save as disclosed above and in the paragraph headed "Further Information about Our Directors, Supervisors and Substantial Shareholders – 5. Employee Share Scheme" in Appendix VI to this prospectus, as of the Latest Practicable Date, our Group does not have any outstanding share options, warrants, convertible debt securities or other convertible instruments, or similar rights convertible into our Shares.

THE PRE-IPO INVESTMENTS

(1) Overview

Between January 2016 and September 2020, our Company obtained several rounds of investments from the Pre-IPO Investors through subscriptions for increased registered capital of our Company and/or through transfers by the then Shareholders of our Company. For further details, see " – Establishment and Development of Our Company" in this section.

(2) Principal terms of the Pre-IPO Investments

The following table[1][2] summarizes the key terms of the Pre-IPO Investments:

	Series Pre-A Financing	Series A Financing	Series B Financing	Series C Financing	Series D Financing	Series E-1 Financing	Series E-2 Financing	Series F Financing
Date of agreement	December 23, 2015	November 26, 2015; January 28, 2016	June 28, 2016	February 20, 2017	April 6, 2018	June 21, 2019	June 21, 2019	September 8, 2020
Amount of registered capital subscribed for/purchased or number of Shares subscribed for[3]	RMB810,250	RMB1,250,000	RMB1,102,900	RMB1,225,483	RMB2,083,817	RMB1,273,850	RMB1,033,379	2,212,438 Shares
Amount of registered capital or number of Shares after each round of the Pre-IPO Investments	RMB5,000,000	RMB6,250,000	RMB7,352,900	RMB8,578,383	RMB11,113,694	RMB12,972,475	RMB14,079,945[9]	16,686,333 Shares
Amount of consideration paid[3]	RMB810,250[7]	RMB20,000,000	RMB30,000,000	RMB100,000,000	RMB300,000,000	RMB344,528,800 (equivalent to US$49,000,000)	RMB278,250,000	RMB1,070,000,000
Date of payment of full consideration	January 12, 2016[7]	February 1, 2016	June 28, 2016	April 1, 2017	May 28, 2018	August 14, 2019	November 26, 2019	September 28, 2020
Post-money valuation of our Company[4] (approximation)	RMB27 million	RMB100 million	RMB200 million	RMB700 million	RMB1.6 billion	RMB3.5 billion[8]	RMB3.8 billion[8]	RMB8.1 billion
Cost per Share paid under the Pre-IPO Investments[5] (approximation)	RMB0.03	RMB0.52	RMB0.88	RMB2.64	RMB4.65	RMB8.74[8]	RMB8.70[8]	RMB15.63
Premium/(Discount) to the Offer Price[6] (approximation)	(99.69)%[7]	(95.04)%	(91.57)%	(74.71)%	(55.39)%	(16.18)%	(16.56)%	49.88%
Basis of determination of the consideration	The consideration for each round of the Pre-IPO Investments were determined based on arm's length negotiations between the relevant parties after taking into consideration the timing of the investments and the status of our business and operations.							
Lock-up period	All existing Shareholders (including the Pre-IPO Investors) are prohibited from disposing of any Share held by them within the 12 months following the Listing Date as required under the applicable PRC law.							
Use of proceeds from the Pre-IPO Investments	We utilized the proceeds from the Pre-IPO Investments for the principal business of our Company, including but not limited to the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately 70.85% of the net proceeds from the Pre-IPO Investments had been utilized.							
Strategic benefits to our Company brought by the Pre-IPO Investors	At the time of the Pre-IPO Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-IPO Investors' investments in our Group and the knowledge and experience of the Pre-IPO Investors.							

Notes:

(1) The equity transfer in June 2017 is not included in the above table as the consideration of the transfer in the amount of RMB10,000,000 was paid to Ms. Tang (instead of our Company) by Nanjing Kaitai, with the date on which full consideration was paid being June 14, 2017. The cost per Share of such transfer was approximately RMB2.50. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the discount to the Offer Price of such transfer is approximately 75.99%. For details of the equity transfer in June 2017, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (f) Equity Transfer in June 2017" in this section.

The equity transfer in July 2018 is not included in the above table as the consideration of the transfer in the amount of RMB35,000,000 was paid to Hangzhou Yongjian (instead of our Company) by Hangzhou Yangjian, with the date on which full consideration was paid being July 6, 2018. The cost per Share of such transfer was approximately RMB5.43. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the discount to the Offer Price of such transfer is approximately 47.95%. For details of the equity transfer in July 2018, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (h) Series D Financing in May 2018" in this section.

The equity transfer in June 2019 is not included in the above table as the consideration of the transfer in the amount of RMB15,075,000 was paid to Zhoushan Yijin (instead of our Company) by Ningbo SBCVC, with the date on which full consideration was paid being June 26, 2019. The cost per Share of such transfer was approximately RMB8.76. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the discount to the Offer Price of such transfer is approximately 15.93%. For details of the equity transfer in June 2019, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (i) Equity Transfers in April and June 2019" in this section.

The equity transfer from Xinyu Shenkong to Kaifeng Taimei in September 2019 is not included in the above table as the consideration of the transfer in the amount of RMB39,620,000 was paid to Xinyu Shenkong (instead of our Company) by Kaifeng Taimei, with the date on which full consideration was paid being September 24, 2019. The cost per Share of such transfer was approximately RMB8.70. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the discount to the Offer Price of such transfer is approximately 16.56%. For details of such equity transfer in September 2019, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (k) Equity Transfers in September 2019" in this section.

The equity transfers in April 2020 and the capital increase in April 2020 are not included in the above table as the consideration of the respective transfers in the aggregate amount of RMB500,000,000 was paid to Internet Fund V (instead of our Company) by Linzhi Tencent and Suzhou Paiyi and the subscriptions of registered capital of our Company by Linzhi Tencent and Suzhou Paiyi at par value were conducted in connection with such equity transfers, with the date on which full consideration was paid being July 30, 2020. The cost per Share of such equity transfers and capital increase was approximately RMB9.85. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the discount to the Offer Price of such equity transfers is approximately 5.54%. For details of the equity transfers in April 2020, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (n) Equity Transfers and Capital Increase in April 2020" in this section.

The equity transfers in September 2020 are not included in the above table as the consideration of the respective transfers in the aggregate amount of RMB170,000,000 was paid to Nanjing Kaiyuan and Gongqingcheng Yuanxi (instead of our Company) by Linzhi Tencent, with the date on which full consideration was paid being September 9, 2020. The cost per Share of such equity transfers was approximately RMB15.62. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the premium to the Offer Price of such equity transfers is approximately 49.88%. For details of the equity transfers in September 2020, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (p) Equity Transfers in September 2020" in this section.

The equity transfers in October 2021 (other than the equity transfers from Mr. Li to Xinyu Xingmeng and Mr. Zhao) are not included in the above table as the consideration of the respective transfers in the aggregate amount of RMB24,520,350 was paid to Mr. Li and Ms. Jiang (instead of our Company) by Kaifeng Housheng and Jiaxing SBCVC, with the date on which full consideration was paid being October 11, 2021. The cost per Share of such equity transfers was approximately RMB15.00. Based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5 (being the mid-point of the indicative Offer Price range), the premium to the Offer Price of such equity transfers is approximately 43.88%. For details of such equity transfers in October 2021, see " – Establishment and Development of Our Company – (3) Conversion into Joint Stock Limited Company and Major Shareholding Changes of Our Company After Conversion – (d) Equity Transfers in October 2021" in this section.

(2) The acquisition of certain indirect equity interests in Shanghai Shengfang by certain Shareholders in January 2024 is not included in the above table. Pursuant to an equity transfer agreement entered into between our Company and Xinyu Gongji Enterprise Management Partnership (Limited Partnership) (新余共濟企業管理合夥企業(有限合夥)) ("**Xinyu Gongji**") on January 17, 2024, our Company agreed to transfer registered capital in Shanghai Shengfang of RMB7,642,105 (representing approximately 6.00% equity interest in Shanghai Shengfang at the time of transfer) to Xinyu Gongji at nil consideration (the "**Shanghai Shengfang Transfer**"), considering the continued support from such Shareholders to our development and fund-raising activities, including provision of strategic advice on our business operation and management, sharing of networks with industry players and insights on policies and industry information, invitation to industry conferences, forums and events, introduction of potential investors, and support to the Global Offering and the Listing. The equity transfer was completed on January 19, 2024. Xinyu Gongji is a limited partnership established under the laws of the PRC on January 15, 2024 and is managed by its executive partner, Taimei Xinghui (our wholly-owned subsidiary). As of the date of this prospectus, Xinyu Gongji had 19 limited partners, including Xinyu Xingmeng, Kaifeng Housheng, Jiaxing SBCVC and investors in Series F Financing, each holding less than 20% partnership interest.

(3) For details relating to the registered capital of our Company subscribed for by or transferred to each Pre-IPO Investor and the corresponding consideration paid by each Pre-IPO Investor for each round of the Pre-IPO Investments, see " – Establishment and Development of our Company" in this section.

(4) The valuation of our Company after each round of financings was determined based on arm's length negotiations between the relevant parties primarily with reference to the operating results, growth prospects and industry outlook of our business.

(5) Calculated based on the number of Shares as adjusted after joint stock reform in September 2020 and capitalization of our Company's capital reserve in November 2020.

(6) Calculated based on the currency translation of HK$1 to RMB0.90655 and on the Offer Price of HK$11.5, being the mid-point of the indicative Offer Price range.

(7) The consideration of the transfers in respect of Series Pre-A Financing is zero as the registered capital transferred had not been paid up at the time of such transfers. In January 2016, all transferred registered capital in respect of Series Pre-A Financing was paid up by Nanjing Kaiyuan.

(8) Series E-1 Financing and Series E-2 Financing were conducted pursuant to the same capital increase agreement dated June 21, 2019 with reference to the same then valuation of our Company. The difference between the respective approximate cost per Share in respect of Series E-1 Financing and Series E-2 Financing was due to the exchange rate as the consideration for Series E-1 Financing was denominated in U.S. dollars. The difference between the respective post-money valuation of our Company in respect of Series E-1 Financing and Series E-2 Financing was due to the investment amounts received from Series E-2 Financing and the subscription by Ruansu Enterprise Management in November 2019.

(9) The amount of registered capital of our Company after Series E-2 Financing included the amount of registered capital subscribed for by Ruansu Enterprise Management, our Employee Shareholding Platform. For details, see " – Establishment and Development of Our Company – (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company – (l) Series E-2 Financing and Subscription by Ruansu Enterprise Management in November 2019" in this section.

(3) Rights of the Pre-IPO Investors

The Pre-IPO Investors were granted customary special rights, including but not limited to information and inspection rights, right of first refusal, tag-along right, anti-dilution right and divestment right. As of the Latest Practicable Date, all special rights were terminated.

(4) Joint Sponsors' Confirmation

On the bases that (i) the consideration for the Pre-IPO Investments (including the Shanghai Shengfang Transfer) was irrevocably settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange or no less than 120 clear days before the Listing Date (as the case may be); and (ii) no special rights of the Pre-IPO Investors will exist after the Listing, the Joint Sponsors confirm that the Pre-IPO Investments (including the Shanghai Shengfang Transfer) are in compliance with the Chapter 4.2 of the Guide for New Listing Applicants.

(5) Information about Our Pre-IPO Investors

Information of our Pre-IPO Investors is set out below.

1. **Linzhi Tencent**: Linzhi Tencent is a limited liability company incorporated in the PRC and is wholly owned by Shenzhen Tencent Industrial Investment Fund Co., Ltd. (深圳市騰訊產業投資基金有限公司), which is a subsidiary of Tencent Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock codes: 700 (HKD counter) and 80700 (RMB counter)). Linzhi Tencent will be a substantial shareholder of our Company upon Listing.

2. **Suzhou Paiyi**: Suzhou Paiyi is a limited partnership established in the PRC and is managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司), which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). As of the Latest Practicable Date, Suzhou Paiyi had two limited partners, namely, Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)) which held approximately 65.00% partnership interest, and Beijing Tencent Phase I Investment Fund (Limited Partnership) (北京騰訊一期跟投基金(有限合夥)) which held approximately 34.95% partnership interest.

3. **MPCi**: Jingwei Chuangteng is a limited partnership established in the PRC and is managed by its general partner, Hangzhou Jingwei Yuanchuang Investment Management Partnership (Limited Partnership) (杭州經緯遠創投資管理合夥企業(有限合夥)). As of the Latest Practicable Date, Jingwei Chuangteng had 37 limited partners, and was held as to approximately 13.64% by Guojin Dingxing Investment Co., Ltd. (國金鼎興投資有限公司) as the largest limited partner. Jingwei Chuangbo is a limited partnership established in the PRC and is managed by its general partner, Suzhou Weichuang Investment Management Partnership (Limited partnership) (蘇州緯創投資管理合夥企業(有限合夥)). As of the Latest Practicable Date, Jingwei Chuangbo had three limited partners, and was held as to 49% by Jingwei Chuangteng (Hangzhou) Venture Capital Partnership (Limited Partnership) (經緯創騰(杭州)創業投資合夥企業(有限合夥)) as the largest limited partner. Each of Jingwei Chuangteng and Jingwei Chuangbo is ultimately controlled by Mr. ZUO Lingye (左淩燁). Both Jingwei Chuangteng and Jingwei Chuangbo are the investment arms of MPCi (經緯創投) which had total assets under management of over RMB60 billion as of December 31, 2023. MPCi has made investments in various new economy, deep technology, industrial digitalization, healthcare, frontier technology and new consumer brands. To the best knowledge of our Directors, each of Jingwei Chuangteng, Jingwei Chuangbo and Mr. ZUO Lingye is an Independent Third Party.

4. **Co-win Ventures**: Kaifeng Taimei is a limited partnership established in the PRC and is managed by its general partner, Ningbo Free Trade Zone Kaifeng Venture Capital Management Co., Ltd. (寧波保稅區凱風創業投資管理有限公司) ("**Kaifeng VC Management**"). As of the Latest Practicable Date, Kaifeng Taimei had five limited partners, and was held as to 44.30% by Ningbo Shengxiang Investment

Partnership (Limited Partnership) (寧波聖翔投資合夥企業(有限合夥)) as the largest limited partner. Kaifeng Zhide is a limited partnership established in the PRC and is managed by its general partner, Kaifeng VC Management. As of the Latest Practicable Date, Kaifeng Zhide had ten limited partners, and was held as to approximately 30.26% by Huzhou Gaofang Enterprise Management Partnership (Limited Partnership) (湖州高方企業管理合夥企業(有限合夥)) as the largest limited partner. Kaifeng Housheng is a partnership established in the PRC and is managed by its executive partner, ZHAO Guibin (趙貴賓), and was held as to 75% by ZHAO Guibin and 25% by HUANG Xin (黃昕) as its general partners as of the Latest Practicable Date. Kaifeng Changyang is a limited partnership established in the PRC and is managed by its general partner, Kaifeng Housheng. As of the Latest Practicable Date, Kaifeng Changyang had six limited partners, and was held as to approximately 37.50% by Suzhou Yuanhe Holdings Co., Ltd. (蘇州元禾控股股份有限公司) as the largest limited partner. Nanjing Kaiyuan is a limited partnership established in the PRC and is managed by its general partner, Nanjing Kaiyuan Venture Capital Management Partnership (Limited Partnership) (南京凱元創業投資管理合夥企業(有限合夥)). As of the Latest Practicable Date, Nanjing Kaiyuan had eight limited partners, and was held as to approximately 30.80% by Nanjing Jiangning Talent Group Co., Ltd. (南京江寧人才集團有限公司) as the largest limited partner. Nanjing Kaitai is a limited partnership established in the PRC and is managed by its general partner, Nanjing Kaitai Venture Capital Management Partnership (Limited Partnership) (南京凱泰創業投資管理合夥企業(有限合夥)). As of the Latest Practicable Date, Nanjing Kaitai had 17 limited partners, and was held as to 18.17% by Xiamen Xiangyu Venture Capital Management Co., Ltd. (廈門象嶼創業投資管理有限公司) as the largest limited partner. Kaifeng Taimei, Kaifeng Zhide, Kaifeng Housheng, Kaifeng Changyang, Nanjing Kaiyuan and Nanjing Kaitai are investment arms of Co-win Ventures (凱風創投), which focuses on investments in hard technology and healthcare sectors with total assets under management of over RMB6 billion. Each of Kaifeng Taimei, Kaifeng Zhide, Kaifeng Housheng, Kaifeng Changyang, Nanjing Kaiyuan and Nanjing Kaitai is ultimately controlled by Mr. ZHAO Guibin (趙貴賓). To the best knowledge of our Directors, each of Kaifeng Taimei, Kaifeng Zhide, Kaifeng Housheng, Kaifeng Changyang, Nanjing Kaiyuan, Nanjing Kaitai and Mr. ZHAO Guibin is an Independent Third Party.

5. **Northern Light Venture Capital**: Each of Northern Lights Zhengyuan and Northern Lights Hongyuan is a limited partnership established in the PRC and is managed by its general partner, Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership) (蘇州柏源創業投資管理合夥企業(有限合夥)). The limited partners of Northern Lights Zhengyuan and Northern Lights Hongyuan include various institutional and individual investors, including Guochuang Yuanhe Venture Capital Fund (Limited Partnership) (國創元禾創業投資基金(有限合夥)) and Beijing Yizhuang International Emerging Industry Investment Center (Limited Partnership) (北京亦莊國際新興產業投資中心(有限合夥)). Each of Northern Lights Zhengyuan and Northern Lights Hongyuan is ultimately controlled by Mr. ZHANG Pengpeng (張朋朋). Northern Lights Zhengyuan and Northern Lights Hongyuan are investment arms of Northern Light Venture Capital (北極光創投), which is a leading

venture capital and private equity firm. Northern Light Venture Capital is committed to investing in early-stage and innovative technology enterprises with a focus on new technology, healthcare, and new consumption sectors. As of June 30, 2024, Northern Light Venture Capital had total assets under management of approximately RMB35 billion. To the best knowledge of our Directors, each of Northern Lights Zhengyuan, Northern Lights Hongyuan and Mr. ZHANG Pengpeng is an Independent Third Party.

6. **5Y Capital:** 5Y Chenxi is a limited partnership established in the PRC, whose general partner is Shanghai Yuanpan Enterprise Management Consulting Partnership (Limited Partnership) (上海源畔企業管理諮詢合夥企業(有限合夥)), which is controlled by its general partner, Shanghai Xingshang Enterprise Management Consulting Co., Ltd. (上海興尚企業管理諮詢有限公司) ("**Shanghai Xingshang**"), which is in turn held as to 50% by each of Ms. NI Yuanyuan (倪媛媛) and Mr. WANG Zhenting (王振庭). 5Y Chenxi is managed by Shanghai Xingpan Investment Management Consulting Co., Ltd. (上海興畔投資管理諮詢有限公司) ("**Shanghai Xingpan**"), which is held as to 50% by each of Mr. LIU Qin (劉芹) and Mr. SHI Jianming (石建明). 5Y Chenyu is a limited partnership established in the PRC and is managed by its general partner, Shanghai Xingpan. 5Y Qixing is a limited partnership established in the PRC, whose general partner is Nanjing Wuyuan Chuxing Equity Investment Center (Limited Partnership) (南京五源初興股權投資中心(有限合夥)), which is controlled by its general partner, Shanghai Xingshang. 5Y Qixing is managed by Shanghai Xingpan. 5Y Chenxi, 5Y Chenyu and 5Y Qixing are investment funds of 5Y Capital whose primary purpose is to make equity investments in private companies. 5Y Capital, a venture capital firm, specializes in fostering the growth of outstanding companies in the technology, life sciences, and consumer innovation sectors. The unwavering commitment of 5Y Capital is to serve as the premier, enduring, and most impactful investor for top-tier entrepreneurs. 5Y Capital has invested in other technology companies such as Xiaomi Corporation (stock code: 1810), Kuaishou Technology (stock code: 1024), XPeng Inc. (stock code: 9868) and Kingsoft Office (Shanghai Stock Exchange, stock code: 688111) etc. To the best knowledge of our Directors, each of 5Y Chenxi, 5Y Chenyu, 5Y Qixing, Ms. NI Yuanyuan, Mr. WANG Zhenting, Mr. LIU Qin and Mr. SHI Jianming is an Independent Third Party.

7. **SBCVC**: Chengdu SBCVC is a limited partnership established in the PRC and is managed by its general partner, Chongqing SBCVC Investment Management Co., Ltd. (重慶軟銀投資管理有限公司). As of the Latest Practicable Date, Chengdu SBCVC had two limited partners, and was held as to 74% by Guiyang High Tech Venture Capital Co., Ltd. (貴陽高科創業投資有限責任公司) as the largest limited partner. Ningbo SBCVC is a limited partnership established in the PRC and is managed by its general partner, Shanghai Xinbo Jieyi Private Fund Management Partnership (Limited Partnership) (上海欣博杰益私募基金管理合夥企業(有限合夥)). As of the Latest Practicable Date, Ningbo SBCVC had five limited partners, and was held as to approximately 29.05% by each of New China Life Insurance

Company Limited (新華人壽保險股份有限公司), China Pacific Life Insurance Co., Ltd. (中國太平洋人壽保險股份有限公司) and Ningbo Boshang Investment Partnership (Limited Partnership) (寧波博尚投資合夥企業(有限合夥)) as the three largest limited partners. Jiaxing SBCVC is a limited partnership established in the PRC and is managed by its general partner, Ningbo Ruanku Investment Co., Ltd. (寧波軟庫投資有限公司), and was held as to 99% by Mr. ZHANG Xu (張旭) as its sole limited partner as of the Latest Practicable Date. Each of Chengdu SBCVC, Ningbo SBCVC and Jiaxing SBCVC is ultimately controlled by Mr. ZHANG Xu (張旭). Chengdu SBCVC, Ningbo SBCVC and Jiaxing SBCVC are investment arms of SB China Capital (軟銀中國資本) ("**SBCVC**"), which is a leading venture capital and private equity firm. SBCVC's investments focus on high-tech and high-growth companies in TMT, clean technologies, healthcare, consumer or retail, and advanced manufacturing sectors. To the best knowledge of our Directors, each of Chengdu SBCVC, Ningbo SBCVC, Jiaxing SBCVC and Mr. ZHANG Xu is an Independent Third Party.

8. **SAIF Partners**: Suzhou SAIF is a limited partnership established in the PRC and is managed by its general partner, Suzhou SAIF Puxin Venture Capital Center (Limited Partnership) (蘇州賽富璞鑫創業投資中心(有限合夥)). As of the Latest Practicable Date, Suzhou SAIF had eight limited partners, and was held as to approximately 17.20% by each of Suzhou Wuzhong Financial Holding Group Co., Ltd. (蘇州市吳中金融控股集團有限公司), Bainian Life Insurance Co., Ltd. (百年人壽保險股份有限公司), Taikang Life Insurance Insurance Co., Ltd. (泰康人壽保險有限責任公司) and Aviva-COFCO Life Insurance Co., Ltd. (中英人壽保險有限公司) as the four largest limited partners. Nanjing SAIF is a limited partnership established in the PRC and is managed by its general partner, Jiaxing SAIF Hengshun Investment Management Partnership (Limited Partnership) (嘉興賽富恒順投資管理合夥企業(有限合夥)). As of the Latest Practicable Date, Nanjing SAIF had nine limited partners, and was held as to approximately 28.67% by Jiaxing Zexiang Investment Management Partnership (Limited Partnership) (嘉興澤祥投資管理合夥企業(有限合夥)) as the largest limited partner. Huangshan SAIF is a limited partnership established in the PRC and is managed by its general partner, Mount Huangshan Saifu Fund Management Co., Ltd. (黃山賽富基金管理有限責任公司). As of the Latest Practicable Date, Huangshan SAIF had three limited partners, and was held as to 40% by Shenzhen Jinsheng Shuoheng Venture Capital Center (Limited Partnership) (深圳金晟碩恒創業投資中心(有限合夥)) as the largest limited partner. Each of Suzhou SAIF, Nanjing SAIF and Huangshan SAIF is ultimately controlled by Mr. YAN Yan (閻焱). Shenzhen SAIF is a limited partnership established in the PRC and is managed by its general partner, Shenzhen SAIF Momentum Equity Investment Fund Management Enterprise (Limited Partnership) (深圳市賽富動勢股權投資基金管理企業(有限合夥)), which is ultimately controlled by Mr. JIN Fengchun (金鳳春). As of the Latest Practicable Date, Shenzhen SAIF had 18 limited partners, and was held as to approximately 26.98% by China Merchants Securities Asset Management Co., Ltd. (招商證券資產管理有限公司) as the largest limited partner. Suzhou SAIF, Nanjing SAIF, Huangshan SAIF and Shenzhen SAIF

are investment arms of SAIF Partners (賽富投資基金), which is a leading Asian private equity firm, with total assets under management of approximately RMB40 billion as of December 31, 2023. SAIF Partners makes privately negotiated equity or equity-linked investments across several growth sectors, with primary areas of focus including Internet+ and TMT, healthcare and new materials and clean technologies. To the best knowledge of our Directors, each of Suzhou SAIF, Nanjing SAIF, Huangshan SAIF, Shenzhen SAIF, Mr. YAN Yan and Mr. JIN Fengchun is an Independent Third Party.

9. **Zheshang VC**: Zheshang VC is a limited liability company established in the PRC and listed on the National Equities Exchange And Quotations ("**NEEQ**") (stock code: 834089). Hangzhou Yangjian is a limited partnership established in the PRC and is managed by its general partner, Zhejiang Haipeng Investment Management Co., Ltd. (浙江海鵬投資管理有限公司), which is a wholly-owned subsidiary of Zheshang VC. As of the Latest Practicable Date, Hangzhou Yangjian had five limited partners, and was held as to approximately 31.11% by Deqing Yuanbao Management Consulting Partnership (Limited Partnership) (德清元寶管理諮詢合夥企業(有限合夥)) as the largest limited partner. Hangzhou Qizhen is a limited partnership established in the PRC and is managed by its general partner, Zheshang VC. As of the Latest Practicable Date, Hangzhou Qizhen had seven limited partners, and was held as to 20% by Zhejiang Industrial Fund Co., Ltd. (浙江省產業基金有限公司) as the largest limited partner. Zheshang VC currently manages more than 50 venture capital or private equity funds, NEEQ funds, private placement funds and mergers and acquisitions funds, with total assets under management of over RMB60 billion as of December 31, 2023. Zheshang VC primarily invests in big health, big consumption, new economy, new manufacturing and other sectors. To the best knowledge of our Directors, each of Zheshang VC, Hangzhou Yangjian and Hangzhou Qizhen is an Independent Third Party.

10. **Jinjiao Langqiu Entities**: Jinjiao Langqiu is a limited partnership established in the PRC, with more than RMB2 billion of assets under management. Xuri Xinzhu is a limited partnership established in the PRC, with more than RMB800 million of assets under management. Aochuan Bangde (together with Jinjiao Langqiu and Xuri Xinzhu, the "**Jinjiao Langqiu Entities**") is a limited partnership established in PRC, with more than RMB200 million of assets under management. The general partner of each of the Jinjiao Langqiu Entities is Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區迪銳投資管理合夥企業(有限合夥)) which is ultimately controlled by Mr. TANG Meng (唐萌). The Jinjiao Langqiu Entities are funds focusing on logistics, healthcare, telecommunication, media and technology and consumer industries, and have made investments in companies including Huaqin Technology Co., Ltd. (華勤技術股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603296)) and Smartsens Technology (Shanghai) Co., Ltd. (思特威(上海)電子科技股份有限公司) (a company listed on the SSE STAR Market (stock code: 688213)). To the best knowledge of our Directors, each of the Jinjiao Langqiu Entities and Mr. TANG Meng is an Independent Third Party.

11. **Gongqingcheng Yuanxi**: Gongqingcheng Yuanxi is a limited partnership established in the PRC and is managed by its general partner, Gongqingcheng Yuande Investment Management Partnership (Limited Partnership) (共青城元德投資管理合夥企業(有限合夥)), which is managed by its general partner, Gongqingcheng Yuansheng Investment Management Co., Ltd. (共青城元生投資管理有限公司), which is in turn held as to 50% by each of Mr. PENG Xueqin (彭學勤) and Mr. PENG Xinmin (彭新民). As of the Latest Practicable Date, Gongqingcheng Yuanxi had 20 limited partners, and was held as to approximately 19.91% by SDIC Chuanghe National Leading Fund of Emerging Industries VC (Limited Partnership) (國投創合國家新興產業創業投資引導基金(有限合夥)) as the largest limited partner. Gongqingcheng Yuanxi had total assets under management of approximately RMB0.83 billion as of June 30, 2024. Gongqingcheng Yuanxi has made investments in enterprises in various sectors, including consumer goods, information technology, high technology and biotechnology sectors. To the best knowledge of our Directors, each of Gongqingcheng Yuanxi, Mr. PENG Xueqin and Mr. PENG Xinmin is an Independent Third Party.

12. **Changzhou Ivy**: Changzhou Ivy is a limited partnership established in the PRC and is managed by its general partner, Shanghai Ivy Investment Co., Ltd. (上海常春藤投資有限公司), which is wholly owned by Shanghai Ivy Investment Holding Co., Ltd. (上海常春藤投資控股有限公司), which is ultimately controlled by Mr. WENG Jiyi (翁吉義). As of the Latest Practicable Date, Changzhou Ivy had 13 limited partners, and was held as to 29.57% by Ivy (Changzhou) Equity Investment Management Center (Limited Partnership) (常春藤(常州)股權投資管理中心(有限合夥)) as the largest limited partner. As of the Latest Practicable Date, Shanghai Ivy Investment Co., Ltd. had total assets under management of approximately RMB3.4 billion, with investments in the medical information industry, including 111, Inc. (a company listed on Nasdaq (stock symbol: YI)) and YSB Inc. (a company listed on the Stock Exchange (stock code: 9885)). To the best knowledge of our Directors, each of Changzhou Ivy and Mr. WENG Jiyi is an Independent Third Party.

13. **Mr. LI Shenjia (李申嘉)**: Mr. Li is an individual investor and became acquainted with our Company when our Company acquired his equity interests in Taimei Xinghuan in November 2019. To the best knowledge of our Directors, Mr. LI Shenjia is an Independent Third Party.

14. **Ms. JIANG Wenxin (蔣雯昕)**: Ms. Jiang is an individual investor and became acquainted with our Company when our Company acquired her equity interests in Taimei Xinghuan in November 2019. To the best knowledge of our Directors, Ms. JIANG Wenxin is an Independent Third Party.

15. **YF Capital**: Yunfeng Ruichi is a limited partnership established in the PRC and is managed by its general partner, Shanghai Zhongfu Asset Management Center (Limited Partnership) (上海眾付資產管理中心(有限合夥)), which is ultimately controlled by Mr. YU Xuedong (虞學東). As of the Latest Practicable Date, Yunfeng Ruichi had two limited partners, and was held as to approximately 73.53% by

Beijing Zhaode Investment Group Co., Ltd. (北京昭德投資集團有限公司) as the largest limited partner. Yunfeng Ruichi is an investment arm of YF Capital (雲鋒基金), a leading private equity firm in China with an investment focus in the emerging industries such as technology and business services and healthcare industries. To the best knowledge of our Directors, each of Yunfeng Ruichi and Mr. YU Xuedong is an Independent Third Party.

16. **Zhuhai Fuheng**: Zhuhai Fuheng is a limited partnership established in the PRC. The general partner of Zhuhai Fuheng is Shenzhen Gao Ling Tiancheng III Investment Co., Ltd. (深圳高瓴天成三期投資有限公司), which is ultimately controlled by Independent Third Parties. The limited partners of Zhuhai Fuheng are private equity funds managed by Zhuhai Gao Ling Private Fund Management Co., Ltd. (珠海高瓴私募基金管理有限公司) ("**Zhuhai Gao Ling**"). Zhuhai Gao Ling collaborates with industry-defining enterprises, aiming to establish alignment with sustainable, forward-thinking companies across healthcare, business services, consumer, and industrial sectors. To the best knowledge of our Directors, Zhuhai Fuheng is an Independent Third Party.

17. **Qichuang Keyuan**: Qichuang Keyuan is a limited partnership established in the PRC and is managed by its general partner, Beijing Weilai Qichuang Fund Management Co., Ltd. (北京未來啟創基金管理有限公司), which is a wholly-owned subsidiary of Nanjing Weilai Qichuang Fund Management Co., Ltd. (南京未來啟創基金管理有限公司), which is in turn held as to 34%, 33% and 33% by Ms. LI Ya (李亞), Ms. ZHANG Ting (張婷) and Mr. ZHANG Lianqing (張聯慶), respectively. As of the Latest Practicable Date, Qichuang Keyuan had 24 limited partners, and was held as to 25% by Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) as the largest limited partner. As of December 31, 2023, Qichuang Keyuan had total assets under management of approximately RMB218 million and its investment portfolio includes companies across new generation information technology and medical sectors. To the best knowledge of our Directors, each of Qichuang Keyuan, Ms. LI Ya, Ms. ZHANG Ting and Mr. ZHANG Lianqing is an Independent Third Party.

18. **Gongqingcheng Jingqiong**: Gongqingcheng Jingqiong is a limited partnership established in the PRC with a registered capital of RMB30 million and is managed by its general partner, Ms. LI Jing (李晶). As of the Latest Practicable Date, Gongqingcheng Jingqiong was held as to 5% by Ms. CHE Shuzhen (車秀珍) as its sole limited partner. To the best knowledge of our Directors, each of Gongqingcheng Jingqiong and Ms. LI Jing is an Independent Third Party.

PREVIOUS LISTING ATTEMPT

In December 2021, our Company submitted an application for listing on the SSE STAR Market (the "**Previous A-Share Listing Application**"). In March 2023, the Previous A-Share Listing Application was referred to the listing committee of the Shanghai Stock Exchange (上海證券交易所上市審核委員會) for consideration.

On March 17, 2023, the Shanghai Stock Exchange issued a letter terminating the Previous A-Share Listing Application on the following grounds: (i) during the reporting period, our Company did not primarily rely on our core technologies to carry out our production and operation, and therefore failed to meet the innovation attribute requirement under Article 3 of the Administrative Measures for the Registration of Initial Public Offering and Listing of Stocks (《首次公開發行股票註冊管理辦法》) (the "**Measures**") published by the CSRC (the "**Innovation Attribute Comment**"); and (ii) our Company did not disclose sufficient material information for investors to make assessment and investment decisions, and therefore failed to meet the requirement under Article 34 of the Administrative Measures for the Registration of Initial Public Offering and Listing of Stocks (the "**Prospectus Disclosure Comment**").

In its termination letter, the Shanghai Stock Exchange also noted four key concerns, including:

(i) our business model (including the reasonableness and necessity of adopting our business model which consists of sales of industry-specific software and provision of related digital services in the pharmaceutical and medical device industry, whether our business model is consistent with industry practice, whether our business addressed market needs, innovativeness of our core technology (as part of the innovation attribute requirement for listing on the SSE STAR Market), and whether we primarily relied on our core technologies to carry out our production and operation (as part of the innovation attribute requirement for listing on the SSE STAR Market));

(ii) our historical financial performance (including the trend of and reasons for the historical loss recorded and consequential impacts on our business sustainability, our future sales growth, and factors affecting our profitability);

(iii) the background and details relating to Taimei Xinghuan (our wholly-owned subsidiary) (including bases of considerations for the acquisition of Taimei Xinghuan in 2019 and fairness thereof, the reasonableness of the recognition of goodwill as a result of the acquisition and subsequent impairment thereof, and the operational performance of and effectiveness of the internal control system of Taimei Xinghuan); and

(iv) the change of applicable listing eligibility requirements relating to, among others, expected market capitalization, and the termination of our weighted voting rights structure as a result thereof (including details and reasonableness of such change, and whether the termination of the weighted voting rights structure would have any impact on the stability of control of our Company).

Other than the Innovation Attribute Comment and the Prospectus Disclosure Comment, there was no outstanding comment from the Shanghai Stock Exchange in relation to the Previous A-Share Listing Application, nor was there any disagreement between our Company and the Shanghai Stock Exchange or any working parties involved in the Previous A-Share Listing Application.

With respect to the key concerns noted by the Shanghai Stock Exchange:

(i) ***Our business model and core technologies***

While to our knowledge, our business model, which consists of sales of industry-specific software and provision of related digital services in the pharmaceutical and medical device industry, is not commonly adopted by other industry players as most industry players in the pharmaceutical and medical device industry focus on either sales of software or provision of services (such as CRO services), we believe that our business model is commercially reasonable and beneficial to our overall growth. As stakeholders in the pharmaceutical and medical device industry may find it preferable to procure software and/or services depending on their own diverse business needs, offering both types of solutions would allow us to achieve comprehensiveness and fulfill a wider spectrum of such market needs, including enabling our customers to conduct pharmaceutical R&D and commercialization efficiently, while allowing us to capture a larger share of wallet of our customers and realize revenue growth. Besides, offering both types of solutions also helps us to achieve cross-selling and up-selling, and when combined with our platforms, allows us to generate synergies through effectively integrating industry resources and optimizing allocation of such resources. The commercial benefits of adopting our business model and the fulfillment of market needs have been evidenced by the growth in our revenue from both cloud-based software and digital services during the Track Record Period. For further details, see "Business — Overview — Taimei's Industry Solutions — Digital Services", "Business — Our Solutions" and "Business — Key Operating and Financial Data" in this prospectus.

With respect to our core technologies, the requirement that an listing applicant must primarily rely on core technology to carry out its production and operation is a specific listing qualification for a listing on the SSE STAR Market as set out under Article 3 of the Measures, and is inapplicable to the Listing pursuant to the Listing Rules. To our best knowledge and belief, the Shanghai Stock Exchange's view that we did not primarily rely on our core technologies to carry out our production and operation would have been related to its application of the innovation attribute requirement under Article 3 of the Measures, its assessment of our business model with reference to such innovation requirement, and the fact and consideration that certain digital services offered by us (such as digital clinical trial services and medical professional services) had not, by the service nature, utilized our core technologies (as identified for the purpose of the Previous A-Share Listing Application and set out in our prospectus in connection with the Previous A-Share Listing Application) to a substantial extent as compared to our cloud-based software. Despite the foregoing, throughout the Track Record Period, we have been prioritizing R&D and continuously investing in technologies that have helped us to accumulate technologies suitable for various business scenarios, driving the development of new software and digital services based on forward-looking market insights. For details of our core technologies (being AI+ big data, and low-code development), their innovativeness and their application in our software and digital services, see "Business — Technology Infrastructure" in this prospectus.

(ii) ***Our financial performance and business sustainability***

In respect of our financial performance, leveraging our diverse products and services portfolio and our abilities to grow the customer base and improve customer retention, our business has achieved continuous growth during the Track Record Period. We recorded revenue of RMB466.2 million, RMB549.2 million, RMB573.1 million, RMB129.2 million and RMB132.1 million in 2021, 2022, 2023 and the first three months of 2023 and 2024, respectively. We incurred net losses of RMB479.6 million, RMB422.6 million, RMB356.4 million, RMB107.4 million and RMB118.2 million in 2021, 2022, 2023 and the first three months of 2023 and 2024, respectively. Excluding the effects of share-based payments and listing expenses, we had adjusted net loss (a non-IFRS measure) of RMB345.2 million, RMB333.3 million, RMB317.1 million, RMB109.9 million and RMB19.3 million in 2021, 2022 and 2023 and the first three months of 2023 and 2024, respectively. We incurred net losses and operating cash outflow during the Track Record Period mainly due to our investments in customer acquisition, product development, market education and changes in product structure. Looking forward, we plan to achieve long-term profitability primarily through continuing our revenue growth, improving our gross profit margin and increasing our operational efficiency, by (i) expanding our customer base, (ii) retaining customers and increasing their spending, and (iii) managing expenses and improving operational efficiency. For further details regarding our historical financial performance and business sustainability, including factors affecting our profitability and future sales growth, see "Financial Information" and "Business — Business Sustainability" in this prospectus.

(iii) ***Acquisition of Taimei Xinghuan in 2019***

We acquired Taimei Xinghuan through a series of equity transfers and capital increase at a total consideration of RMB181.9 million in 2019 after taking into consideration the following reasons: (i) we believed digital solutions would have strong growth potential in the field of pharmaceutical commercialization, and Taimei Xinghuan has valuable experience in this area; (ii) the acquisition of Taimei Xinghuan allowed us to expand our offerings from clinical research solutions to pharmaceutical commercialization solutions; and (iii) Taimei Xinghuan's customer base primarily consists of pharmaceutical companies, presenting opportunities for synergies with our then existing business. Our Directors believe that the consideration for this acquisition was fair and reasonable, after taking into account the following factors: (i) the estimated price-to-sales ratio ("**PSR**") for our acquisition of Taimei Xinghuan was 4.30, which closely aligned with the PSR of 4.96 in its previous financing in 2016 before our acquisition; (ii) between 2018 and 2020, the primary market investors paid more attention to Taimei Xinghuan and its valuation was relatively high; and (iii) the PSR range for comparable mergers, acquisitions or equity investments involving listed companies was 3.60 to 7.81 in or around 2019, and the PSR for our acquisition was within such range. Details relating to recognition of goodwill of Taimei Xinghuan and relevant impairment thereof during the Track Record Period are set out in the paragraph headed "Financial Information — Discussion of Certain Selected Items from the Consolidated Balance

Sheets — Intangible Assets — Goodwill" in this prospectus and note 18 to the Accountant's Report. Following our acquisition, Taimei Xinghuan has become one of our subsidiaries, its operational and financial performance has been integrated into our Group's overall performance, and it has been managed under our Group's internal control system. For further details relating to our internal control, see "Business — Risk Management and Internal Control" in this prospectus.

(iv) ***Change of applicable listing eligibility requirements for the Previous A-Share Listing Application and stability of control of our Company***

We changed the applicable listing eligibility requirements to have a lower requirement on our expected market capitalization for the Previous A-Share Listing Application on a voluntary basis after considering, among others, the general economic conditions and changes to the business environment in the pharmaceutical and medical device industry as impacted by the outbreak of the COVID-19 pandemic, and to minimize uncertainty associated with a proposed large-scale offering size in connection with the Previous A-Share Listing Application. As a weighted voting rights structure was no longer allowed under the changed listing eligibility requirements, we terminated the weighted voting rights structure as further elaborated in the paragraphs headed " — Establishment and Development of Our Company — (3) Conversion into Joint Stock Limited Company and Major Shareholding Changes of Our Company After Conversion — (c) Capitalization of Capital Reserve and Adoption of Weighted Voting Rights Structure" and " — Establishment and Development of Our Company — (3) Conversion into Joint Stock Limited Company and Major Shareholding Changes of Our Company After Conversion — (e) Termination of Weighted Voting Rights Structure" in this section. As set out in the paragraph headed " — Establishment and Development of Our Company — (2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company" in this section, Mr. Zhao had been the controlling shareholder of our Company before the adoption of the weighted voting rights structure and after the termination of the weighted voting rights structure, and remained one of the controlling shareholders of our Company as of the Latest Practicable Date. As such, there had been no change of control of our Company as a result of the adoption and the termination of the weighted voting rights structure.

Based on the above, our Directors are not aware of any matters or findings from the Previous A-Share Listing Application which have been brought to their attention and would have a material adverse implication on the Listing, or any matters that might materially and adversely affect our Company's suitability for the Listing. Our Directors further confirm that save as disclosed in this section, there is no other matter in relation to the Previous A-Share Listing Application that needs to be brought to the attention of the Stock Exchange or potential investors. Having taken into account the factors above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above and more specifically, there is no other matter in relation to the key concerns noted by the Shanghai Stock Exchange that needs to be brought to the attention of the Stock Exchange.

REASONS FOR LISTING ON THE STOCK EXCHANGE

Our Directors believe that the Global Offering will provide us with the necessary funding to increase our competitiveness by assisting us to expand our operations and strengthen our business prospects, and the Listing on the Stock Exchange will raise our profile and market awareness of our brand name and present us with an opportunity to further expand our investor base and broaden our access to international capital markets.

PUBLIC FLOAT

The 363,186,467 Shares held by our Shareholders (including 154,617,646 Shares held by Mr. Zhao and our Employee Shareholding Platforms) as of the Latest Practicable Date, representing approximately 67.51% of our total issued Shares as of the Latest Practicable Date, or approximately 64.81% of our total issued share capital upon Listing (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), or approximately 63.98% of our total issued share capital upon exercise of the Offer Size Adjustment Option and the Over-allotment Option in full, will not be counted towards public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as these Shares are Domestic Shares which will not be converted into H Shares and listed following the completion of the Global Offering.

The 1,216,500 Shares held by Xinyu Xingmeng (one of our Employee Shareholding Platforms), representing approximately 0.23% of our total issued share capital as of the Latest Practicable Date, or approximately 0.22% of our total issued share capital upon Listing (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), or approximately 0.21% of our total issued share capital upon exercise of the Offer Size Adjustment Option and the Over-allotment Option in full, are Domestic Shares which will be converted into H Shares and listed upon completion of the Global Offering. As Xinyu Xingmeng is managed by its executive partner, Mr. Zhao, our executive Director, chairperson of our Board and general manager, Xinyu Xingmeng is a close associate of Mr. Zhao and therefore, a core connected person of our Company. As a result, the H Shares held by Xinyu Xingmeng will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

The 12,977,851 Shares held by Linzhi Tencent and Suzhou Paiyi, representing approximately 2.41% of our total issued share capital as of the Latest Practicable Date, or approximately 2.32% of our total issued share capital upon Listing (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), or approximately 2.29% of our total issued share capital upon exercise of the Offer Size Adjustment Option and the Over-allotment Option in full, are Domestic Shares which will be converted into H Shares and listed upon completion of the Global Offering. As Tencent Holdings Limited, through Linzhi Tencent and Suzhou Paiyi, will be entitled to exercise approximately 11.58% voting rights in our Company immediately upon completion of the Global Offering (taking into account the 51,911,405 Domestic Shares held by Linzhi Tencent and Suzhou Paiyi, representing approximately 9.26% of our total issued share capital upon Listing, which will not be converted into H Shares and listed upon completion of the Global Offering, and assuming the Offer Size

Adjustment Option and the Over-allotment Option are not exercised), it will be a core connected person of our Company upon Listing. Therefore, the H Shares held by Linzhi Tencent and Suzhou Paiyi will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

The 160,619,182 Shares held by Jingwei Chuangteng, 5Y Chenxi, Nanjing Kaiyuan, Northern Lights Zhengyuan, Suzhou SAIF, Gongqingcheng Yuanxi, Hangzhou Yangjian, Aochuan Bangde, Nanjing Kaitai, Yunfeng Ruichi, Zhuhai Fuheng, Ningbo SBCVC, Northern Lights Hongyuan, Chengdu SBCVC, Kaifeng Taimei, Changzhou Ivy, 5Y Chenyu, Kaifeng Zhide, Jingwei Chuangbo, Zheshang VC, 5Y Qixing, Jinjiao Langqiu, Kaifeng Changyang, Xuri Xinzhu, Hangzhou Qizhen, Mr. Li, Shenzhen SAIF, Nanjing SAIF, Huangshan SAIF, Jiaxing SBCVC, Ms. Jiang, Kaifeng Housheng, Qichuang Keyuan and Gongqingcheng Jingqiong, representing approximately 29.85% of our total issued share capital as of the Latest Practicable Date, or approximately 28.66% of our total issued share capital upon Listing (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), or approximately 28.30% of our total issued share capital upon exercise of the Offer Size Adjustment Option and the Over-allotment Option in full, are Domestic Shares which will be converted into H Shares and listed following the completion of the Global Offering. As these entities/individuals will not be core connected persons of our Company upon Listing, are not accustomed to take instructions from core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of their Shares, and their acquisition of Shares were not financed directly or indirectly by core connected persons of our Company, the H Shares held by them will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

Immediately upon the completion of the Global Offering, assuming that (i) 22,416,600 new H Shares are allotted and issued in the Global Offering; (ii) the Offer Size Adjustment Option and the Over-allotment Option are not exercised; (iii) the 160,619,182 existing Domestic Shares which are converted into H Shares are counted towards the public float for the purpose of Rule 8.08 of the Listing Rules as further elaborated above; and (iv) 560,416,600 Shares are issued and outstanding in the share capital of our Company upon completion of the Global Offering, 183,035,782 H Shares, representing approximately 32.66% of our total issued share capital, will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

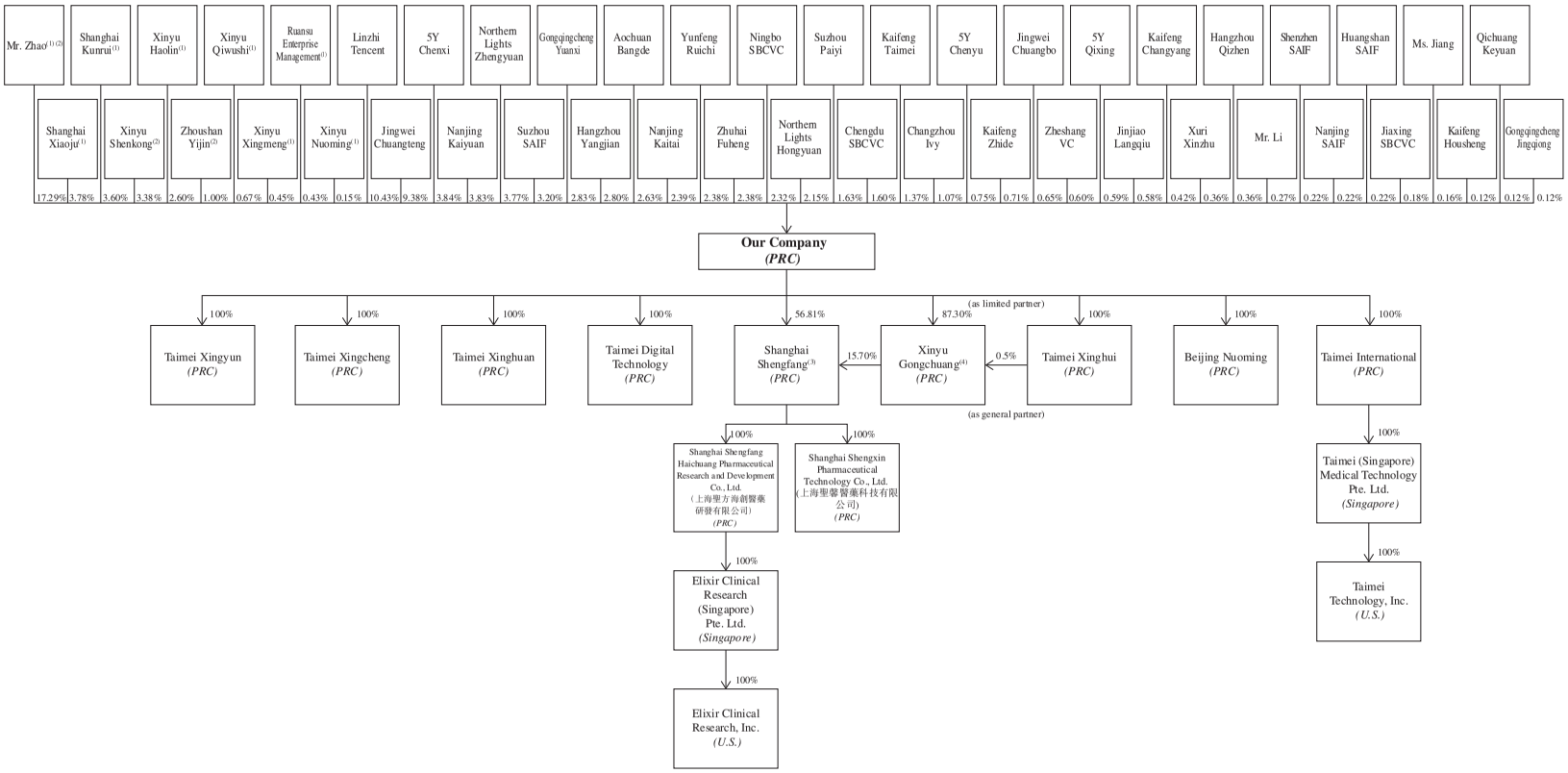
The table below is a summary of the capitalization of our Company as of the date of this prospectus and the Listing Date (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised):

	As of the date of this prospectus		As of the Listing Date (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)					
Shareholder	Number of Domestic Shares	Approximate ownership percentage in total issued share capital	Number of H Shares	Approximate ownership percentage in H Shares	Number of Domestic Shares	Approximate ownership percentage in Domestic Shares	Total number of Shares	Approximate ownership percentage in total issued share capital
Mr. Zhao	93,042,388	17.29%	–	–	93,042,388	25.62%	93,042,388	16.60%
Linzhi Tencent	56,101,026	10.43%	11,220,205	5.69%	44,880,821	12.36%	56,101,026	10.01%
Jingwei Chuangteng	50,450,412	9.38%	28,100,879	14.25%	22,349,533	6.15%	50,450,412	9.00%
5Y Chenxi	20,673,188	3.84%	11,514,965	5.84%	9,158,223	2.52%	20,673,188	3.69%
Nanjing Kaiyuan	20,598,944	3.83%	11,473,611	5.82%	9,125,333	2.51%	20,598,944	3.68%
Shanghai Xiaoju	20,312,190	3.78%	–	–	20,312,190	5.59%	20,312,190	3.62%
Northern Lights Zhengyuan	20,279,910	3.77%	10,139,955	5.14%	10,139,955	2.79%	20,279,910	3.62%
Shanghai Kunrui	19,344,866	3.60%	–	–	19,344,866	5.33%	19,344,866	3.45%
Xinyu Shenkong	18,204,844	3.38%	–	–	18,204,844	5.01%	18,204,844	3.25%
Suzhou SAIF	17,199,860	3.20%	9,580,322	4.86%	7,619,538	2.10%	17,199,860	3.07%
Gongqingcheng Yuanxi	15,213,564	2.83%	8,473,955	4.30%	6,739,609	1.86%	15,213,564	2.71%
Hangzhou Yangjian	15,049,474	2.80%	7,524,737	3.82%	7,524,737	2.07%	15,049,474	2.69%
Aochuan Bangde	14,156,932	2.63%	7,885,411	4.00%	6,271,521	1.73%	14,156,932	2.53%
Xinyu Haolin	13,974,550	2.60%	–	–	13,974,550	3.85%	13,974,550	2.49%
Nanjing Kaitai	12,854,434	2.39%	7,159,919	3.63%	5,694,515	1.57%	12,854,434	2.29%
Yunfeng Ruichi	12,800,096	2.38%	7,129,653	3.61%	5,670,443	1.56%	12,800,096	2.28%
Zhuhai Fuheng	12,800,096	2.38%	7,129,653	3.61%	5,670,443	1.56%	12,800,096	2.28%
Ningbo SBCVC	12,491,284	2.32%	6,957,645	3.53%	5,533,639	1.52%	12,491,284	2.23%
Northern Lights Hongyuan	11,580,988	2.15%	5,790,494	2.94%	5,790,494	1.59%	11,580,988	2.07%
Suzhou Paiyi	8,788,230	1.63%	1,757,646	0.89%	7,030,584	1.94%	8,788,230	1.57%
Chengdu SBCVC	8,599,930	1.60%	4,790,161	2.43%	3,809,769	1.05%	8,599,930	1.53%
Kaifeng Taimei	7,387,816	1.37%	4,115,013	2.09%	3,272,803	0.90%	7,387,816	1.32%
Changzhou Ivy	5,744,764	1.07%	3,199,833	1.62%	2,544,931	0.70%	5,744,764	1.03%
Zhoushan Yijin	5,380,538	1.00%	–	–	5,380,538	1.48%	5,380,538	0.96%
5Y Chenyu	4,023,164	0.75%	2,240,902	1.14%	1,782,262	0.49%	4,023,164	0.72%
Kaifeng Zhide	3,839,706	0.71%	2,138,716	1.08%	1,700,990	0.47%	3,839,706	0.69%
Xinyu Qiwushi	3,620,740	0.67%	–	–	3,620,740	1.00%	3,620,740	0.65%
Jingwei Chuangbo	3,520,134	0.65%	1,960,714	0.99%	1,559,420	0.43%	3,520,134	0.63%
Zheshang VC	3,218,854	0.60%	1,609,427	0.82%	1,609,427	0.44%	3,218,854	0.57%
5Y Qixing	3,200,024	0.59%	1,782,413	0.90%	1,417,611	0.39%	3,200,024	0.57%
Jinjiao Langqiu	3,113,406	0.58%	1,734,167	0.88%	1,379,239	0.38%	3,113,406	0.56%

	As of the date of this prospectus		As of the Listing Date (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)					
Shareholder	Number of Domestic Shares	Approximate ownership percentage in total issued share capital	Number of H Shares	Approximate ownership percentage in H Shares	Number of Domestic Shares	Approximate ownership percentage in Domestic Shares	Total number of Shares	Approximate ownership percentage in total issued share capital
Xinyu Xingmeng	2,433,000	0.45%	1,216,500	0.62%	1,216,500	0.33%	2,433,000	0.43%
Ruansu Enterprise Management	2,293,494	0.43%	–	–	2,293,494	0.63%	2,293,494	0.41%
Kaifeng Changyang	2,275,202	0.42%	1,267,287	0.64%	1,007,915	0.28%	2,275,202	0.41%
Xuri Xinzhu	1,929,806	0.36%	1,074,901	0.54%	854,905	0.24%	1,929,806	0.34%
Hangzhou Qizhen	1,920,122	0.36%	960,061	0.49%	960,061	0.26%	1,920,122	0.34%
Mr. Li	1,452,599	0.27%	809,097	0.41%	643,502	0.18%	1,452,599	0.26%
Shenzhen SAIF	1,190,594	0.22%	663,160	0.34%	527,434	0.15%	1,190,594	0.21%
Nanjing SAIF	1,174,992	0.22%	654,470	0.33%	520,522	0.14%	1,174,992	0.21%
Huangshan SAIF	1,174,992	0.22%	654,470	0.33%	520,522	0.14%	1,174,992	0.21%
Jiaxing SBCVC	964,690	0.18%	537,332	0.27%	427,358	0.12%	964,690	0.17%
Ms. Jiang	860,799	0.16%	479,465	0.24%	381,334	0.10%	860,799	0.15%
Xinyu Nuoming	812,918	0.15%	–	–	812,918	0.22%	812,918	0.15%
Kaifeng Housheng	670,000	0.12%	373,190	0.19%	296,810	0.08%	670,000	0.12%
Qichuang Keyuan	640,220	0.12%	356,602	0.18%	283,618	0.08%	640,220	0.11%
Gongqingcheng Jingqiong	640,220	0.12%	356,602	0.18%	283,618	0.08%	640,220	0.11%
Other investors taking part in the Global Offering	–	–	22,416,600	11.37%	–	–	22,416,600	4.00%
Total	**538,000,000**	**100%**	**197,230,133**	**100%**	**363,186,467**	**100%**	**560,416,600**	**100%**

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the shareholding structure of our Company immediately before completion of the Global Offering:



Notes:

(1) Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng are our Employee Shareholding Platforms, each of which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its executive partner. For further details relating to our Employee Shareholding Platforms, see " – Employee Shareholding Platforms" in this section.

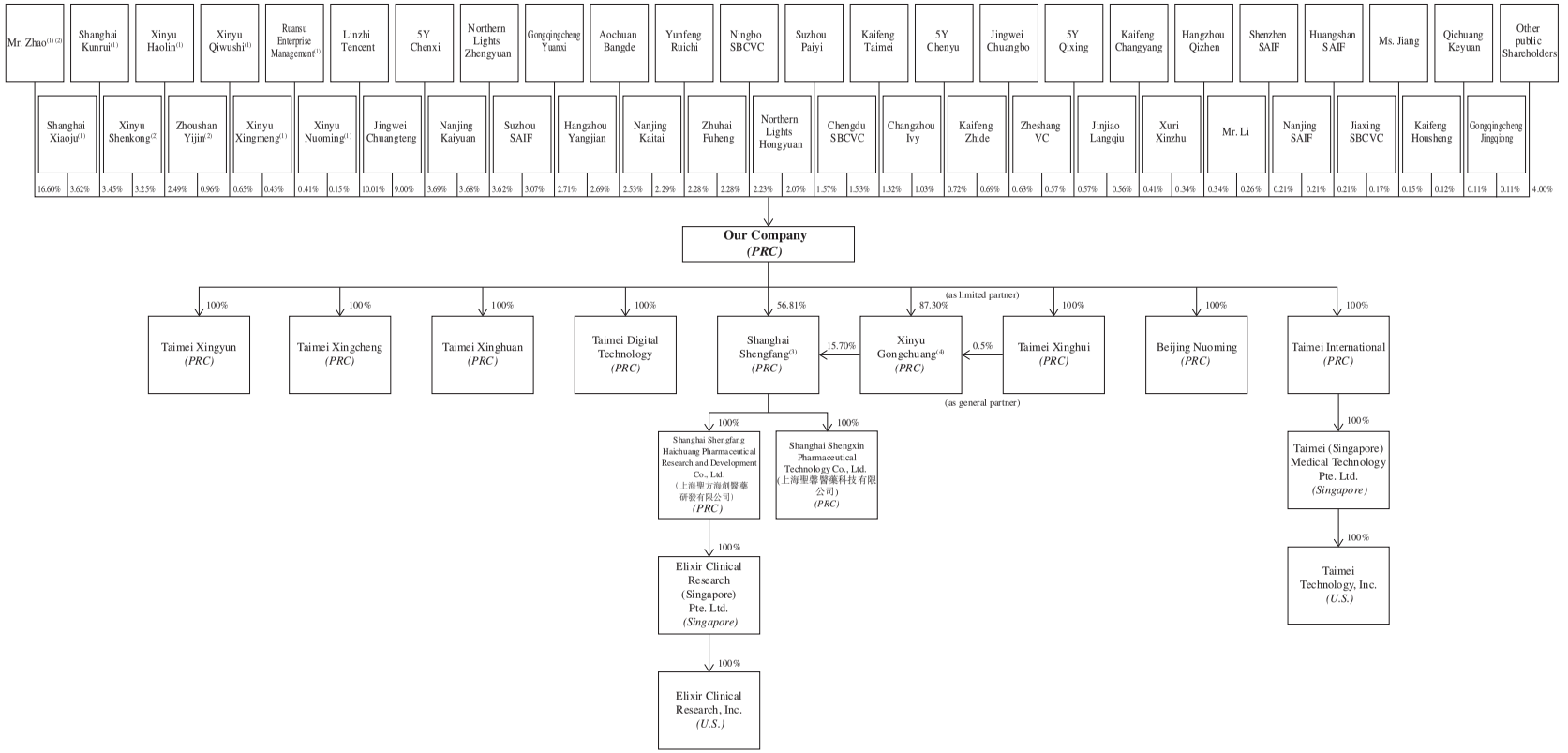
(2) Each of Zhoushan Yijin and Xinyu Shenkong is a limited partnership established in the PRC and is managed by Mr. Zhao as its general partner. For further details, see " – Establishment and Development of Our Company" in this section.

(3) Shanghai Shengfang is a limited liability company established under the laws of the PRC in November 2019 and has been principally engaged in provision of clinical operation services, data management services and statistical analysis services since its establishment, positioning itself as a technology-based full-service CRO. With their optimistic view on the future development of the CRO industry in the PRC, and recognition of Shanghai Shengfang's development potential and management team (which consists of industry veterans in the CRO or pharmaceutical industries), LYFE Kentucky River Limited, Sinovation Fund IV, L.P. and Pure Victory Group Limited decided to invest in Shanghai Shengfang in November 2021. Further, in January 2024, our Company transferred certain equity interest in Shanghai Shengfang to Xinyu Gongji, considering the continued support from certain Shareholders to our development and fund-raising activities, including provision of strategic advice on our business operation and management, sharing of networks with industry players and insights on policies and industry information, invitation to industry conferences, forums and events, introduction of potential investors, and support to the Global Offering and the Listing. As of the date of this prospectus, Shanghai Shengfang was held as to approximately 56.81% by our Company, 15.70% by Xinyu Gongchuang, 12.40% by LYFE Kentucky River Limited, 6.00% by Xinyu Gongji, 4.96% by Sinovation Fund IV, L.P. and 4.13% by Pure Victory Group Limited, respectively. Xinyu Gongji is a limited partnership established under the laws of the PRC on January 15, 2024 and is managed by its executive partner, Taimei Xinghui (our wholly-owned subsidiary). As of the date of this prospectus, Xinyu Gongji had 19 limited partners, including Xinyu Xingmeng, Kaifeng Housheng, Jiaxing SBCVC and investors in Series F Financing, each holding less than 20% partnership interest. LYFE Kentucky River Limited is a substantial shareholder of Shanghai Shengfang and therefore, a connected person of our Company. Each of Sinovation Fund IV, L.P. and Pure Victory Group Limited is an Independent Third Party. Further, pursuant to the shareholders' agreement entered into between, among others, Shanghai Shengfang and its shareholders dated November 18, 2021 (as supplemented by a joinder agreement dated January 23, 2024) and the articles of association of Shanghai Shengfang, LYFE Kentucky River Limited, Sinovation Fund IV, L.P. and Pure Victory Group Limited had certain special rights pertaining to Shanghai Shengfang, which included, among others, director nomination right, pre-emptive right and anti-dilution right. All such special rights are limited to Shanghai Shengfang and none of such rights enables any minority shareholders of Shanghai Shengfang to obtain any Share of our Company or any share of other subsidiaries of our Company. For further details relating to the transfer of equity interest in Shanghai Shengfang in January 2024, see " – The Pre-IPO Investments – (2) Principal terms of the Pre-IPO Investments" in this section.

(4) Xinyu Gongchuang is a limited partnership established under the laws of the PRC as an employee incentive platform for Shanghai Shengfang. Taimei Xinghui, our wholly-owned subsidiary, is the executive partner of Xinyu Gongchuang and is responsible for the management of Xinyu Gongchuang. As of the date of this prospectus, Xinyu Gongchuang had 17 limited partners, being our Company and 16 existing employees of Shanghai Shengfang.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE GLOBAL OFFERING

The chart below sets out the shareholding structure of our Company immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised):



Note: See the notes to " – Corporate Structure Immediately Before Completion of the Global Offering" in this section.

OVERVIEW

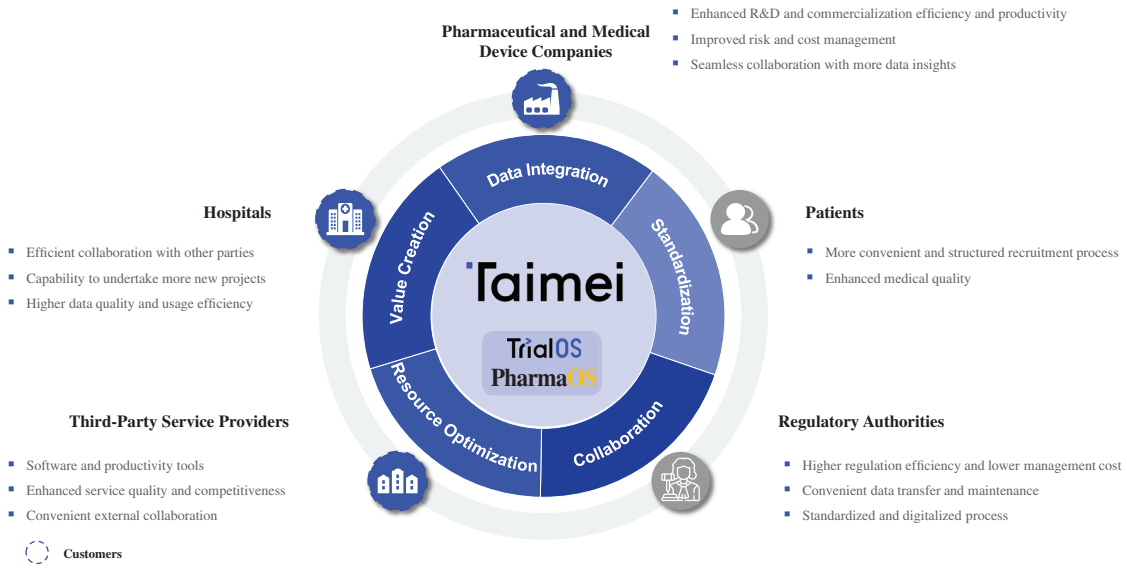
We are the largest digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of revenue in 2023, taking up a market share of 5.9%, according to CIC. We design and provide industry-specific software and digital services to a variety of stakeholders in the pharmaceutical and medical device industry. Based on our experience and insights into pharmaceutical and medical device, and our combination of advanced technologies, we are building an enhanced digital infrastructure that accelerates the R&D and commercialization of pharmaceuticals and medical devices. As of March 31, 2024, we had served over 1,400 pharmaceutical companies and contract research organizations, including 21 out of the top 25 global pharmaceutical companies and 90 of the top 100 Chinese pharmaceutical innovators, making us the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers, according to CIC.

The past decade has witnessed the rise of innovative drugs and medical devices in China. R&D expenditures of pharmaceutical and medical device companies in China stood at RMB261.2 billion in 2023, around double the amount of RMB139.8 billion in 2019; commercialization expenditures of pharmaceutical and medical device companies in China also increased from RMB630.8 billion in 2019 to RMB842.6 billion in 2023. Meanwhile, the number of registered clinical trials in China grew from 1,602 in 2019 to 4,300 in 2023, according to CIC. On the other hand, hindered by the complex, highly regulated nature of the industry, pharmaceutical and medical device R&D and commercialization had become increasingly protracted, inefficient and costly. Pharmaceutical companies and other industry stakeholders look for digital solutions to carry out R&D and commercialization activities more efficiently, swiftly and smartly, while ensuring easier compliance adherence.

We were able to respond to such needs of various industry stakeholders in China at an early stage, and seize market share through our continuous advancements across two major development stages.

Founded in 2013 to tackle critical challenges in pharmaceutical R&D, we established a solid foundation for our development between 2013 and 2019. Initially, we developed and sold industry-specific software products, namely the software designed specifically for the pharmaceutical and medical device industry, in the key areas in need of digitalization, such as data collection, clinical trial project management, and drug randomization and management. In 2015, we further expanded our offerings into pharmacovigilance space. Through our various products that improved the accuracy and efficiency of data recording, transmitting and management in clinical trials, we had become a major player in China's pharmaceutical and medical device R&D digital solutions market and accumulated significant operation know-how and a large, loyal customer base.

Building on this foundation, we upgraded our business model and transitioned to a platform strategy in our next stage of development from 2019 to date, evolving from offering traditional software tools to integrated, platform-based digital solutions. In 2019, we launched TrialOS, a digital collaboration platform for pharmaceutical and medical device R&D, addressing the limitations of traditional software tools. TrialOS facilitates seamless data sharing and collaboration under a unified protocol. Leveraging TrialOS, we introduced digital services such as assisting customers with independent reading of medical images, in order to better meet customer needs. In 2021, we further expanded our platform offerings with the introduction of PharmaOS, tailored for pharmaceutical and medical device commercialization.



Our platforms serve as hubs connecting various stakeholders involved in pharmaceutical and medical device R&D and commercialization, ranging from pharmaceutical companies, hospitals, third-party service providers, patients to regulatory authorities. Meanwhile, as more users come to our platforms and integrate our products and services into their workflows, they develop strong loyalty and face high switching cost from our platforms. We also generate industry insights, allowing us to continuously improve our product features and launch new products to meet evolving needs, and opening doors for cross-selling opportunities. We are the only domestic digital solution provider that can deliver a one-stop digital solution from R&D to commercialization for the pharmaceutical and medical device industry in China, according to CIC.

Our comprehensive business model allows us to unlock the potential of our customers' lifetime value. Pharmaceutical and medical device companies can initiate their use of our solutions for a specific R&D project with a single product. After customers are onboarded and settled in to our digital collaboration platforms, they often expand their usage to additional pipelines or to cover a broader range of lifecycle needs of drugs and medical devices. Meanwhile, digital services further enable our customers to conduct pharmaceutical R&D and commercialization efficiently, while allowing us to capture a larger share of wallet of our customers, realize revenue growth. In 2023, customers purchasing three or more of our products or services contributed over 77% of our total revenue. As of March 31, 2024, we had a project backlog of over RMB1.6 billion, involving around 3,500 projects for software products and digital services. We place significant emphasis on nurturing and retaining our core customers, i.e., those who contribute a revenue of RMB500,000 or more in the immediately preceding twelve months. Through our comprehensive customer support, we achieved high retention rates of 91.2%, 94.7% and 87.3% of our core customers in 2021, 2022 and 2023, respectively.

The number of our customers increased from 908 in 2021 to 1,033 in 2022. In 2023, we had 1,107 customers, and in the three months ended March 31, 2024, we had 867 customers. Our total revenue increased by 17.8% from RMB466.2 million in 2021 to RMB549.2 million in 2022, and increased by 4.4% to RMB573.1 million in 2023, and further increased by 2.2% from RMB129.2 million for the three months ended March 31, 2023 to RMB132.1 million for the three months ended March 31, 2024.

Industry Background and Our Market Opportunities

The pharmaceutical and medical device industry has a huge demand for digitization. In the past, IT infrastructure was expensive and cumbersome, making it accessible only to a few pharmaceutical and medical device companies capable of bearing the costs. The emergence of SaaS products has significantly lowered the threshold for pharmaceutical and medical device companies to digitalize their operations.

As technology advances and digitalization of pharmaceutical and medical device industry furthers, there is a growing demand from pharmaceutical and medical device companies for deeper collaboration, higher efficiency and cost control while meeting regulatory compliance in critical aspects of pharmaceutical and medical device R&D and commercialization. This demand is mainly driven by the following industry challenges:

- *Lengthy process and tightening regulation*. Pharmaceutical and medical device R&D and commercialization processes are complex, long and costly. The complexity in pharmaceutical R&D arises from the need to arrange comprehensive data collection, intricate trial planning, and long-term monitoring activities, requiring effective collaboration among all parties to ensure successful outcomes. The process is further compounded by strict regulatory requirements, which demand meticulous information exchange, robust data management, and stringent quality control measures to ensure compliance. According to CIC, the average development cycle of an innovative drug takes around 10-15 years, with costs increasing significantly

over the past two decades, reaching an average of US$2 billion per new drug. In pharmaceutical and medical device commercialization, multiple parties involved in the long distribution chain of pharmaceutical and medical devices often lead to fragmented, inefficient collaborations and high costs, while the tightening regulatory environment adds pressure, driving higher demand for more cost-effective commercialization solutions.

- *Disconnected operations*. Traditional on-premises software or SaaS products are designed to tackle single operation rather than the holistic process, making it challenging to support the communication and collaboration among various parties in pharmaceutical and medical device R&D and commercialization. For example, sponsors, clinical trial organizations, and third-party service providers usually purchase clinical research management systems individually to support their respective research work, while still relying on emails, couriers, phone calls, or messaging apps to communicate with each other, resulting in repeated file transfer and potential data leakage. This approach is inefficient, risky from compliance perspective, and reliant on offline manual monitoring to ensure quality.

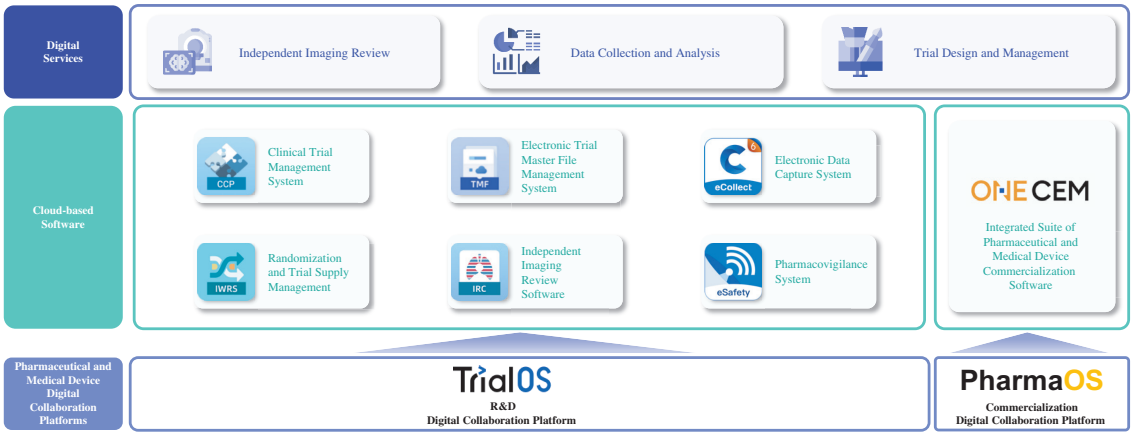
- *Data disparity*. The widespread use of various functional software products has led to the formation of many isolated data silos. The lack of unified logic and standards may sever the connection between data and business. As a result, data cannot effectively flow and guide business decisions within and across organizations, affecting the efficiency and quality of pharmaceutical and medical device R&D and commercialization.

These challenges cannot be fully met by software products alone. Therefore, they further propelled software to evolve from a tool to a digital platform with cross-organizational collaboration at its core. As more users and data come together through software products on the platform, the platform consolidates demands and supplies, and can hence optimize resource allocation while improving service quality and efficiency and avoiding data migration or leakage.

Such solutions combining cloud-based software and digital services create commercial value for R&D and commercialization in China's pharmaceutical and medical device industry. It is expected that by 2028, China's pharmaceutical and medical device R&D and commercialization digital solutions market size will reach RMB24.3 billion, representing a CAGR of 20.2% between 2023 and 2028. We are the largest digital solution provider for pharmaceutical and medical device R&D and commercialization in China, with 5.9% market share in terms of revenue in 2023. We are also the largest pharmaceutical and medical device R&D digital solution provider in China, with 8.2% market shares in terms of revenue in 2023, according to CIC.

Taimei's Industry Solutions

Our solutions for the pharmaceutical and medical device industry consist of cloud-based software, including SaaS products and customized products, and digital services. Our SaaS products and digital services are primarily offered through digital collaboration platforms, including TrialOS and PharmaOS, while our customized products are mainly hosted on a private cloud, in-house infrastructure, rather than through TrialOS or PharmaOS. The following diagram illustrates our main products and services:



Digital Collaboration Platforms

TrialOS, our digital collaboration platform for pharmaceutical and medical device R&D, and PharmaOS, our digital collaboration platform for pharmaceutical and medical device commercialization, are the foundation of our industry solutions. Staff from pharmaceutical companies, hospitals, CROs/SMOs, and other relevant parties can easily manage and use our cloud-based software products and digital services through a unified landing page on the platforms, access the latest information and collaborate online. The underlying technology of our platforms breaks the boundaries between organizations and supports data interoperability among different software products and digital services, enabling efficient R&D and commercialization of innovative drugs and medical devices. Our digital collaboration platforms also provide us with valuable industry insights, elevating the functionality and quality of our solutions to meet the ever-expanding and diverse needs of our customers.

As we enhance and expand our platform capabilities, we are developing and deploying next-generation platforms, including Trials designed for pharmaceutical and medical device R&D and Wujie designed for commercialization. We anticipate that Trials, with its new client-side interface and conversation-based interaction, will deliver a more intuitive user experience and facilitate rapid collaboration, further breaking down artificial barriers between different software and services, orienting itself towards users' needs for external collaboration and process management. Wujie is expected to achieve easier, more efficient, direct and compliant interaction between pharmaceutical companies and physicians by integrating online channels.

Cloud-based Software

Based on our digital collaboration platforms, we have built a series of software for different types of organizations and roles and covering critical use cases in pharmaceutical and medical device R&D and commercialization. For instance, our software facilitates the planning, tracking and monitoring of site and trial-related activities, and streamlines the management and filing of clinical research documents. Our software can also be used for patient recruitment, patient follow-up, data collection and analysis, as well as sales relationship management, to address the challenges faced by industry participants and improve workflow efficiency.

Digital Services

Based on our understanding of the industry and to better cater to the demands of different types of customers, we also provide our customers with a range of digital services, primarily assisting customers with independent reading of medical images, achieving efficient SMO resource distribution and execution, offering pharmacovigilance services and other services to support our customers' R&D and commercialization activities. These digital services are based on our digital collaboration platforms and linked with SaaS products to enable online operation, monitoring and management for improved efficiency and quality. By offering digital services, we further accumulate industry knowledge and insights, which helps enhance our capability to optimize our platforms and software products.

Our platforms go beyond being mere combinations of software and digital services. They effectively integrate industry resources and optimize allocation of such resources. Take our digital SMO business management service as an example. Through our digital platform, we utilize data-driven approaches to match project requirements with suitable SMO companies, ensuring efficient resource utilization. We have implemented automated order placement and quotation systems, as well as online supervision and quality control measures. By digitizing the management process, our service enhances transparency and standardize project execution, addresses the challenges of resource distribution and management capabilities, contributing to improved efficiency and collaboration in the SMO industry.

Benefits of Our Software and Digital Services

Pharmaceutical companies, as the owners of pharmaceutical products and sponsors of clinical trials, are our major customers. The benefits we provide to pharmaceutical companies and third-party service providers include:

- *Designed for complex pharmaceutical and medical device use cases.* Our software and digital services are designed to tackle the key processes and bottlenecks in pharmaceutical and medical device R&D and commercialization use cases. Through standardization, visualization, and automation of previously manual process, we aim to significantly improve the efficiency and quality of pharmaceutical R&D and commercialization, while reducing operational costs and risks and ensuring regulatory compliance.

- *Seamless collaboration.* Pharmaceutical R&D and commercialization involves significant cross-organizational and cross-role communication and collaboration among various stakeholders. Our TrialOS and PharmaOS platforms connect all parties in the pharmaceutical R&D and commercialization process and enable them to collaborate effortlessly online by breaking down the barriers between them through efficient data exchange and process coordination.

- *Improved data analytics and insights.* Our products and services support pharmaceutical companies, CROs/SMOs or hospitals in key stages throughout the entire R&D and commercialization process. Massive data are generated and managed on our platform. Our platforms allow data to flow among products and organizations using unified protocols. Our customers are able to drive the holistic process with data and improve the quality and efficiency of their research or marketing activities on our platform.

OUR COMPETITIVE STRENGTHS

An early entrant and major player in pharmaceutical and medical device digital solutions

As an early entrant in China's expanding pharmaceutical and medical device digital solutions industry, characterized by high entry barriers, we have been at the forefront of providing cloud-native software products and digital services to address critical challenges in innovative drug research and development. Since our establishment in 2013, we have continuously enhanced our offerings, starting with SaaS solutions. According to CIC, we were one of the first cloud-based SaaS solution providers for pharmaceutical and medical device in China. Our early entry into the market granted us valuable insights and industry-specific knowledge, enabling us to build strong brand awareness and cultivate a large and loyal customer base. Recognizing the limitations of software tools in fulfilling the digitalization mission for our customers, we strategically introduced the TrialOS platform in 2019, marking us as the first to initiate integrated, platform-based digital solutions for pharmaceutical and medical device companies globally, according to CIC.

Through our dedicated efforts and ongoing advancement, we have established a strong market position and business scale. We are the largest provider of pharmaceutical and medical device R&D and commercialization digital solutions in China in terms of revenue in 2023, taking up a market share of 5.9%, and offer the most comprehensive solutions for pharmaceutical and medical device R&D and commercialization, according to CIC. We also have delivered digital solutions to the largest number of pharmaceutical and medical device companies in China by the end of 2023. As of March 31, 2024, we have served over 1,400 pharmaceutical companies and CROs. In 2022, 2023 and the three months ended March 31, 2024, the number of Class 1 innovative drugs (chemical drugs and biologics) approved by the Center for Drug Evaluation of the NMPA ("**CDE**") for marketing were 10, 34 and 6, respectively. Our pharmaceutical and medical device R&D software supported 3, 15 and 2 of these drugs, accounting for 30.0%, 44.1% and 33.3% of the approvals, respectively. Additionally, approximately 12.1% of adverse reaction reports were submitted to the National Drug Adverse Reaction Monitoring Center via our TrialOS platform from 2021 to 2023. Such percentages are in line with the leading industry players.

A comprehensive product matrix supported by digital platforms

We are the only domestic digital solution provider that can deliver one-stop digital solutions from R&D to commercialization for the pharmaceutical and medical device industry in China, according to CIC. As of March 31, 2024, we offered more than 40 software products and digital services that cater to diverse organizational needs and roles within the pharmaceutical and medical device industry, in various use cases such as trial design and management, patient recruitment and follow-up, data collection and analysis, remote monitoring, as well as sales relationship management. Through seamless integration of our digital services with our software on our platforms, we deliver efficient and high-quality one-stop solutions that streamline processes throughout the pharmaceutical and medical device R&D and commercialization journey, enhancing efficiency and improving quality.

Our digital collaboration platforms, TrialOS and PharmaOS, operate as hubs connecting various stakeholders involved in pharmaceutical and medical device R&D and commercialization, ranging from hospitals, pharmaceutical companies, to third-party service providers, patients and regulatory authorities. These platforms integrate crucial data, such as clinical research institution specifications, information related to imaging evaluation and pharmacovigilance, and post-sale data from different distribution channels, and set data in motion between parties under a unified protocol. Therefore, they break barriers between industry stakeholders through efficient data exchange and streamlined workflows, enabling effortless online coordination for pharmaceutical and medical device R&D and commercialization. As our platforms attract more users and become integrated into their workflows, our customers develop strong loyalty and face high cost for switching from our platforms. In addition, we accumulate industry insights through our platforms, allowing us to continuously improve product features and introduce new solutions to meet evolving needs, creating opportunities for cross-selling.

We are well-equipped to serve both the domestic market in China and pursue global expansion. For instance, our development and application experience enable many of our solutions, such as eCollect/EDC, to be on par with similar products offered by leading international competitors, while maintaining competitive pricing. Our pharmacovigilance solutions are typically selected by domestic and smaller multinational pharmaceutical companies due to their comprehensive functionalities and strong position in the market. Furthermore, we have optimized our Chinese-native infrastructure to better accommodate the Chinese network environment, enabling direct connection to China-located servers instead of having to rely on VPNs. As China's pharmaceutical and medical device regulatory framework continues to align with international standards, our experience in assisting the internationalization of Chinese innovative drugs will further solidify our standing, increasing the appeal of our solutions as compared with less experienced peers in this field.

Our comprehensive matrix of professional products and services through user-friendly digital collaboration platforms have earned us the trust of our customers. In 2023, customers purchasing three or more of our products or services contributed more than 77% of our total revenue.

Large, blue-chip, and loyal customer base

We have built a high-quality and loyal customer base consisting of renowned multinational pharmaceutical corporations and prominent domestic industry players. Our customers also include emerging pharmaceutical companies, as well as mainstream CROs and other third-party service providers. As of March 31, 2024, we had served over 1,400 pharmaceutical companies and CROs, including 21 of the top 25 global pharmaceutical companies and 90 of the top 100 Chinese pharmaceutical innovators, solidifying our position as the largest provider of pharmaceutical and medical device R&D digital solutions in China based on the number of sponsors served by 2023, according to CIC. We also partnered with over 700 national drug clinical trial organizations, more than 80% of which were Grade IIIA hospitals as of March 31, 2024.

Our one-stop solutions allow our customers to focus on developing and growing their pharmaceutical business with the quality and efficiency that meet today's patient needs. As a result, we have amassed a large customer base with strong willingness to pay to invest in our offerings. We place significant emphasis on nurturing and retaining our core customers, i.e., those who contribute to a revenue of RMB500,000 or more in the immediately preceding twelve months. We had 235 core customers as of December 31, 2023, contributing to 83.8% of our total revenue in 2023. Through our comprehensive customer support, we achieved high retention rates of 91.2%, 94.7% and 87.3% of our core customers in 2021, 2022 and 2023, respectively. Leveraging our diverse product portfolio and synergies, we actively pursue cross-selling opportunities and introduce new offerings to further augment the lifetime value of each customers.

Our business growth is bolstered by efficient go-to-market strategies, underpinned by a team that is knowledgeable and passionate for the pharmaceutical and medical device industry. We possess understanding of the digitization needs in R&D, clinical trials, production management, and marketing promotion for pharmaceutical companies, particularly those not fully met by generic software solutions. This understanding drives our product development and sales activities, allowing us to cater to the market demands and trends effectively. By actively participating in industry conferences, training programs, and other initiatives, we engage in effective communication with our target customers, gaining valuable insights into their specific requirements. Simultaneously, we provide up-to-date content and insights to participants in the pharmaceutical and medical device industry, expanding our brand influence and propelling digitization in China's pharmaceutical and medical device R&D.

Well-developed technology and data capabilities

Since our inception, we have prioritized research and development, continuously investing in advanced technologies to drive product development and improve service quality. As of March 31, 2024, we have assembled a strong team consisting of 186 members focused on R&D, and as of the Latest Practicable Date, we held 220 issued patents including 112 inventions, and 195 computer software copyrights in China.

We have applied artificial intelligence ("**AI**") to simply and enhance various aspects of clinical research and management, utilizing advanced algorithms and models for data processing, feature engineering, and the development and deployment of AI-driven solutions, ultimately improving efficiency and accuracy in the pharmaceutical and medical device industry. For example, leveraging AI, we have developed our Chinese medical information extraction technology, which enables accurate extraction and structuring of diverse information on medical entities, attributes, and relationships from various medical texts such as clinical research and medical records, adverse event descriptions, and medical image reports, resulting in swift and personalized configuration of medical texts. Moreover, our medical image display technology incorporates cloud data storage and multi-layer encryption, ensuring secure and rapid remote transmission of medical images, and realizes automated loading and optimization of crucial images through advanced AI algorithms. Meanwhile, our medical image analysis technology utilizes deep learning techniques for automated positioning, organ recognition, and tumor identification, enhancing imaging assessment capabilities.

In addition, we have developed a pharmaceutical and medical device domain big data platform technology to handle the complexities of clinical data. This big data technology supports nearly real-time analysis of highly customized data structures and complex associations encountered in clinical research and pharmacovigilance. Additionally, our powerful low-code rapid development platform technology empowers us to adapt quickly to the ever-changing requirements in pharmaceutical and medical device R&D and commercialization. With graphical user interfaces and simplified programming languages, we can create applications swiftly, reducing development time and innovation certification costs. We continuously upgrade our low-code rapid development platform with rich pre-built components and templates, further enhancing efficiency and flexibility in solution delivery.

Based on these technologies, our software products enable the automatic collection, organization, and analysis of clinical data. They assist investigators in extracting information from unstructured reports, managing textual and image data, and monitoring data in real-time to promptly identify any anomalies. Moreover, our digital platforms integrate data from diverse sources and formats, creating a unified view that offers comprehensive support to users. Through the utilization of machine learning and deep learning algorithms, our platforms delve deep into the integrated data, uncover potential correlations between data and enhance the value of the data, thereby providing powerful data support for clinical trials.

Balanced monetization combining software and services

Underpinned by our integrated, platform-based digital solutions for pharmaceutical and medical device, we generate revenue primarily through cloud-based software and digital services. During the Track Record Period, we generated 42.3%, 38.4%, 35.2% and 34.3% of revenue from the sales of our cloud-based software in 2021, 2022, 2023, and the three months ended March 31, 2024, respectively, and 57.6%, 61.6%, 64.5% and 65.7% of revenue from the provision of digital services during the same periods, respectively. 77.3% of our revenue from software products came from SaaS products in 2023, with a small amount of revenue generated by providing custom-developed software products to customers with specific needs. The software can be sold separately or in combination with related professional services. Our revenue from SaaS products forms the foundation of our business and provides us with a highly predictable cash flow. Leveraging on our software products that combine easy-to-use technology and best practices in the pharmaceutical and medical device industry, we also provide our customers with digital services for which we primarily charge service fees on a consumption basis, allowing us to enjoy significant revenue upside as we are able capture a larger share of wallet of our customers.

We swiftly respond to demands of various industry stakeholders to diversify our monetization channel and unlock the commercial value of our solutions. For instance, our digital SMO business management service, powered by our advanced SMO software, can bring notable improvements to the clinical research operations. It facilitates automated task dispatching, transparent project management, streamlined supplier and process management, and real-time status monitoring. Through these capabilities, we enhance SMO efficiency and quality, generating substantial commercial value. Accordingly, we charge service fees based on the consumption of SMO services on our platform, with factors such as the estimated number of clinical research institutions to be managed taken into account when calculating our quote. Furthermore, our next-generation platforms, Trials and Wujie, are platforms that connect multiple parties in the industry and offer new conversation-based interaction modes for our customers. These platforms are expected to better empower our customers, enabling us to capture a share of the value they create and unlock greater monetization possibilities.

Visionary and experienced management team

We are led by a visionary and experienced management team with proven strategic planning and execution capabilities. Our Chairman and CEO, Lu Zhao, brings expertise in the pharmaceutical and medical device industry, enabling us to keenly capture the rapid growth of pharmaceutical and medical devices in China and the continuous penetration of digitalization into corporate business practices. With more than 20 years of experience in the pharmaceutical and medical device industries, he has played a pivotal role in shaping our strategic direction, brand development, platform building, and product advancement. Our management team also includes industry experts with diverse backgrounds in healthcare, technology, or other relevant fields. They possess insights and experiences into the respective industries, forming a complementary talent structure that guides our rapid growth.

We promote a culture of innovation and cooperation with a focus on maximizing long-term value. Our demonstrated ability to enhance and expand our offerings stems from our strong research and development capability led by a dedicated R&D team. Under the leadership of our management team, we have achieved significant growth and market recognition. In particular, we have grown into the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers. We were named one of China's most influential entrepreneurship enterprises (中國最具影響力創業企業) by Fortune China, as well as one of the Specialized Focused and Innovative "Little Giants" (專精特新小巨人) by the Ministry of Industry and Information Technology in 2022.

OUR GROWTH STRATEGIES

Continue to upgrade and expand our products and services

We will leverage industry insights and digital technology to standardize more clinical services and enrich our product portfolio in the pharmaceutical and medical device R&D and commercialization areas. We aim to offer comprehensive one-stop solutions, catering to companies of all sizes to meet their diverse needs in the pharmaceutical and medical device industry. We will also drive further iterations of our platforms and advance the development and deployment of next-generation platforms including Trials and Wujie. We expect to enhance the platform attributes of our offerings, providing a better user experience.

Drawing on our expertise in data security and compliance, we will adopt advanced technologies such as multi-cloud deployment and containerization technology, as well as cloud computing security measures, to improve our offerings. These initiatives will adapt our products to the ever-evolving IT infrastructure of global pharmaceutical and medical device companies, enabling us to provide secure and compliant solutions to meet developing industry needs.

Expand customer base and efficiently respond to customer needs

We will refine our direct sales model and promotion strategies to broaden our customer base. Leveraging our established brand reputation, we will implement targeted marketing strategies to reach a wider pool of high-quality potential customers. Our targeted marketing initiatives will be tailored to address the specific needs of potential clients, showcasing the value our solutions bring to their unique challenges to ensure a more effective outreach.

We believe that our ability to attract new customers ultimately rests on our capacity to deliver high-quality software and digital services. Our comprehensive product portfolio empowers us to showcase how our offerings streamline operations, heighten efficiency, and deliver exceptional outcomes. By swiftly addressing industry pain points and meeting underserved needs, we will continue to optimize our products to align with customer demands, solidifying our role as a trusted partner in their digital transformation journey.

Strengthen customer relationships through cross-selling and upselling

We will continue to maintain direct, long-term interactions with our customers to deepen collaboration. Our focus includes uncovering and addressing their underserved needs through solutions. Our commitment to understanding customers' requirements allows us introduce complementary solutions that seamlessly integrate into their operations, fostering stronger relationships and expanding cross-selling and upselling opportunities, so as to maximize the lifecycle value of each customer.

Our core customers have been a critical driver of our growth. Collaborating closely with them, we will develop more standardized solutions that cater to their distinct challenges. This will elevate the overall value of our offerings and improve marketing efficiency, while boosting customer retention and contributing to improved product margins.

Reinforce R&D for future growth

We will continue to explore advanced technologies to enhance our core capabilities and maintain industry position. For example, we will actively explore AI's potential in the area of pharmaceutical and medical device R&D, with plans to incorporate advanced technologies such as machine vision, natural language processing, and knowledge graphs tailored for the clinical domain in the future product iterations.

We plan to increase R&D investments to enhance our overall technological capabilities and product competitiveness. Meanwhile, we will facilitate the industrialization of technological achievements and strive to raise the conversion rate of R&D investments to improve profitability. In addition, we plan to attract exceptional technical talent from medical, pharmaceutical, and digital industries. We will allocate resources to establish a comprehensive talent development system, fostering a culture of innovation and nurturing talent within our Company.

Expand internationally and foster global collaboration

To capitalize on the global momentum in pharmaceutical and medical device digitalization, we plan to develop international commercialization strategies tailored to overseas markets. Leveraging our early-mover advantage and technological capabilities, we will facilitate the construction of a global interconnected platform and offer advanced digital solutions to international pharmaceutical companies, thereby fostering global pharmaceutical and medical device innovation.

As Chinese pharmaceutical companies increasingly seek global expansion amid domestic industry growth and R&D advancements, we plan to forge extensive collaborations and promote resource allocation within the global pharmaceutical R&D network. Through these efforts, we aim address our customers' digitalization needs for global multi-center clinical research, positioning us as a one-stop digital service platform for Chinese pharmaceutical and medical device companies venturing into the international market.

Pursue business growth through investments, acquisitions and partnerships

We will strategically seek to invest in, acquire, and partner with companies that align with our growth strategy or complement our existing products and technologies. These strategic relationships are expected to enhance our organic growth efforts, facilitating our transition to a comprehensive interconnected platform for the pharmaceutical and medical device industry.

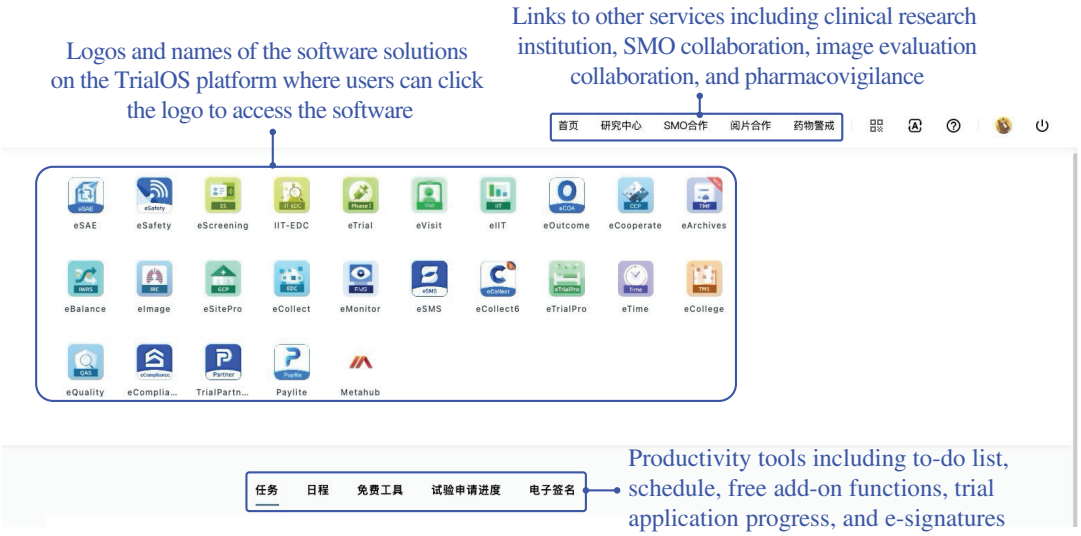
Furthermore, we are committed to enhancing our service capabilities in specific vertical domains of the pharmaceutical sector through targeted collaborations, such as partnering with companies that have expertise in the areas where we plan to increase our market penetration. By expanding our presence in these specialized areas, we aim to consolidate our market share and reinforce our industry position.

OUR PLATFORM STRATEGY

Primarily through our two digital collaboration platforms, namely TrialOS and PharmaOS, we offer various public cloud-based pharmaceutical and medical device R&D solutions and pharmaceutical and medical device commercialization solutions, respectively, to our customers. The former are a complementary set of software and services designed to help our customers manage clinical research processes, whereas the latter facilitate their sales and marketing of pharmaceuticals and medical devices after completion of clinical research. These solutions were developed and launched in furtherance of our platform strategy. In addition, during the Track Record Period, we also offered primarily private cloud-based customized versions of commercialization solutions to serve certain customers. We have been upgrading such solutions to public cloud-based versions for better platform integration and collaboration.

TrialOS

TrialOS is a digital collaboration platform for pharmaceutical and medical device R&D based on unified data standards and workflow. On TrialOS, professionals from pharmaceutical and medical device companies, CROs, and clinical research institutions can collaborate online to drive clinical research using digital technologies. By simply logging in and clicking an icon on TrialOS through its website or mobile application, our customers can access the corresponding pharmaceutical and medical device R&D cloud-based software, as well as digital services that are designed to meet their specific needs. Apart from serving as the touchpoint to various SaaS products that typically charge a subscription fee, it also provides users with great latitude in customizing the interfaces and enables them to self-develop gadgets to serve their specific needs.



Launched in 2019, TrialOS is designed to achieve efficient data transfer, seamless process collaboration, and standardized workflow organization, thereby breaking down information barriers between different products and services and across the industry chain. It has both Chinese and English interfaces, enabling both domestic and overseas user outreach. TrialOS connects all stakeholders and operates as a comprehensive, integrated digital hub, reshaping collaboration, communication, and information sharing among stakeholders in the pharmaceutical and medical device R&D ecosystem. It also integrates crucial data, including clinical research institution specifications sourced from CDE, digital SMO partner information submitted by SMOs to us, and information related to independent imaging review and pharmacovigilance, providing comprehensive visibility that enhances user decision-making and operational efficiency. In addition, the freely accessible TrialOS acts as a rich information library, offering quick access to public clinical trial data, common adverse drug event evaluation standards, and relevant industry knowledge and training resources on a free-of-charge basis. This ultimately empowers customers with a comprehensive digital operation toolkit, fostering a collaborative, efficient, and knowledge-rich research environment.

Since its invention by us, TrialOS has progressively evolved through versions V1.0 to V3.0. The platform initially launched as a unified SaaS software platform, offering centralized authorization and data management for multiple SaaS products. Subsequently, TrialOS V2.0 expanded its capabilities, including increasing its data integration capabilities and introducing an application store and personal workbenches, creating a comprehensive one-stop platform for our customers in the pharmaceutical and medical device industry. The evolution continued with the release of TrialOS V3.0, which integrated business channels, software, and resources through AI and low-code development, enhancing online collaboration and services for industry professionals.

As we continue to advance and evolve our platform strategy, we have been developing a next-generation platform, Trials, to further enhance the collaboration between pharmaceutical and medical device companies, clinical research institutions, and CROs. Through our self-development, Trials quickly evolved from its 0.1 version, where it established a core framework for project and trial master file management, to its 0.2 version, where we introduced a novel collaborative model, enhancing clinical trial management with features like progress planning, instant messaging, and task collaboration. Currently, we are developing its various additional functional modules to enable mini-programs, empower enterprise-level training and streamline collaborative patient management. Subsequent to its expected launch in late 2024, we expect Trials to gradually replace TrialOS and orient itself towards users' needs for external collaboration and process management, and deliver a more intuitive user experience that stands out from what our competitors are currently able to provide. We will also adjust our fee model to increase our price competitiveness for smaller prospective customers whilst more accurately reflecting our added value for more established customers.

During the Track Record Period, our pharmaceutical and medical device R&D solutions had served 1,313 customers. In 2022 and 2023, the number of Class 1 innovative drugs (chemical drugs and biologics) approved by CDE for marketing were 10 and 34, respectively. Our pharmaceutical and medical device R&D software supported 3 and 15 of these drugs, accounting for 30.0% and 44.1% of the approvals, respectively.

PharmaOS

PharmaOS, launched in 2021, is a digital collaboration platform that supports various cloud-based software and digital services to facilitate pharmaceutical and medical device companies' commercialization efforts. It offers flexible, easy-to-use development tools, such as workflow engines, form engines, data modeling, and tag modeling.

Via PharmaOS, we offer a comprehensive set of pharmaceutical and medical device commercialization cloud-based software to our customers. They can be accessed on PharmaOS via both website and mobile applications, providing users with convenient access to our products. It adopts a unified data structure for all master data, which includes hospital and doctor information, as well as channel flow data, i.e., data from different sales channels after drug sales. Leveraging such structure, it streamlines the utilization of industry master data, including hospital and doctor information, sourced from various public sources such as official websites of hospitals and regulatory authorities like the National Health Commission of the PRC. It also helps our customers to effectively manage their distributors and sales teams, achieve transparent drug channel flows, optimize customer relationship management and visualize sales activities, all of which contribute to driving efficient commercialization for our customers, through the utilization of our pharmaceutical and medical device commercialization solutions. Our service staff also utilize certain features of PharmaOS to provide digital services such as data cleansing. During the Track Record Period, our pharmaceutical and medical device commercialization solutions served 153 customers, including renowned multinational pharmaceutical corporations and prominent domestic industry players.

Our self-invented PharmaOS creates a digital commercialization ecosystem that integrates connectivity, collaboration, and data intelligence and facilitates interactive communication. Designed to have intuitive and easy to navigate interfaces, PharmaOS significantly enhances user experience. Its initial version, PharmaOS1.0, laid the groundwork for the PharmaOS platform, introducing a foundational product framework that encompassed management of master data, sales territory, customer, and activity. Subsequently, the platform evolved into PharmaOS2.0, incorporating sales management features, including performance management, sales calculations, and sales disputes resolution. In 2024, PharmaOS2.1 further introduced dynamic visit forms and business scenario configurations, further enhancing its ability to cater to the intricate needs of the pharmaceutical and medical device industry.

To adjust and augment PharmaOS' pharmaceutical and medical device commercialization capabilities, we developed Wujie, another next-generation platform. Wujie's version 0.1 laid the groundwork for its product framework based on our own inventions. In 2023, its version 1.0 launched on mainstream app markets, establishing fundamental connections between enterprises and medical professionals, featuring chat, visits, meetings and live broadcasts. Late 2023 saw the launch of "Wujie — Hospital Edition" 1.0, creating comprehensive connection from enterprises to hospitals and doctors. The current development focus of Wujie is on the standardization of medical representatives' online and offline doctor visits to help strengthen compliant visit management. Whereas PharmaOS specializes in managing the internal aspects of pharmaceutical and medical device companies' commercialization efforts, e.g., customer relationship and sales performance management, Wujie is offered in 2024 alongside PharmaOS due to its specialization in achieving greater external outreach to doctors via both online and offline channels, to complement but not replace PharmaOS. We expect our efforts in equipping Wujie with integrated natural language processing and big data capabilities to further enhance its capability to seamlessly interact with doctors.

OUR SOLUTIONS

Pursuant to our platform strategy, we created a complementary set of platform-empowered pharmaceutical and medical device R&D and commercialization solutions to cater to our customers' wide-ranging business needs. During the Track Record Period, our broad base of customers mainly includes pharmaceutical and medical device companies, clinical research institutions, and CROs. While such customers differ in types and sizes, we are able to agilely meet their business needs due to our comprehensive selection of software and digital services that can be conveniently picked and chosen from our platforms. These software and digital services can be purchased separately and independently.

Cloud-based Software. The software that we offer are hosted by a central provider and offered to customers via cloud service, instead of running locally on our customers' devices with no network connection. We offer our SaaS products through TrialOS or PharmaOS, which leverage public cloud service to deliver our SaaS products via the internet across organizations. We also deliver our customized products primarily via private cloud service, which reside on a single organization's in-house infrastructure instead of utilizing TrialOS or PharmaOS. Rather than installing or downloading a copy of the application, users can access the product from a web or mobile browser. Our cloud-based software are applied in various scenarios, primarily including clinical research digitalization, SMO digitalization, independent imaging review, pharmacovigilance, and pharmaceutical and medical device commercialization. They facilitate efficient data interconnectivity and interoperability among different software, which in turn underpin the efficient execution of pharmaceutical and medical device R&D and commercialization. Our in-depth comprehension of industry challenges and experience in the healthcare industry enable us to develop both SaaS products that are standardized and can be nimbly deployed via public cloud, and customized, non-SaaS software tailored to our customers' specific requirements that are typically locally deployable via private cloud. Some of our customers purchase both types of our cloud-based software. During the Track Record Period, the majority of our revenue from cloud-based software was derived from SaaS products.

Digital Services. The digital services that we offer primarily include IRC service and digital clinical research services. By choosing our digital services, our customers can leverage our service personnel who are well-versed in our software to fulfill their needs with consistent quality and no additional staff overhead. Our IRC service primarily helps pharmaceutical and medical device companies conduct independent reading of medical images. In the meantime, our digital clinical research services include digital SMO business management, which offers integrated service related to training, management, and supervision of SMO service delivery, pharmacovigilance service, and also digital clinical trial services, which enable digitally decomposing and streamlining operations of clinical research for quality, transparency, and efficiency, and realize real-time risk alerts and achieves digital project management. These digital services typically integrate the capabilities of our corresponding cloud-based software and platforms, and therefore our customers would typically also be paid users of the corresponding cloud-based software, though our customers can also use some of our digital services without becoming paid users of our cloud-based software. For example, per customer request, we also occasionally delivered pharmacovigilance service without leveraging our software, and we typically did not charge for eSMS in our delivery of the digital SMO business management service because it was a relatively new software that plays an auxiliary role to the service. Therefore, from the onset of our provision of services, such services would utilize the respective cloud service and technologies underpinning said software and platforms. For example, with the integration of multi-channel patient screening and AI-powered patient matching features, such services can significantly streamline patient recruitment, ensuring an improved patient journey. They further facilitate cross-organizational cooperation of virtual clinical research teams by leveraging nationwide site management resources on the platforms. By introducing our digital services to companies in need, we could integrate them into our platforms and offer them additional software or digital services along the way, generating strong customer loyalty and allowing us to benefit from cross-selling opportunities throughout their growth.

The efficacy and popularity of our software and services have been proven throughout the Track Record Period. As of March 31, 2024, we served more than 1,600 customers, integrated our databases with 34 regulatory authorities across different jurisdictions, realizing major global market coverage. In navigating the changing industry and business landscape, we continuously assess market opportunities and strive to enhance and broaden our offerings for our growing number of customers. The following table sets forth a brief summary of our main software and digital services offered during the Track Record Period, all of which were sold under our Taimei brand. For underlying technologies, see "— Technology Infrastructure." For pricing models, see "— Pricing."

Main Solution	Name[2]		Addressable Markets	Market Position[3]	Main Functions	Revenue Recognition	Main Type of Customers
Cloud-based Software[1]	eCooperate/CTMS		Clinical trials	#1	Electronic and data-enabled clinical trial project management	Generally, we recognize the revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products. Specifically, for eImage/IRC, recognition is based on the number of imaging review endpoints provided to customers. For other software, recognition is based on the contract term. The revenue from them is all recognized over time.	Pharmaceutical and Medical Device Companies, Clinical Research Institutions, CROs
	eArchives/eTMF				Electronic management of clinical research files		
	eCollect/EDC				Electronic data capture system with remote data review and transparent data standards		
	eBalance/IWRS				Randomization, enrollment, drug supply and dispensation, emergency unblinding, etc. in clinical trials		
	eImage/IRC				Independent imaging review for clinical studies with imaging review endpoints		Pharmaceutical and Medical Device Companies
	eSafety/PVS		Pharmacovigilance	#1	Automatic scan and download of regulatory authority feedback and automatic generation of safety reports		
	ONECEM		Marketing	#7	ONECEM-SCRM facilitates intelligent customer relationship management; ONECEM-SFE digitalizes sales efficiency management; ONECEM-Event and ONECEM-Engagement streamline the management and live broadcasting of conferences and enable online interaction	SaaS Products: generally, we recognize the revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products. The revenue is recognized over time. Customized Products: we recognize the revenue at a point of time when such product is delivered to and accepted by our customers. The revenue is recognized at a point in time.	Pharmaceutical and Medical Device Companies
Digital Services	IRC Service		Clinical trials	#1	Assists pharmaceutical and medical device companies in conducting independent reading of medical images	We recognize revenue over contract term since our delivery of services and in accordance with the progress of our service obligation performance. The revenue is recognized over time.	Pharmaceutical and Medical Device Companies
	Digital Clinical Research Service	Digital SMO business management			Achieves efficient SMO resource distribution and execution by combining the capabilities of our SMO software with the expertise of the CRCs		
		Pharmacovigilance Service	Pharmacovigilance	#1	Assists compliance with pharmacovigilance regulations related to risk discovery and evaluation		
		Digital Clinical Trial Services	Clinical trials	#1	Enhance clinical trials' operational efficiency and transparency through integrating AI-powered functionalities		

Notes:

(1) All cloud-based software listed herein are SaaS products only, except ONECEM, which has both SaaS and customized versions.

(2) Consistent with industry convention and to aid readers in identifying the nature of the software, when presenting the names of some of our software in this prospectus, we name them in the "commercial name/function name" format. For instance, "eCooperate/CTMS" is named as eCooperate on TrialOS, and its function as a clinical trial management system is indicated by the abbreviation "CTMS."

(3) Based on market share in terms of revenue generated in 2022. See "Industry Overview."

Key Operating and Financial Data

The following table sets forth a breakdown of our revenue by business line, in absolute amounts and as a percentage of total revenue, for the years/periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Cloud-based Software										
– SaaS products	119,864	25.7	149,874	27.3	155,740	27.2	37,673	29.2	39,645	30.0
– Customized products	77,188	16.6	61,101	11.1	45,613	8.0	8,955	6.9	5,663	4.3
Subtotal	197,052	42.3	210,975	38.4	201,353	35.2	46,628	36.1	45,308	34.3
Digital Services	268,456	57.6	338,084	61.6	369,931	64.5	82,595	63.9	86,745	65.7
Others	673	0.1	156	0.0	1,853	0.3	9	0.0	–	–
Total	**466,181**	**100.0**	**549,215**	**100.0**	**573,137**	**100.0**	**129,232**	**100.0**	**132,053**	**100.0**

Note: Others primarily refer to revenue from our medical professional services, including training and meeting arrangement services.

The following table sets forth a breakdown of our number of customers by business line during the Track Record Period:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
Cloud-based Software					
SaaS Products	679	789	851	687	682
Customized Products	132	116	82	69	54
Digital Services					
IRC Services	105	117	121	108	100
Digital Clinical Research Services	519	558	612	479	433
Total Customers	**908**	**1,033**	**1,107**	**893**	**867**

	As of December 31,			As of March 31,
	2021	2022	2023	2024
Core Customers*	189	221	235	237

Note: A core customer refers to a customer who contributes a revenue of RMB500,000 or more in the immediately preceding twelve months.

The following table sets forth a breakdown of our number of customers by whether they purchased cloud-based software, digital services or both during the Track Record Period:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	2022	2023	2023	2024
Cloud-Based Software Only	345	430	450	369	390
Digital Services Only	136	167	208	159	150
Both Cloud-Based Software and Digital Services	427	436	449	365	327
Total	**908**	**1,033**	**1,107**	**893**	**867**

The following table sets forth the number, average duration and value of backlogs during the Track Record Period:

	As of December 31,									As of March 31,		
	2021			2022			2023			2024		
	No. of Backlogs	Average Duration of Backlogs	Value of Backlogs	No. of Backlogs	Average Duration of Backlogs	Value of Backlogs	No. of Backlogs	Average Duration of Backlogs	Value of Backlogs	No. of Backlogs	Average Duration of Backlogs	Value of Backlogs
		Years	*RMB million*		*Years*	*RMB million*		*Years*	*RMB million*		*Years*	*RMB million*
Cloud-based Software												
– SaaS Products	1,717	3.0	261.5	2,352	3.2	382.2	2,199	3.4	382.4	2,236	3.3	368.3
– Customized Products	156	1.8	50.0	193	1.9	51.9	193	1.6	54.9	162	1.9	55.9
Subtotal	**1,873**	**2.9**	**311.5**	**2,523***	**3.2**	**434.0**	**2,371**	**3.0**	**437.3**	**2,328**	**3.1**	**424.2**
Digital Services												
- IRC Services	166	3.0	239.7	195	3.1	248.6	210	3.1	238.9	212	3.1	240.1
- Digital Clinical Research Services	1,023	2.9	638.5	1,379	3.1	952.0	1,404	3.0	940.1	1,362	2.9	943.1
Subtotal	**1,188**	**2.9**	**878.1**	**1,572***	**3.1**	**1,200.6**	**1,608**	**3.1**	**1,179.0**	**1,573**	**3.0**	**1,183.2**

Note: our number of backlogs significantly increased in 2022 as compared with 2021 primarily because (i) as our digital SMO business management service gained increasing market and customer acceptance, we entered into more contracts with our customers; and (ii) the increasing popularity of our pharmaceutical and medical device R&D cloud-based software attracted more orders from our customers.

The following table sets forth the typical price ranges of our software and services during the Track Record Period on an annualized basis, with such typical prices excluding the 15% highest and lowest value of contracts newly entered into in the respective periods:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cloud-based Software										
eCooperate/CTMS	60	176	71	207	47	173	164	177	79	233
eArchives/eTMF	70	147	71	157	58	174	106	167	56	207
eCollect/EDC	36	123	34	127	38	105	43	140	30	138
eBalance/IWRS	51	171	70	177	73	156	60	152	60	168
eImage/IRC	190	507	161	627	130	385	143	678	69	276
eSafety/PVS	41	225	38	214	42	190	60	198	46	203
ONECEM (SaaS)*	95	594	102	427	83	524	120	413	120	432
Digital Services										
IRC Services	970	4,156	1,028	7,223	1,066	5,310	1,350	5,310	1,219	5,015
Digital Clinical Research Services – Digital SMO Business Management Service	470	6,900	811	11,915	708	8,882	638	8,882	384	4,945
– Pharmacovigilance Service	123	4,045	181	4,409	158	8,439	134	1,881	253	4,803
– Digital Clinical Trial Service	342	12,418	644	44,132	243	14,776	222	6,674	330	12,916

Note: Given the project-specific nature of customized versions of ONECEM, its price range cannot be calculated on an annualized basis. In 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, its typical price range was RMB259 thousand to RMB3,874 thousand, RMB159 thousand to RMB2,501 thousand, RMB161 thousand to RMB900 thousand, RMB202 thousand to RMB2,794 thousand and RMB150 thousand to RMB1,400 thousand, respectively, with such typical prices excluding the 15% highest and lowest value of contracts newly entered into in the respective periods.

The wide difference between the minimum and maximum prices (i) for a given software/service and (ii) between different software/services, both in a certain period and across the Track Record Period are primarily attributable to the nature of the projects that the respective contracts seek to cover. For example, we may charge a higher price for more complex contracts that involve later stage clinical trials or trials involving multiple clinical trial institutions.

Addressable Markets

In evaluating our performance, we also categorize our various solutions into several addressable markets, including the clinical trials and pharmacovigilance markets for pharmaceutical and medical device R&D, and marketing for pharmaceutical and medical device commercialization. For details regarding such addressable markets, see "Industry Overview."

The following table sets forth the customer retention rates during each year in the Track Record Period:

	Year Ended December 31,		
	2021	**2022**	**2023***
	%	%	%
Cloud-based Software	**84.2**	**83.2**	**78.5**
– Clinical trials	81.0	80.4	73.5
– Pharmacovigilance	84.9	86.6	82.6
– Marketing	84.4	83.2	74.2
Digital Services	**75.6**	**76.9**	**74.3**
– Clinical trials	75.7	76.2	76.0
– Pharmacovigilance	73.2	75.6	70.6
– Marketing	71.8	64.2	61.1
Overall	**82.0**	**82.8**	**77.8**

Note: the customer retention rates decreased in 2023 primarily because of the temporary market headwind that affected pharmaceutical and medical device companies' R&D activities. In addition, our upgrade of customized versions of commercialization solutions to SaaS versions also decreased customer retention rates.

The following table sets forth the average contract size during the Track Record Period. The size of a contract is defined as the total monetary amount that the contractual counterparty is obligated to pay to us as specified in the executed contract. In calculating the average contract size, the contracts that did not specify such amount[(1)] have been excluded.

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cloud-based Software	**235**	**260**	**237**	**221**	**140**
– Clinical trials	220	281	225[(2)]	190	129[(2)]
– Pharmacovigilance	148	188	292[(3)]	332	130[(3)]
– Marketing	362	274[(4)]	228[(4)]	248	235
Digital Services	**647**	**891[(5)]**	**776**	**793**	**613**
– Clinical trials	841	1,210[(5)]	930	1,034	680[(5)]
– Pharmacovigilance	223	290	291	287	470[(6)]
– Marketing	193	182	149[(7)]	77	153[(7)]
Overall	**495**	**553**	**450**	**415**	**347**

Notes:

(1) In our ordinary course of business, we from time to time entered into certain contracts with no definitive size (the "**Nondefinitive Contracts**"). Most of these Nondefinitive Contracts were entered into for our digital SMO business management service. Their size could not be determined at the time of contract execution because their size correlates to the number of patients recruited for the clinical trial, which is typically not available at such time. Nondefinitive Contracts consisted an immaterial percentage of the total number of our contracts during the Track Record Period.

(2) The contract size for cloud-based software addressing the clinical trials market decreased significantly from 2022 to 2023 primarily because of an increase in the number of bioequivalence studies that our cloud-based software addressing the clinical trials market catered to, which by nature had significantly shorter durations than clinical trials of innovative drugs, which lowers the contract size. It significantly decreased from the three months ended March 31, 2023 to the same period in 2024 primarily because to ensure our profitability given increasing market competition, we reduced the number of strategic agreements that we entered into with our customers from 10 to 3 in the respective periods, which had higher average contract size given their long-term nature.

(3) The contract size for cloud-based software addressing the pharmacovigilance market increased significantly from 2022 to 2023 primarily because increased customer recognition led to customers' consolidation of multiple pharmacovigilance projects in a single contract with us. These consolidated contracts would grant our customers higher discounts compared with individual contracts. It decreased significantly from the three months ended March 31, 2023 to the same period in 2024 primarily because we ceased entering into such consolidated contracts to ensure the profitability of each contract.

(4) The contract size for cloud-based software addressing the marketing market decreased significantly from 2021 to 2022 and from 2022 to 2023 primarily because of the SaaS transformation of pharmaceutical and medical device commercialization software in the same years, where customized software with higher average contract size were phased out by SaaS products with lower contract size.

(5) The contract size for digital services and digital services addressing the clinical trials market increased significantly from 2021 to 2022 primarily because increased customer recognition led to customers' entrance into contracts with us for projects involving more clinical research institutions. It decreased in 2023 primarily because of the decrease in innovative drug clinical research, in line with the temporary headwind in the market in the same year. The contract size for digital services addressing the clinical trials market decreased significantly from the three months ended March 31, 2023 to the same period in 2024 primarily because of the decrease in the contract size of digital SMO business management service as we gained more new customers in this category, whose contracts with us were smaller in size.

(6) The contract size for digital services addressing the pharmacovigilance market increased significantly from the three months ended March 31, 2023 to the same period in 2024 primarily because we entered into contracts with our pharmacovigilance service customers that have longer terms than those entered into in the three months ended March 31, 2023 as we sought to establish long-term cooperation with such customers.

(7) The contract size for digital services addressing the marketing market decreased significantly from 2022 to 2023 because we disposed of our business of data collection for sales of pharmaceuticals. The contract size for digital services addressing the marketing market increased significantly from the three months ended March 31, 2023 to the same period in 2024 primarily because we increased our pricing given increased customer recognition, especially among innovative drug enterprise customers.

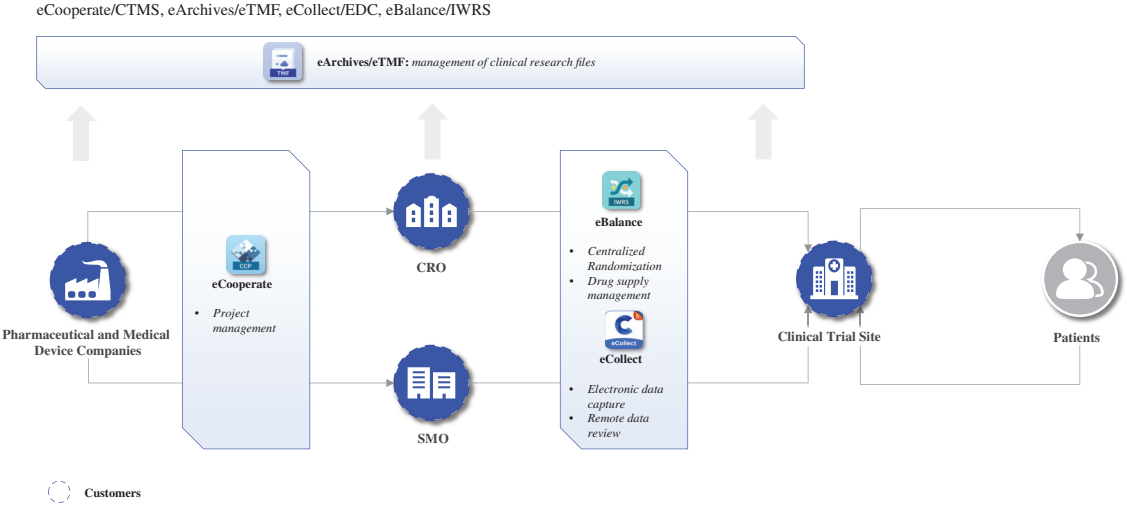
Our Cloud-Based Software

Pharmaceutical and Medical Device R&D Software

In pharmaceutical and medical device R&D, our software primarily target pharmaceutical and medical device companies, clinical research institutions and CROs, assisting them in conducting compliant and efficient clinical research. Because clinical trials tend to be project-based, require strict regulatory compliance, and potentially last 6-10 years, we believe there is high demand for project management infrastructure tools in our industry like the ones that we developed.

During the Track Record Period, our revenue from pharmaceutical and medical device R&D software was mainly derived from eCooperate/CTMS, eArchives/eTMF, eCollect/EDC, eBalance/IWRS and eImage/IRC, which address the clinical trials market; and eSafety/PVS, which addresses the pharmacovigilance market. Collectively, they made up 90.9%, 91.5%, 90.3%, 87.0% and 89.6% of our revenue from SaaS products in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. As of March 31, 2024, we had a pharmaceutical and medical device R&D software project backlog of RMB393.1 million involving 2,198 projects.

The diagram below illustrates the connection among the different stakeholders and our solution in the business flow of our pharmaceutical and medical device R&D software that address the clinical trials market, except eImage/IRC:



eCooperate/CTMS & eArchives/eTMF

Our Clinical Trial Management System ("**eCooperate/CTMS**") and Electronic Trial Master File Management System ("**eArchives/eTMF**") are the two primary cloud-based software that help pharmaceutical and medical device companies and CROs achieve clinical operation digitalization, especially in GCP-compliant Phase I-IV clinical research. eCooperate/CTMS's purpose is to facilitate the planning, tracking and monitoring site and trial-related activities, whereas eArchives/eTMF's purpose is to streamline the management and filing of clinical trial documents. Leveraging our insights into the industry and our in-depth understanding of business scenarios, we debuted eCooperate/CTMS and eArchives/eTMF in 2014 and 2015, respectively. Since then, we have published multiple iterations of the software and committed ourselves to continuously steering them towards a collaborative and platform-oriented future.

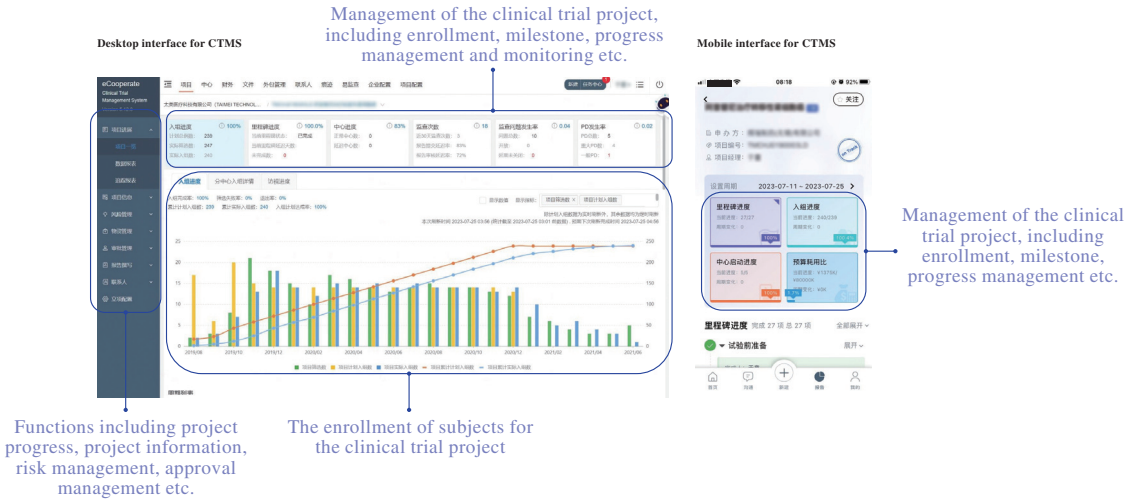
eCooperate/CTMS specializes in electronic and informational clinical trial project management. According to CIC, multiple challenges exist in managing clinical trial projects, including efficiently organizing, accessing, and analyzing complex clinical trial data; generating timely and relevant reports for various stakeholders without errors or losses; identifying, evaluating, and mitigating various risks associated with trial progress, enrollment, data quality, and compliance; and assessing the performance of diverse teams using a standardized and objective approach. In view of these challenges, we equipped eCooperate/CTMS with various corresponding functionalities that adds value through controlling the quality, personnel, communication, budget, progress, expenses, documentation, and reporting involved in clinical research projects so that it can help pharmaceutical and medical device companies plan the entire lifecycle of a product – from Phase I clinical trials to market launch.

In the process of serving its customers, mainly pharmaceutical and medical device companies, clinical research institutions and CROs, it first provides visualized, comprehensive reporting and analysis tools in handling clinical trial data. Before the clinical trial begins, it enables them to select the clinical research institution most suitable for the projects based on their prior cooperation history and KPI performance recorded and calculated by us in the hope of elevating overall clinical trial efficiency. During the clinical trial, it provides multi-dimensional visualized statistical reports on plan execution, enrollment and milestones, etc., which can be flexibly adjusted based on projects' needs. Such reports assist project managers in accessing project data, understanding project risks, issuing task instructions, and tracking resolutions, all supported by our data-driven decision-making capabilities, instead of having to rely on the traditional means, such as pen-and-paper or other less automated, instant or specialized means. It also helps expedite plan drafting by offering various clinical trial plan templates specifically designed for different clinical research institution to help better ensure compliance with their individual requirements that may only be available through prior cooperation, covering areas such as visit plans, communication reports, SAE, and protocol deviation. To manage risks, it identifies and manages various risk areas and provides tools for real-time intervention and tracking so that when anomalies occur, it automatically alerts its users and generates reports for follow-ups, instead of having to reply on manual reporting that

can be prone to error and slow to respond. Finally, it facilitates transparent and fair data-driven performance management by setting goals based on user behavior, ranking CRA performance on monthly, quarterly, and annual bases, and building quantitative assessment models to maximize potential so as to minimize subjective interference in such processes.

Our self-invented eCooperate/CTMS has seen significant evolution since its launch. Its initial version already enables multi-party collaboration and encompasses clinical enterprise resource management and research project progress. Subsequently, it introduced multilingual support, facilitating international multi-center projects. Its next update expanded capabilities to include both internal and external data access, covering test subject data, SAE data, suspected unexpected serious adverse reaction distribution, and documentation. The latest update offers a more comprehensive project management process, including material management, clinical trial site setup, and collaborative monitoring, marking continuous advancements in facilitating clinical trial management.

It can be integrated with eArchives/eTMF and eCollect/EDC, enabling real-time summary and consolidation of information flows related to management, documents, data, and materials. During the Track Record Period, it assisted 174 customers with new drug development. Its average selling price was approximately RMB92 thousand, RMB103 thousand, RMB83 thousand, RMB137 thousand and RMB135 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively.



eCooperate/CTMS

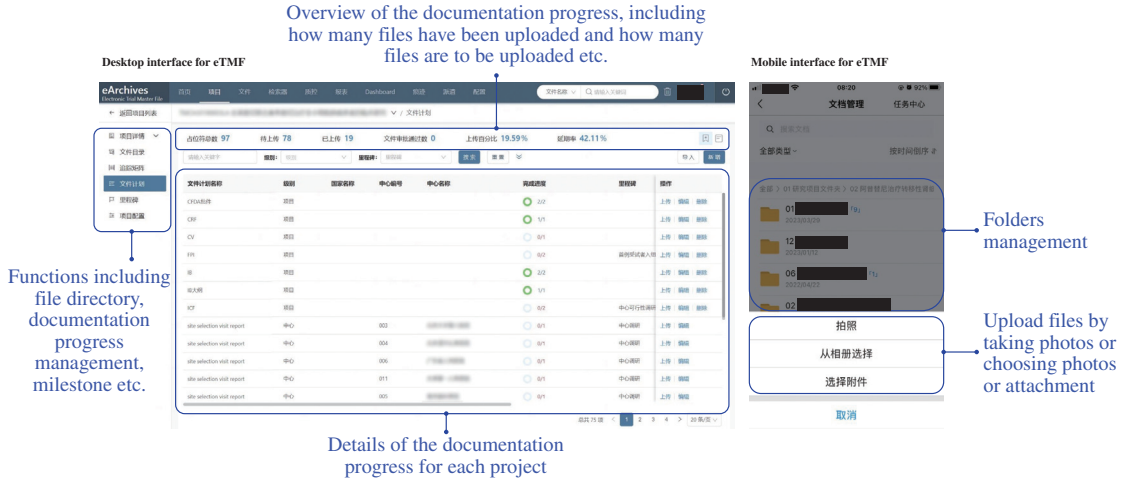
eArchives/eTMF is an electronic trial master file management system primarily used for electronic management of clinical research files. Such files have traditionally been difficult to handle because they can be quite voluminous especially in large-scale multi-center trials, complicating the storage, retrieval, and management of such files. In addition, these files typically include various data types such as patient records and lab results, and proper access control would be needed to coordinate efficient clinical trials. Furthermore, for regulatory and quality control purposes, a robust audit trail capability, i.e., logging who accessed or modified

a file, when, and what changes were made, is indispensable. Therefore, and given regulatory requirements for clinical trial project document management, e.g. *Good Clinical Practice* issued by the NMPA and the National Health Commission of the PRC, we developed eArchives/eTMF parallel to eCooperate/CTMS to add value through archiving and managing project-related documents, ensuring data compliance, completeness, and consistency. It complies with GCP regulations, covering documents from all stages of clinical trials.

In streamlining document archiving, through incorporating standardized TMF and SOP models widely recognized through the industry, e.g., the DIA Reference Model and ICH-GCP, it can quickly create folder directories for projects using its built-in template resource library, achieving real-time archiving and processing, liberating the users from manually creating and organizing such directories that often lack efficiency and standardization, marking the first step in the process of serving its customers. Subsequently, in facilitating document management, it provides and allows real-time monitoring of documentation progress, including the documents' location, status and completeness and how many and which documents have been uploaded and outstanding. By doing so, its users no longer need to manually keep track of the documents or use software that are not optimized for this task, both of which could be prone to clerical and systematic errors. It also supports custom approval workflows, assigning permissions to different participants during the clinical research process to meet various customers' different SOPs. Lastly, its record-keeping capabilities span from clinical research documents production, collection, approval, signature, filing, to quality control and other processes, and ensures traceability in its every step. Therefore, it can elevate enterprises' preparedness for various audits and inspections and improve the overall efficiency and quality of document management.

eArchives/eTMF, also invented by ourselves, has steadily advanced since its inception, starting with a basic framework for managing clinical enterprise documents like trial master files and standard operating procedures. It then enhanced its configuration features to support customized enterprise management workflows. Subsequent updates focused on improving file upload and download reliability, supporting large files and interrupted uploads. The latest updates have specialized the system for international multi-center trial master file management, demonstrating a commitment to evolving document management in clinical research.

During the Track Record Period, eArchives/eTMF supported new drug research and development for 189 customers. Its average selling price was approximately RMB92 thousand, RMB91 thousand, RMB83 thousand, RMB117 thousand and RMB88 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively.



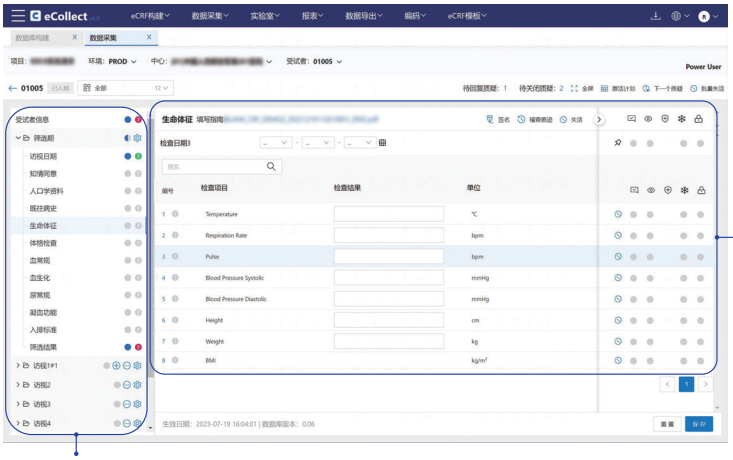
eArchives/eTMF

Our customers often purchase both eCooperate/CTMS and eArchives/eTMF interlinked by our TrialOS platform, as they can achieve horizontal project management with eCooperate/CTMS and vertical document management for each project with eArchives/eTMF. In streamlining clinical research, they can be used together to enhance quality and efficiency, control costs, and may attract their customers to try out our other product offerings. Our other cloud-based software that also serve clinical operation digitalization include Training Management System ("**eCollege**"), Time Management System ("**eTime**") and Clinical Research Quality Management System ("**eQuality**").

eCollect/EDC & eBalance/IWRS

Our Electronic Data Capture System ("**eCollect/EDC**") and Randomization and Trial Supply Management ("**eBalance/IWRS**") are the main cloud-based software that facilitate the clinical data management of pharmaceutical and medical device companies and CROs. As clinical trials become increasingly adaptive and personalized for advance and novel treatments, managing the increasingly complex data generated from these clinical trials poses challenges to existing solutions. Through our optimization, our cloud-based software help obtaining and processing complete, accurate, and reliable data, which underpin clinical research, and can typically be quickly deployed within several weeks. Compared to similar products, ours have stronger adaptability and logical verification abilities, which allow it to automatically assist in human judgment of data accuracy and consistency. During the Track Record Period, eCollect/EDC and eBalance/IWRS had 465 and 212 customers, respectively, of which 127 and 60 were CROs, respectively. eCollect/EDC's average selling price was approximately RMB50 thousand, RMB52 thousand, RMB50 thousand, RMB60 thousand and RMB52 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively, whereas eBalance/IWRS's average selling price was approximately RMB71 thousand, RMB91 thousand, RMB89 thousand, RMB91 thousand and RMB79 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively.

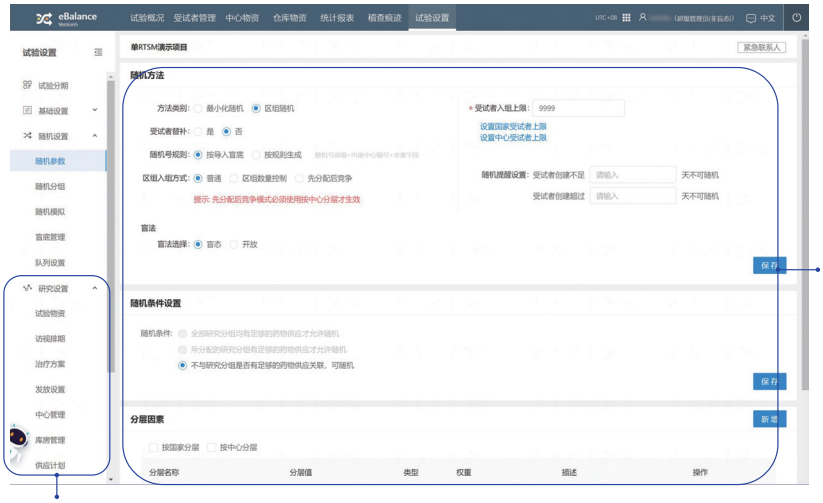
eCollect/EDC is primarily designed for the purpose of data collection during Phase I-IV clinical trials. It streamlines data collection and transmission by integrating software, hardware, standard operating procedures, and personnel. In collecting data, it can connect with clinical research institutions' Phase I wards or CDR systems to enable direct data transfer, reducing manual transcription workload and data inaccuracies. Compared to traditional paper-based case reporting, eCollect/EDC adds value by eliminating the need for offline transmission of CRFs and data queries through enabling real-time online detection and resolution of data issues, significantly improving data management efficiency. In addition to collecting data, eCollect/EDC also facilitates data management. In this process, it can first create a comprehensive global CRF library with AI-enhanced efficiency to provide a panoramic view of participating patients' trial status. When adverse reactions occur, it can also automatically cross-reference with and help pinpoint related medications for record-keeping and alleviation of symptoms. Subsequent to data collection, eCollect/EDC is able to conduct logical verification of clinical data and automate the coding of standard terms input by researchers to ensure the authenticity, accuracy, and validity of clinical trial data that helps to ensure high-quality result output. While we have built in a suite of algorithms developed by ourselves based on our know-how obtained through years of industry experience, given the complexity and unpredictability of real-world clinical trial-related needs, we grant a certain degree of latitude to our customers so that they can also develop their own gadgets to analyze data per project-specific needs. Furthermore, to ensure interconnectivity and interoperability with other systems, eCollect/EDC also enables seamless internal and external data transmission and possesses enhanced data export capabilities. For example, it supports the export of patient data and other reports in multiple formats. Since its launch in 2014 to the Latest Practicable Date, eCollect/EDC has been audited by more than 85 pharmaceutical and medical device companies and CROs, demonstrating its adherence to international quality standards.



eCollect/EDC

Initially launched with only basic functionalities, our self-invented eCollect/EDC quickly evolved to include a rules engine for in-system logic checks and automatic calculations. Further advancements allowed for the coexistence of multiple database versions and facilitated data migration between different versions. Subsequent updates focused on improving user interaction, database construction efficiency, and expanding data logic check coverage to enhance the overall user experience. The latest iteration allowed us to offer an AI-powered, more automated mobile data management platform, further advancing clinical data collection.

eBalance/IWRS is a cloud-based software primarily designed for the purpose of the patients' randomization, management, drug supply and dispensation and emergency unblinding in clinical trials. Such functionalities are essential for many clinical trials. See "Glossary of Technical Terms." As an interactive, web-based central randomization system, eBalance/IWRS adds value through empowering various randomization methods with flexible grouping, stratifying and other functions. Even before the clinical trial starts, eBalance/IWRS' high adaptability attributable to its support of multi-center clinical studies and multiple system integration can already prove advantageous in allowing it to be considered by a wider range of customers. During the clinical trial process, it enables real-time tracking and monitoring of drug circulation, shelf life, and inventory at clinical trial sites, ensuring timely drug distribution and management that help avoid breach of protocols. It can also automatically calculate the amount to be administered, which may significantly improve the efficiency and accuracy of drug distribution and administration to patients while reducing drug waste, saving costs related to both personnel and material. When necessary, it also supports emergency unblinding via requests from eSafety to both ensure patient welfare and advance clinical trial in a compliant manner . It integrates data exchange capabilities with eCollect/EDC, through which eCollect/EDC provides basic patient information to eBalance/IWRS, based on which eBalance/IWRS generates patient randomization and drug supply results to eCollect/EDC.



eBalance/IWRS

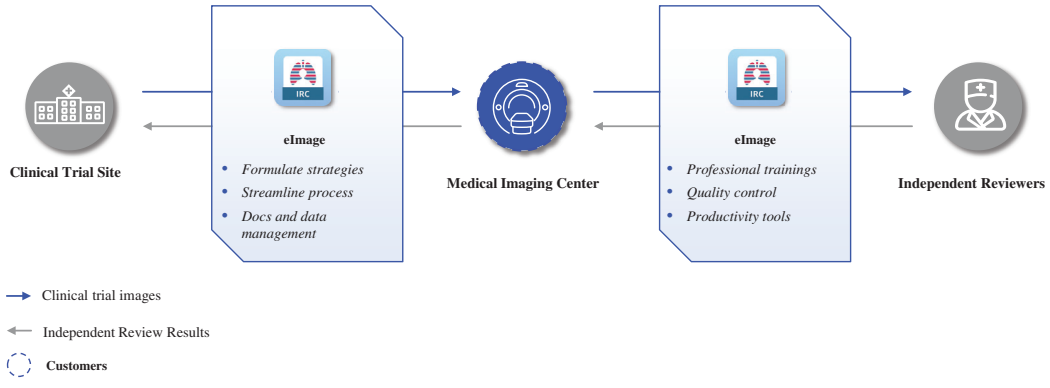
Starting as a central randomization and drug management system that only supported subject randomization, dispensing, and drug management at the time of our invention, eBalance/IWRS quickly expanded its capabilities to include enhanced role-based access control and integration with EDC and CTMS systems. Customization and integration became a focus, with unified multi-system user accounts and support for international multi-language options. The system introduced a dynamic minimization randomization algorithm, accommodating multiple treatment configurations and dynamic dose dispensing, evolving into supporting complex multi-cohort, multi-phase study designs. The latest version advanced further, allowing for modifications to clinical trial protocols during implementation and incorporating intelligent rule engine controls, showcasing eBalance/IWRS's adaptability in managing clinical trials.

eCollect/EDC and eBalance/IWRS are capable of generating synergies with our other software or third-party systems in clinical trials because of their strong interconnectivity. Such software include our other clinical data management software, e.g., Electronic Patient-Reported Outcomes System ("**eReport/ePRO**").

eImage/IRC

eImage/IRC is our independent imaging review software that serve pharmaceutical and medical device companies. Independent imaging review is a third-party evaluation process that provides independent, objective reviews of clinical research data, particularly in clinical trials where imaging endpoints are used to determine a drug or treatment's efficacy or safety. It operates independently of the pharmaceutical and medical device companies and CROs, striving for image quality, standardization, consistency, and uniform understanding of evaluation criteria by reviewers. While PRC laws and regulations, e.g. *Standard Technical Guidelines for Imaging Endpoint Procedures in Clinical Trials of Antineoplastic Drugs* mandate independent imaging review for oncological clinical trials, clinical trials in other fields are also utilizing independent imaging review for increased confidence in sponsors, investigators, regulators, and even patients, according to CIC.

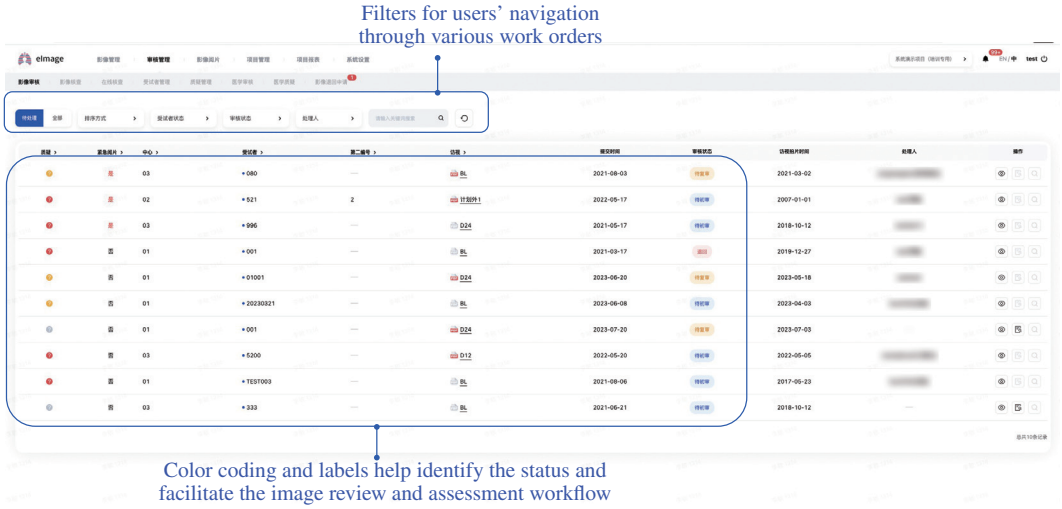
The diagram below illustrates the connection among the different stakeholders and eImage/IRC in the business flow:



Operating on TrialOS, eImage/IRC's purpose is to assist independent imaging review for clinical studies with imaging review endpoints. Such reviews are carried out by independent reviewers contracted by us, who are radiologists expertized in imaging reviews. Adding value by improving their review efficiency and reducing review bias and variability, eImage/IRC provides a suite of functions, including real-time quality control and reporting and random blinding. During independent review processes, eImage/IRC is able to firstly leverage its built-in medical logic efficacy evaluation criteria, through which it could help independent reviewers by automatically loading key images or sequences, identifying image sites, and checking the logical consistency on the key basis for the evaluator's evaluation of target lesions, non-target lesions, and overall tumors. Once the images are reviewed, it can also utilize cloud-based data storage and multi-layer encryption technology to support secure and fast remote image transmission. To ensure data security, all the imaging data being assessed is stored on the cloud servers only, and no local copying or downloading gateways is enabled or permitted. Furthermore, it keeps complete and continuous audit trails to ensure traceability and compliance.

eImage/IRC has seen significant advancements since its invention by us. Initially, it established a basic framework, realizing core functions including image upload, review, and reading, including CT, MRI, PET, and X-rays images. The subsequent version further digitized the process, enabling online checks and medical reviews, and introduced comprehensive project analytics, such as timeline and consistency checks. It expanded support for more assessment standards and indications, meeting the needs for diverse image reading scenarios. Such upgrades also contributed to the corresponding expansion in capabilities of our IRC service.

As of the Latest Practicable Date, eImage/IRC had covered more than 70 indications and 60 evaluation criteria and facilitated more than 20 CDE approvals, and it had served more than 700 clinical research institutions and more than 46,000 patients by helping review over 430 million images. Its average selling price was approximately RMB269 thousand, RMB228 thousand, RMB143 thousand, RMB200 thousand and RMB81 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. The average selling price of eImage/IRC decreased from 2022 to 2023 and from the three months ended March 31, 2023 to the same period in 2024 primarily because we strategically adjusted pricing to enhance our competitive advantage and that high-price projects, e.g., complex Phase III projects decreased in the market.



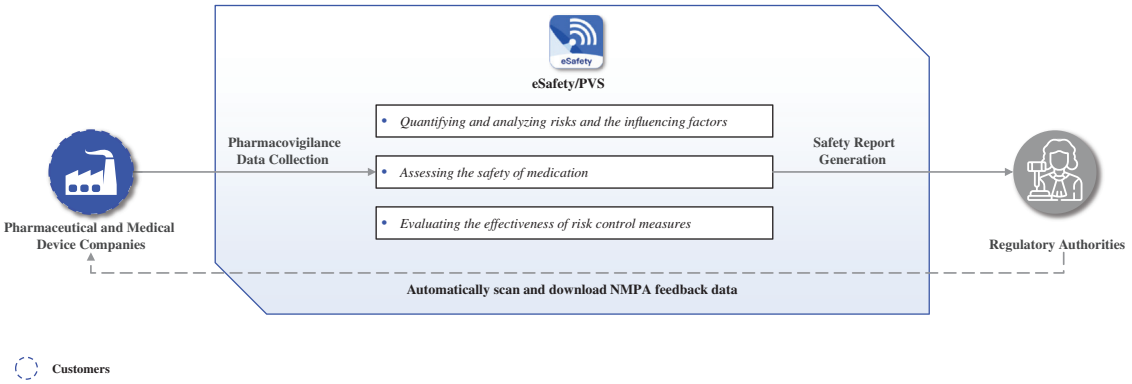
eImage/IRC

eSafety/PVS

Our pharmacovigilance system ("**eSafety/PVS**") is the primary cloud-based software designed for the purpose of efficiently fulfilling our pharmaceutical and medical device company customers' various pharmacovigilance-related demands. Pharmacovigilance is indispensable throughout the entire life cycle of a drug. It involves the collection of adverse reaction information, quantifying and analyzing potential or identified risks and their influencing factors, assessing the safety of medication, and evaluating the effectiveness of risk control measures and compiling safety reports. This process aims to improve the rational use of drugs in clinical settings and ensure safe usage of medication by the public.

In China, pharmacovigilance data of the products of a pharmaceutical and medical device company are typically gathered by the pharmaceutical and medical device company themselves, e.g., via online reporting systems, by phone, or healthcare professionals' feedbacks to medical representatives, which can be difficult to collect and organize in a systematic manner. In contrast, eSafety/PVS supports pharmacovigilance data collection via PC, mobile apps, and WeChat mini-programs from multiple information sources, including widely recognized academic databases in China that sourced their data from related authoritative academic journals and magazines. In such journals and magazines, researchers may describe adverse reactions of certain drugs, which will be promptly captured by the database. By using eSafety/PVS, our customers can take advantage of its value-adding functionalities, including automatically scanning and downloading NMPA feedback data on a weekly or bi-weekly basis and automatically generate safety reports related to their products, instead of having to incur significant time and monetary costs on manually sifting through such information. After generating the reports, we are able to and will confirm the report content, including the accuracy of the information included and the completeness of the information pursuant to NMPA standards. We will also check the automatically generated report acknowledgement receipts, conducting quality control on the processed reports in which different team members conduct evaluation of the accuracy of the report content independent from the initial report checker. We then transfer them to the customers, who are ultimately responsible for and may eventually submit the reports to regulatory authorities.

The diagram below illustrates the connection among the different stakeholders and eSafety/PVS in the business flow:



eSafety/PVS can also be used for statistical analysis and signal detection of processed safety information reports and for drafting periodic safety update reports ("**PSUR**"). In this process, based on our accumulated knowledge on pharmacovigilance and pharmaceutical and medical device, we analyze the results on the safety of a given drug, gain insights into drug safety, and form drug safety analysis reports. eSafety/PVS can then perform statistical analysis on the safety information processing procedure, presenting the degree of compliance with regulations. Based on this analysis, we can subsequently form insights into the compliance of our customer's pharmacovigilance work and present them to customers in project management-related documents.

Since its launch, our self-invented eSafety/PVS has significantly advanced, starting as a digital pharmacovigilance product tailored to meet domestic market needs and filling a crucial market gap in China. Subsequent versions introduced optimization in automated data entry, processing, and submission. eSafety/PVS then evolved to facilitate individual case report entries, processing, and electronic submissions, aiding the fulfillment of regulatory compliance and electronic data submissions. Further enhancements included AI-driven features for automatic translation and recognition, supporting international regulatory submissions, and establishing a comprehensive pharmacovigilance database for both pre- and post-commercialization. The latest version expanded into a global pharmacovigilance system, incorporating AI to efficiently manage safety reports, submissions, and complex data analysis, offering personalized automation and advanced modules for signal detection and risk assessment.

We are one of the firsts in China to interface with the NMPA's Drug Evaluation Center and the National Adverse Drug Reaction Monitoring Center's direct reporting systems. In 2023, 287,977 Adverse Drug Reaction/Event Report Forms were submitted to the National Adverse Drug Reaction Monitoring Center through our pharmacovigilance system, accounting for approximately 11.9% of the total disclosed in the *National Adverse Drug Reaction Monitoring Annual Report (2023)*. eSafety/PVS's average selling price was approximately RMB71 thousand, RMB69 thousand, RMB75 thousand, RMB87 thousand and RMB80 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively.

eSafety/PVS

Other Pharmaceutical and Medical Device R&D Software

In addition to the aforementioned main revenue contributing software, we also maintained and grew our solution portfolio to include various other software to a foster a healthy, prosperous, and efficient ecosystem within the pharmaceutical and medical device industry. These software, both publicly and locally deployable, are designed to streamline clinical research data collection, facilitate clinical research, achieve full-process research project management, and realize institution-centric clinical research project management. These software also include customized software for pharmaceutical and medical device R&D primarily delivered through Beijing Nuoming, which primarily focuses on the sales of customized software for hospitals and clinical research institutions. Before the business cease of Beijing Nuoming in 2023 due to our decision to prioritize SaaS products, these customized software were offered to realize various functions, primarily including CRO project management, Phase I trial full-process management, research project management and research data collection.

In addition, our SMO software facilitate efficient, one-stop SMO management, enabling quick screening of SMO partners and streamlining of clinical research execution in our delivery of digital SMO business management service. See "— Our Solutions — Our Digital Services — Digital Clinical Research Service — Digital SMO Business Management Service" in this section.

Pharmaceutical and Medical Device Commercialization Software

Our pharmaceutical and medical device commercialization software can be provided either as customized products primarily deployed via private cloud or as SaaS products accessed via PharmaOS. Their main purpose is helping pharmaceutical and medical device companies effectively manage their distributors and medical sales personnel, achieving transparent drug channel flow, clear customer insights, visualized sales behavior, and precise sales & marketing. To that end, we developed our ONECEM commercialization system, which has both customized and SaaS versions that have substantially the same functions, though the SaaS version is easier to deploy due to its standardized nature. The diagram below illustrates the connection among the different stakeholders and our pharmaceutical and medical device commercialization software in the business flow:

As an integrated software suite for pharmaceutical and medical device commercialization teams, our ONECEM solutions add value by helping conduct sales, marketing and promotion oriented towards doctors and medical academics. It includes ONECEM-SCRM, a sales and marketing system for medical representatives, ONECEM-SFE, an integrated sales efficiency system for sales performance management teams, and ONECEM-Event and ONECEM-Engagement, a set of event and engagement management systems. These cloud-based software connect with each other in terms of process and data and can be purchased individually or as a complete set, and their locally deployed versions cater to our customers' specific needs and competition strategies. We offer ongoing technical support to our pharmaceutical and medical device commercialization software as well.

These products can work together to fulfill a wide spectrum of needs that may arise in pharmaceutical and medical device commercialization.

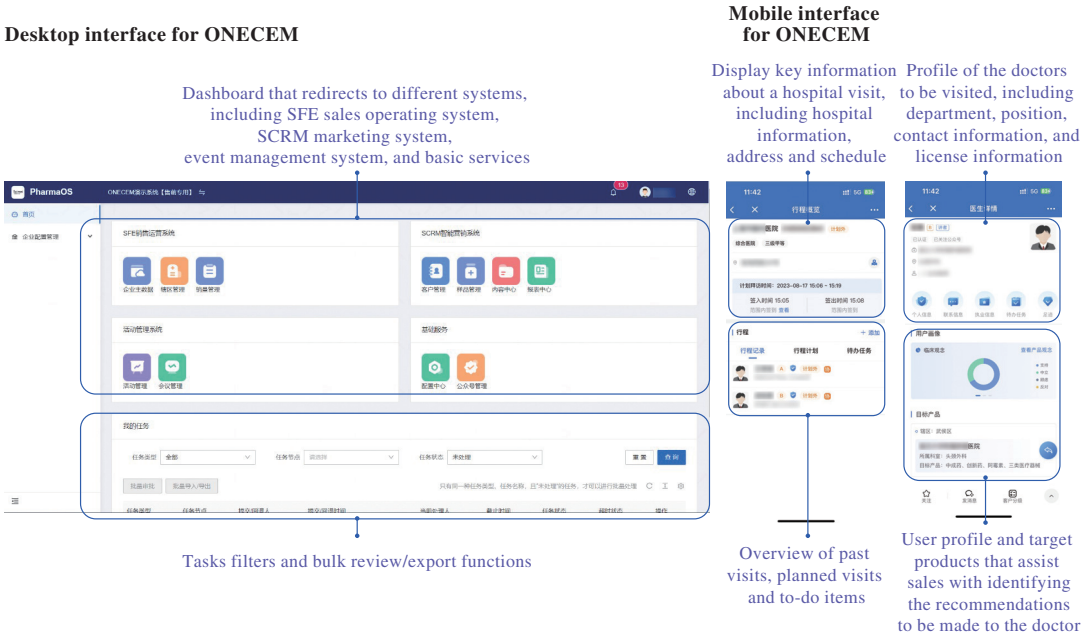
- *ONECEM-SCRM* assists medical representatives manage customer relationship in conducting work planning, pre-visit preparation, and visit execution at their fingertips. After each visit, it enables medical representatives to update hospital and doctor information stored via ONECEM-SCRM pursuant to the feedbacks obtained from their actual visits, and such information can be subsequently verified and cleansed to benefit future engagements. In addition, it facilitates conducting sales checks, territory requests and enables appeals in case of disputes. This helps our customers' managers manage medical sales personnel's work content and allocate human resource.

- *ONECEM-SFE* helps pharmaceutical and medical device companies' sales performance management teams by enabling precise management of medical sales, unified maintenance of clinical research institutional information, customer information, historical sales analysis, and future sales forecasting. It allows accessing and managing master and channel flow data, which improves sales efficiency, optimizes communication and collaboration between functional departments and sales teams, and refines sales personnel performance evaluation standards.

- *ONECEM-Event and ONECEM-Engagement* are offered to doctors and medical sales personnel to empower doctor outreach and academic exchanges. These software streamline the management and live broadcasting of conferences, enable online interaction of participants and document retention.

Our self-invented ONECEM solutions launched with a core framework integrating digital marketing, event management, and customer engagement systems. They later expanded to include a sales operation system, optimizing sales processes and efficiency. The latest update introduced enhanced features for visitations and medical inquiries, catering to varied customer scenarios and multi-departmental collaboration, showcasing ONECEM's ongoing commitment to improving customer engagement and management solutions.

As of March 31, 2024, our pharmaceutical and medical device commercialization software customers mainly include international pharmaceutical and medical device companies, large and medium-sized domestic pharmaceutical and medical device companies, and innovative drug companies. The revenue derived from customized versions of ONECEM systems contributed 78.4%, 75.3%, 77.2%, 98.7% and 99.5% of our revenue from customized products in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. ONECEM's average selling price for its SaaS versions was approximately RMB152 thousand, RMB114 thousand, RMB131 thousand, RMB188 thousand and RMB146 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. ONECEM's average selling price for its customized versions was approximately RMB416.1 thousand, RMB270.3 thousand, RMB255.0 thousand, RMB300.1 thousand and RMB239.8 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. The significant decrease from 2021 to 2022 was due to our proactive decrease in the number of complex projects undertaken given our ongoing efforts to advance SaaS transformation of ONECEM.



ONECEM

As of March 31, 2024, we had a project backlog of RMB31.1 million involving 130 projects for pharmaceutical and medical device commercialization software.

Our Digital Services

We developed a suite of digital services that are primarily built on our software. These digital services may require significantly lower training costs on our customers' personnel and incur no additional staff overhead. By introducing our digital services to companies in need, we could integrate them into our platforms and foster their acquaintance with our solutions. As we grow together with our customers, we would be able to offer them additional software or digital services along the way, generating strong customer loyalty and allowing us to benefit from cross-selling opportunities throughout their lifecycles.

From an operational perspective, our IRC service aims to cover the entire imaging service process, from formulating independent review center strategies, providing trainings and carrying out quality controls, to providing eImage/IRC-enabled imaging review that achieves streamlined review with high accuracy and consistency. Our digital clinical research services encompasses digital SMO business management service, whose purpose is to achieve efficient SMO resource distribution and execution by combining the capabilities of our SMO software with the expertise of the CRCs; pharmacovigilance service, which is offered to assist compliance with China's pharmacovigilance regulations related to risk discovery and evaluation; and digital clinical trial services, which has the objective of enhancing operational efficiency and transparency through integrating AI-powered functionalities, including patient matching, multi-channel screening, and cross-organizational cooperation, bolstering patient recruitment and streamlining clinical trials. Additionally, we had various other digital services during the Track Record Period, including training and meeting arrangement services and data cleansing service.

In delivering certain of these services, primarily the IRC service, we engage certain external parties to utilize such personnel's specialized knowledge and increase our cost efficiency, especially independent reviewers for the IRC service. During the Track Record Period, the number of such external parties engaged and total amounts of consideration paid by us to these external parties are as follows:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	No. of external parties	Considerations paid *RMB'000*	No. of external parties	Considerations paid *RMB'000*	No. of external parties	Considerations paid *RMB'000*	No. of external parties	Considerations paid *RMB'000*	No. of external parties	Considerations paid *RMB'000*
IRC Service[(1)]	91	24,553	113	31,767	139	31,544	94	7,691	113	6,942

Note: The external parties that we contract with in delivering IRC service primarily include independent reviewers and do not include image collection personnel, who are typically CRCs employed by the SMOs working with us on the same project; or image quality control professionals or medical quality control professionals, who are our employees. As such, the number only includes that of the independent reviewers.

As of March 31, 2024, we had a digital service project backlog of RMB1,183.2 million involving 1,573 projects.

During the Track Record Period, our digital service revenue was mainly derived from IRC service and digital clinical research services, which collectively made up 95.6%, 97.5%, 98.9%, 98.1% and 99.1% of our revenue from digital services in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively.

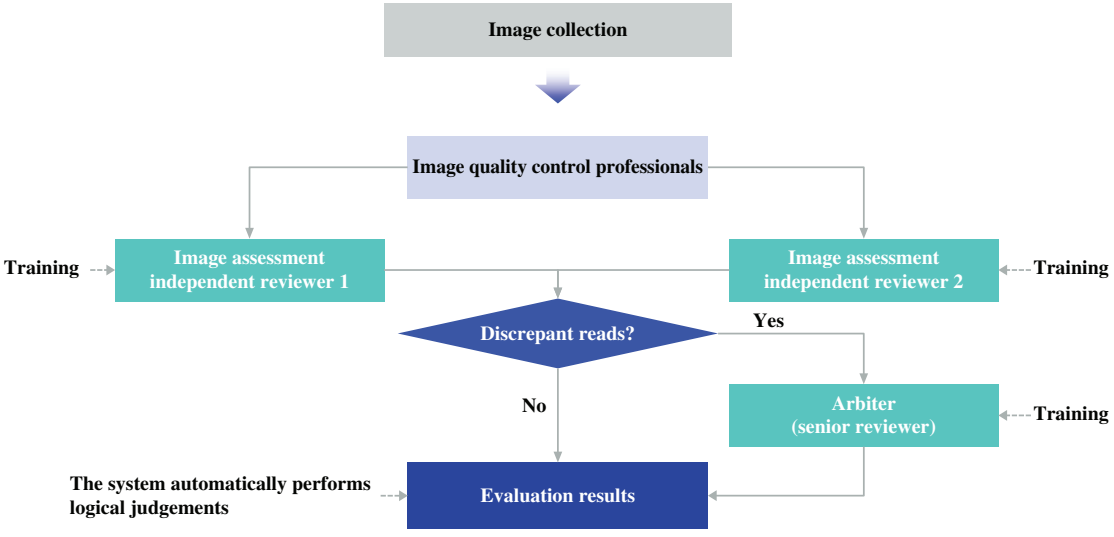
IRC Service

Leveraging eImage/IRC, we provide Independent Reading Center ("**IRC**") service, which covers the entire imaging service process. The transaction starts with a customer contracting with us for IRC services. Subsequently, we contract with and pay various personnel, primarily independent reviewers, mainly to purchase independent imaging review service to carry out the IRC service. Independent reviewers are not employed by us. We typically pay them via payment platforms that are payment outsourcing/human resource outsourcing and tax allocation service providers for streamlined and centralized management. See "— Our Suppliers." This results in a fund flow from us to the service providers, completing the transaction cycle. Our delivery of service then leads to payment from the customer to us.

Through our years of offering the IRC service, we have formulated an established process of service. Before the review, we first assist pharmaceutical and medical device companies in formulating independent review center strategies, relevant process standards, and image collection standards during trial design. We then typically collaborate with our suppliers and strictly select qualified independent reviewers and image collection personnel contracted by them, then provide project-specific trainings to those selected. To ensure the quality of our IRC

service, we require the independent reviewers to have medical imaging or clinical background, hold a practicing physician's license, and possess prior experience in evaluating medical indications, and we require the image collection personnel to possess requisite competency and industry experience. In addition, we also work with clinical research associates ("**CRAs**") vetted and employed primarily by CROs to help them better oversee the image review process.

Subsequently, during clinical trials, such image collection personnel transmit the images collected from clinical research institutions, which would undergo image quality control from our image quality control professionals. The image quality control professionals work to remove the personal information in trial data uploaded to the system and ensure that data is collected according to trial parameters. Only after passing our image quality control will such images be reviewed by our independent reviewers.



Source: Cancers; China Insights Consultancy

Next, during the review, our IRC service engages various service personnel that use eImage/IRC to streamline the process and achieve stringent quality control. Typically, each image would be reviewed by two independent reviewers who do not communicate with each other but are equipped with requisite expertise and experience to improve the accuracy of the results, and we engage more senior reviewers as the arbiter when the first two's results disagree. Upon completion of the review, the system automatically performs logical judgments on the evaluation results, prompting potential judgment biases and improving evaluation accuracy for improvement. The medical quality control professionals employed by us would leverage their medical expertise to review the results in the system, overseeing the accuracy and stability of the independent reviewers' evaluation. Therefore, they seek to further improve the accuracy of review results based on the collaborated effort of image collection personnel, image quality control professionals and independent reviewers. The final review report generated by eImage/IRC is mainly used by pharmaceutical and medical device companies, clinical trial institutions, CROs, and independent reviewers for drug efficacy analysis and approval submissions.

To ensure adherence to our quality control standards, in addition to abiding by the industry standards and our customers' specific requirements, we imposed strict requirements on the qualification of our image quality control professionals and medical quality control professionals and verify such qualifications. Our PRC Legal Adviser confirmed that based on the qualifications of these professionals, their provision of service is in compliance with applicable PRC laws, regulations and rules. As of March 31, 2024, 100% of our image quality control professionals and medical quality control professionals majored in medical imaging, and 100% medical quality control professionals held a medical qualification certificate. Their ability to reply to email inquiries within 24 hours and respond to reviewing events within 48 hours is well above industry standards, according to CIC, which greatly enhances customer satisfaction. According to our PRC Legal Adviser, the duties of the selected personnel under the relevant agreements have not violated any prohibitory provisions of the PRC Laws and regulations. We have not encountered any significant complaints, litigations nor liabilities from customers resulting from the negligence, misconduct, or improper behavior of the selected personnel. For our liabilities related to the services, see "—Material Clauses and Terms of Agreements for Major Software And Digital Services — IRC Service" and "—Material Clauses and Terms of Our Supply Agreements — Imaging Reading Service Supply Agreements."

Our IRC service's average selling price was approximately RMB1.5 million, RMB1.6 million, RMB1.4 million, RMB1.6 million and RMB1.5 million in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively.

Digital Clinical Research Services

Digital SMO Business Management Service

SMOs are professional service organizations that assist clinical research institutions with on-site management and specific operational tasks, primarily through the dispatch of their clinical research coordinators ("**CRCs**") to support investigators in performing non-medical decision-making tasks in clinical research, ensuring compliance with good clinical practice ("**GCP**") and study protocol requirements.

Traditionally, in conducting their daily tasks, SMOs often use non-cloud-based or non-pharmaceutical and medical device-specific products that require extensive human involvement, which cause inefficiencies and leave clinical trials prone to protocol violations. Additionally, the traditional approach is often incapable of allowing real-time status monitoring by multiple stakeholders, e.g., PIs, pharmaceutical and medical device companies, and CRCs, forming information silos that impede effective information exchange that may ultimately undermine the SMO service quality delivered.

In contrast, our digital SMO business management service adds value through leveraging our SMO software to offer integrated service related to SMO resource distribution, CRC training and management, task execution and supervision, and data visualization to assist decision-making. Such software achieves such by enabling SMO order placement, CRC recommendations, online performance settlement, process auditing, online execution

management and document information recording and uploading by CRCs. While we do not employ CRCs ourselves, through using such software, we can ensure CRCs' delivery of consistent SMO service, which could improve the overall SMO service quality that our customers receive. Our employees enquire the SMOs to ensure that they have relevant background in medicine, pharmacy, or nursing; hospital work experience with familiarity in hospital environments and procedures; good communication skills and teamwork; strong learning ability, resilience, and sense of responsibility; and any other specific requirements set by us. According to our PRC Legal Adviser, there are no explicit regulatory requirements for the qualifications of the aforementioned personnel, though we abide by the industry standards and our customers' specific requirements in selecting such personnel.

The diagram below illustrates the connection among the different stakeholders and our digital SMO business management service in the business flow:

Our digital SMO business management service's transaction is initiated when a customer contracts with us for such service. Subsequently, we contract with and pay our suppliers, i.e., SMO companies, who pay their CRCs to carry out the service in the clinical research institutions. In some circumstances, our suppliers can also be clinical research institutions themselves depending on the guidelines of such clinical research institutions. See "— Our Suppliers." This results in a fund flow from us to the SMO companies or the clinical research institutions. Our delivery of service then leads to payment from the customer to us.

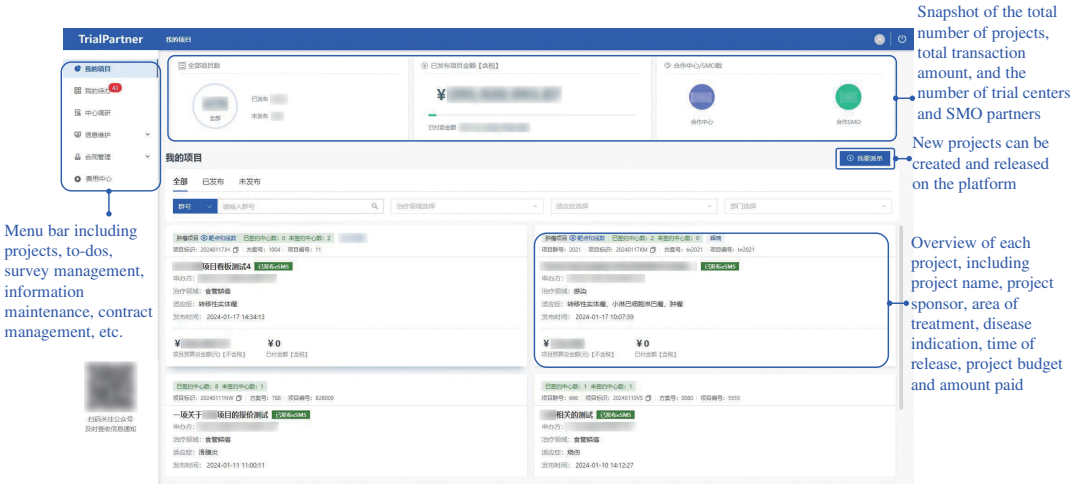
Specifically, our digital SMO business management service's process starts with our reception of CRC candidate resumes through our SMO software. In this step, SMOs, our suppliers, can upload the resumes of CRCs employed by them, which include their CRCs' basic information, such as qualifications, areas of expertise, and covered clinical research institution to our SMO software to gain eligibility. While these CRC resumes received can be in various formats or laid out in different structures, our employees can leverage our SMO software to convert the resumes into a consistent format or structure, making it easier to analyze the content. Our employees then leverage our SMO software to tag these CRCs' capabilities and consider the expertise demonstrated in these resumes in matching the SMOs with future clinical trials. After our employees' approval, our SMO software will recommend suitable CRC/SMOs to us based on the specific requirements of each clinical research project. Such recommendations may consider whether the CRC/SMOs' pricing, cooperation history, and areas of expertise match the clinical trials' requirements. Compared to traditional SMO

companies, we can recommend significantly more CRC personnel more quickly due to the application of our SMO software. This is because each clinical trial may vary in complexity, scale and duration, which can be challenging for traditional SMO companies to efficiently form CRC recommendations and reach agreeable pricing. In contrast, our SMO software is able to calculate a guidance price based on the specifics of the clinical trial and then compare such price with SMOs' offered prices. We can then select the most suitable SMO and have our employees confirm the engagement in the system. Once matched, the selected SMO will dispatch CRCs to mainly assist with meeting coordination, communication with ethics and institutions, safety report management, trial document management, and participant recruitment and management.

In delivering SMO service, the CRCs dispatched by the SMOs would be able to leverage our SMO software for clinical trial execution. Our SMO software improve the quality of clinical trials through its whole-process digitalization and standardization capabilities. It refines the CRC's work schedule down to the day, streamlining their workflow by breaking down project execution procedures into several major stages and hundreds of small nodes SOP, automatically generating push notifications as task reminders, and standardizing the task list so that the CRCs will be able to follow through each step with greater ease and precision. It also provides multiple functionalities that improves the transparency and effectiveness of trial execution, including providing panoramic view of and online coordination regarding project execution progress, facilitating situation reporting to project managers, assisting with follow-ups, and automatically generating KPIs and rankings.

Leveraging our SMO software's capabilities, we are able to provide sponsors of clinical trials, CRAs, project managers and PIs with detailed, multi-dimensional execution data, visual reports, and analysis reports, which serve as testaments to our value added. Empowered by our software, our project managers can timely and quantitatively monitor the CRC's work status and content, review service delivery certification online, and provide online guidance and correction to accelerate the trial progress. CRAs can also collaborate with CRCs at any time to handle urgent matters with an audit trail. Therefore, we, pharmaceutical and medical device companies, SMOs, and other participating users can all collaborate using our SMO software, view project status online, and promptly reply and resolve project inquiries raised by different centers, improving communication efficiency.

To digitalize SMO operations and on-site center management, our digital SMO business management service leverages our digitalized SMO software, which include our self-invented clinical research business distribution management systems ("**TrialPartner**") and clinical research site management systems ("**eSMS**"). While they were initially separate software, they were subsequently integrated to achieve a unified process for assignment, fulfillment, and settlement, and supports CRC work on mobile terminals. It was later updated to support SMO decision-making, significantly enhancing the digital operational efficiency of both TrialPartner and eSMS. The latest versions of TrialPartner and eSMS further refined the process and introduced project-based collaborative work models, making us better equipped to boost SMO performance.



Digital SMO Business Management Service

As of March 31, 2024, our digital SMO business management service covered more than 2,300 clinical center departments and had helped us establish partnerships with over 400 SMOs, forming a nationwide collaboration network. Our digital SMO business management service's average selling price was approximately RMB0.8 million, RMB1.3 million, RMB1.0 million, RMB1.1 million and RMB0.9 million in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. The average selling price of digital SMO business management service increased from 2021 to 2022 primarily because enhanced customer recognition of our service capabilities led to customers allocating more clinical trial institutions to us in the same project.

Pharmacovigilance Service

Our pharmacovigilance service guides our customers in complying with robust pharmacovigilance regulations related to risk discovery and evaluation. This service does not typically rely on outsourced staff and as such, primarily only involves transactions and fund flows between our customers and us, in which we commence delivering such service to our customers for payment from our customers. We primarily utilize eSafety/PVS to improve accuracy and efficiency, generating synergies particularly in the drafting and submission of safety information reports. Our service staff, based on customer requirements and understanding of pharmacovigilance regulations, primarily use eSafety/PVS to code, supplement data elements, adjust formats, and perform other data cleansing tasks within the specified time frame, conducting medical evaluations and generating safety information reports that comply with pharmacovigilance regulatory requirements. They can then utilize our cloud-based software to submit safety reports related to our customers' products to the NMPA, the FDA, and the EMA, which automatically saves the final reports submitted to regulatory authorities and the regulatory authority receipts and distribute them by itself, providing added value through streamlining the entire process.

Our pharmacovigilance service's average selling price was approximately RMB228 thousand, RMB296 thousand, RMB297 thousand, RMB287 thousand and RMB470 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. The average selling price of pharmacovigilance service increased from 2021 to 2022 and from the three months ended March 31, 2023 to the same period in 2024 primarily because our customers chose to enter into contracts with longer durations with us as a testament to our service quality.

Digital Clinical Trial Services

We offer a suite of digital clinical trial services to help our customers manage clinical data and conduct clinical trials. Compared to traditional services that rely heavily on human labor, our software-enabled services aims to provide added value through demonstrating significant advantages in terms of efficiency, quality, and reliability. Our digital clinical trial services' transaction begin when a customer contracts with us for such services. As we deliver such service primarily with the effort of our own employees, the fund also flows from the customer to us. Our delivery of service then leads to payment from the customer to us.

To optimize and streamline the collection and analysis of clinical data, customers can utilize our data science services. In delivering this service, our service personnel first use eCollect/EDC to automate the design of CRFs and database establishment, as well as testing the database. During the execution of clinical trials, eCollect interfaces with the clinical research institutions' ward or the internal CDR system, enabling direct data transmission and providing functionalities such as logical checks, data migration, and data export. After eCollect/EDC completes data collection and logical checks, our service personnel will further cleanse the dataset based on their medical knowledge, regulations of the clinical research plan, and the internal task execution system to ensure the authenticity, accuracy, and effectiveness of the clinical trial data.

Upon obtaining the cleaned clinical trial data, our service personnel will formulate biostatistical analysis methods and plans according to the goals of the clinical research. They will use the SAS statistical analysis software for programming and output the statistical analysis results. These results are checked and reviewed by quality control personnel before being provided to customers for verifying the trial results and ultimately used for the customer's drug registration. Our systematic approach ensures reliable results and provides the robust evidence needed for drug registration applications.

Furthermore, our team can use eBalance/IWRS in statistical design for clinical research plans, support for plan drafting, sample size calculation, systematizing and standardizing randomization, formulation and implementation of statistical analysis plans, statistical programming, analysis results reporting, and clinical research data submission, improving the controllability and quality of the clinical trial process.

Apart from data science services, we help our customers conduct clinical trials through offering clinical trial operation services. These services cover similar scope as traditional clinical CROs but are more digitalized. Our clinical trial teams cover Phase I-IV clinical trials in mainstream departments such as oncology, ophthalmology, hematology and cardiovascular, with a focus on innovative drug clinical trial services. Given their digital capabilities and industry experience, they are capable of leading the overall management of clinical research to ensure that the entire project is conducted in accordance with GCP, SOP, clinical research protocols, and legal and regulatory requirements, while also ensuring the safety of clinical trial patients. Our clinical trial teams also provide quality control and quality system setup, third-party vendor selection and management, personnel training, and third-party audits.

In the meantime, in the realm of digitalization, we rely on TrialOS to establish a Research Center Think Tank using the big data accumulated by the platform. We standardize the collection of basic information about clinical research institution and researchers, assisting pharmaceutical and medical device companies in more efficiently conducting clinical research institution selection and initiation.

Moreover, for services such as project management plan formulation and writing, medical monitoring report writing, and clinical monitoring report writing, we have organized R&D teams to independently develop a proprietary, digitalized clinical trial management system. This system refines and improves the standard operating procedures based on our completed projects' service experience, meticulously breaking down the specific processes for overall clinical research management into highly operational digital control points in the system, creating a new service capability covering all stages of pharmaceutical and medical device R&D. We are currently conducting development work to equip it with multiple additional capabilities, including interfacing with our cloud-based software, CRA monitoring, and automated data tagging. We currently expect to launch it in fall 2024.

Our digital clinical trial service's average selling price was approximately RMB478 thousand, RMB844 thousand, RMB373 thousand, RMB417 thousand and RMB505 thousand in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively. The average selling price of digital clinical trial service increased from 2021 to 2022 primarily because we were selected for multiple complex projects with high contract values. It decreased in 2023 primarily because of temporary market headwind that affected pharmaceutical and medical device companies' R&D activities.

Case Study: Streamlining Pharmaceutical and Medical Device R&D through Using Our Pharmaceutical and Medical Device R&D Solutions

A testament to the competency of our pharmaceutical and medical device R&D solutions is our cooperation with two of our top five customers in some of the years/periods during the Track Record Period, Customer C, a global pharmaceutical and healthcare group headquartered in Shanghai, and Customer G, a multinational pharmaceutical group headquartered in Jiangsu with integrated R&D, manufacturing, marketing, sales and distribution capabilities. During the Track Record Period, the two customers combined purchased all of our main pharmaceutical and medical device R&D software, i.e., eCooperate/CTMS, eArchives/eTMF, eCollect/EDC, eBalance/IWRS and eImage/IRC, which address the clinical trials market; and eSafety/PVS, which addresses the pharmacovigilance market. They also purchased all of our services. Taken together, these solutions would be able to play the following roles in a complex pharmaceutical and medical device R&D process.

Clinical Trials

A complex clinical trial requires overall project management, which could start to be fulfilled by eCooperate/CTMS before the clinical trial begins. From the onset of the clinical trial, Customer C's project managers could use eCooperate/CTMS to select the suitable clinical research institutions to initiate the clinical trial process.

After the clinical research institutions are selected, Customer C can leverage our digital SMO business management service to match with the most suitable SMOs, which in turn dispatch CRCs based on their experience and expertise, and efficiently train and manage such CRCs. After being selected, these CRCs can perform non-medical decision-making tasks in clinical research, ensuring compliance with GCP and study protocol requirements.

Subsequently, in conducting controlled, double-blind randomized trials, patient randomization and management would be indispensable. To that end, CRCs, CRAs and PIs engaged by Customer C could use eBalance/IWRS to manage and monitor patient grouping and randomization in accordance with the clinical trial plan, and our service personnel for digital clinical trial services can also participate in statistical design for clinical research plans. As different groups of patients may receive different treatments whose nature are also unbeknownst to the doctors themselves, logistic challenge may occur. With eBalance/IWRS' functionalities, drug supply and dispensation could be streamlined to ensure the accuracy, objectivity and comprehensiveness of drug administration data.

As the patients are admitted into their respective groups and receive treatment, their clinical trial data, including patients' demographics, medical history, vital signs (e.g., temperature, respiration rate, pulse) and adverse reactions would need to be gathered for further analysis. Using eCollect/EDC, CRCs could leverage its algorithms to streamline clinical data capture and fulfill this task electronically, forming the basis of clinical research files. While such files tend to be voluminous, they could be organized electronically using eArchives/eTMF. Various stakeholders, including project managers, CRAs, PIs and CRCs could systematically organize clinical trial files and access records related thereto for the efficient utilization of overall clinical trial data, e.g., patient records and lab results. Our customers can also turn to our digital clinical trial services, which leverage our service personnel to automate the collection and analysis of such data using the same software.

Applicable primarily to clinical trials with imaging endpoints, eImage/IRC could be utilized by Customer G to evaluate the efficacy of its products. Independent reviewers engaged through our IRC service would review imaging data (such as CT, MRI, PET, and X-rays images) collected by image collection personnel using specialized imaging equipment and vetted by image quality control professionals and provide feedbacks on the products to facilitate Customer G's further drug development. Consistent with industry approach, such imaging data are collected from clinical research institutions, which are the sites where the clinical trials of our customers' products take place, and they are provided to us as the bases for independent imaging review. The clinical research institutions typically also send such images to PIs for their evaluation of the products' efficacy.

As the clinical trial progresses, which can take several years, stakeholders of the clinical trial project, including project managers, principal investigators, CRAs and CRCs could visually monitor and update data related to project progress and other project information for other stakeholders' information and action, such as number of patients enrolled, trial data and progress reports, so that other participants in the clinical trial project can keep abreast of the trial progress, data, budget and expenditure to help them track, intervene, or issue instructions accordingly.

Pharmacovigilance

Pharmacovigilance is typically mostly conducted after the clinical trial process. Pharmaceutical and medical device companies typically engage pharmacovigilance officers and CRCs as authorized users of pharmacovigilance software. For Customer G, eSafety/PVS' functionalities could firstly facilitate its systematic collection of adverse drug reaction data from multiple sources, including stakeholders like patients, who may report pharmacovigilance data by themselves; academic researchers, whose summary of findings are published in leading academic databases; or regulatory authorities, which periodically publish feedback data.

Based on such data, both Customer G's authorized users and our pharmacovigilance service staff, when engaged, would be able to streamline the generation of various reports required for statistical analysis and regulatory filing, instead of solely relying on manual and repetitive drafting. Customer G would also be able to form insights into its pharmacovigilance activities and evaluate its compliance with relevant requirements. In these ways, eSafety/PVS assists Customer G's drug development and fulfillment of regulatory duties.

Taken together, Customer G's utilization of our pharmaceutical and medical device R&D software may streamline the process for the stakeholders as described and could help ensure patient welfare and regulatory compliance.

Case Study: ONECEM-Empowered Pharmaceutical and Medical Device Commercialization

Customer T, a pharmaceutical company established in 1994 in China that specializes in cardiovascular and digestive drugs, used our ONECEM software suite to increase its pharmaceutical and medical device commercialization efficiency during the Track Record Period.

In promoting its products, Customer T would engage a number of medical representatives, each within designated areas, to visit various doctors in different hospitals, which requires optimized scheduling and thorough preparation to make best use of both parties' time. Using ONECEM-SCRM, Customer T's medical representatives can plan and prepare for each visit by consulting hospital and doctor information stored therein to make appropriate recommendations to doctors. After each visit, they can also record the feedbacks they obtained and constantly update relevant information for effective follow-ups.

The complexity of managing these medical representatives and the data that they collect give rise to Customer T's needs of software that can streamline the process. Using ONECEM-SFE, Customer T can timely monitor each medical representative's sales and both analyze historical and forecast future sales. This enables them to appropriately incentivize best performers to enhance overall sales effectiveness and also optimize its own operation.

In some circumstances, Customer T engages doctors online in events such as academic exchanges. Using ONECEM-Event and ONECEM-Engagement, Customer T can effectively manage the whole process of online meetings, including distributing requisite documents for meeting attendants and monitoring the budgeting of such meetings, which streamline the process and safeguard regulatory compliance.

PRICING

We provide our TrialOS and PharmaOS digital collaboration platforms free of charge to all our customers. Such customers primarily include pharmaceutical and medical device companies, clinical research institutions and CROs. In addition, we price our software and digital services competitively. We believe our competitive pricing of software and digital services both provides a great bargain to our customers and showcases our confidence in the value created by our solutions.

We generally adopt three pricing models: by subscription, for our SaaS products, which would normally factor in the complexity of the clinical trial, which normally positively correlate to the phase of the clinical trials, the duration of usage and the number of accounts; by project development workload (considering the resource and time required for development), for the customized products of our cloud-based software typically deployed on private cloud, which may also consider the duration of usage; and by actual amount of services delivered, for our digital services depending on the type and work involved. From time to time, we may choose to offer discounts to core customers who renew their contracts more often and sign for a longer period of time.

Our Software

Pharmaceutical and Medical Device R&D Software

We typically charge customers of eCooperate/CTMS, eArchives/eTMF, eCollect/EDC and eBalance/IWRS via annual or project subscriptions, and the subscription fee calculation may consider the type and phase of the clinical trials and the number of clinical trial institutions and the duration of usage. Typically, increases in the number of clinical trial centers and prolonged duration of usage as a result of specific types or later phases of clinical trials would lead to higher pricing.

For eImage/IRC, our service fees consist of fixed and variable components. The total amount would be determined by the project's indication, customization level, size, and duration. In this amount, the fixed fees primarily involve project design expenses, such as documentation, efficacy evaluation protocols, and data collection manuals, which are designed based on project requirements and may generate customized development fees; variable fees, on the other hand, are determined by the project scale, such as the number of test subjects, project duration and system usage. The proportion of fixed to variable costs depends on the specific project. For instance, in a small-scale Phase I project, fixed costs may account for a higher percentage than in a large-scale Phase III project.

For eSafety/PVS, we charge by subscription, and the subscription fee calculation may consider the functional modules installed, the number of accounts, and the phase of the clinical trials. Depending on the complexity of the projects and the phase of the clinical trial, our customers may request more modules and accounts, which may increase the pricing for eSafety/PVS.

Pharmaceutical and Medical Device Commercialization Software

Our standardized ONECEM-SCRM, ONECEM-SFE and ONECEM-Event and ONECEM-Engagement charge by annual subscription, while ONECEM-Engagement charges by the number of conferences held and the participant in the conference. The customized counterparts charge by project development workload.

Our Digital Services

We typically consider the duration, complexity and the tasks to be performed in delivering our digital services before issuing a fee estimate, and the actual payment amount will typically be adjusted based on actual services delivered.

For our IRC service, our quote considers various factors, including the number and nature of images reviewed, the usage of reviewing software, and monthly maintenance charges for databases and routine checks.

Among our digital clinical research services, our digital SMO business management service considers estimated number of clinical research institution to be managed, the CRCs' hours worked for their performance of individual tasks, and also the number of patients recruited for the clinical trial in calculating our quote. Our pharmacovigilance service factors in the number of reports that we would help in data entry, quality control and medical review and the frequency at which we perform such tasks. Our digital clinical trial services' quotes are primarily based on the amount of clinical trial data analysis and general project management service provided. The amount of such service is affected by various factors, including the number of patients and clinical trial institutions in the project, the quantity of clinical data, the number of original data sets and the number of logic checks to be conducted.

MATERIAL CLAUSES AND TERMS OF AGREEMENTS FOR MAJOR SOFTWARE AND DIGITAL SERVICES

The material clauses and terms of relevant agreements between us and our customers for our major software and digital services are as follows. For pricing-related information, please see "— Pricing" in this section.

Our Software

Pharmaceutical and Medical Device R&D Software

- **Term**: typically one to three years
- **Minimum purchase amount**: none
- **Payment**: through bank transfer, annually, or by milestones. Such milestones may include a certain number of days after execution of contract, the launch and completion of related software, the enrollment of the first subject, and the submission or completion of clinical documents, which can range from several months to years given individual project's variations.
- **Credit terms**: typically 30 days to 120 days after invoicing
- **Intellectual property**: we usually own the IP rights of our standardized and customized deliverables; we own the IP rights of our platform and software and provide our customer with a non-exclusive license to use such platform and software
- **Termination**: by mutual assent, force majeure; failure to pay/deliver within 30 days of notification of breach

Pharmaceutical and Medical Device Commercialization Software

- **Term**: typically two to three years
- **Minimum purchase amount**: none
- **Payment**: through bank transfer, annually, quarterly, or by milestones
- **Credit terms**: typically 30 days to 120 days after invoicing
- **Intellectual property**: we usually own the IP rights of our standardized and customized deliverables; we own the IP rights of our platform and software and provide our customer with a non-exclusive license to use such platform and software
- **Termination**: force majeure; unilateral, irreversible breach of agreement or failure to rectify within 30 days of notification of breach

Our Digital Services

IRC Service

- **Term**: the duration of the clinical research project, can be around three years and extendable upon project needs
- **Liabilities**: any liabilities caused by the breach of agreement would be allocated per relevant PRC laws and regulations
- **Minimum purchase amount**: none
- **Payment**: through bank transfer, primarily by project milestones. The payment milestones are reached based on a certain number of days after execution of contract and the completion of a certain percentage of work, which can range from half to more than one year.
- **Credit terms**: typically 30 days to 60 days after invoicing
- **Intellectual property**: our customers own the clinical research data, results and the related intellectual properties; we retain the intellectual property rights of our software underpinning the service
- **Termination**: by mutual assent, force majeure

Digital Clinical Research Services

Digital SMO Business Management Service

- **Term**: the duration of the clinical research project, typically two years and extendable upon project needs
- **Minimum purchase amount**: none
- **Payment**: through bank transfer, primarily by project milestones. The payment milestones are reached based on a certain number of days after execution of contract and the enrollment of a certain percentage of subjects.
- **Credit terms**: typically 30 days to 90 days after invoicing
- **Intellectual property**: our customers own the clinical research data, results and the related intellectual properties; we retain the intellectual property rights of our software underpinning the service
- **Termination**: by mutual assent, force majeure; repeated failure of CRCs' execution pursuant to clinical trial protocols or CRAs' failure to supervise and rectify CRCs' performance

Pharmacovigilance Service

- **Term**: typically two years
- **Minimum purchase amount**: none
- **Payment**: through bank transfer by project milestones. The payment milestones are reached based on a certain number of days after execution of contract and quarterly thereafter.
- **Credit terms**: 45 days
- **Termination**: by mutual assent, force majeure

Digital Clinical Trial Services

- **Term**: the duration of the clinical trial, typically 12-48 months and extendable upon project needs
- **Minimum purchase amount**: none
- **Payment**: through bank transfer, annually, or by project milestones. The payment milestones are reached based on a certain number of days after execution of contract, the launch and completion of related databases, the enrollment of the first subject, and the submission or completion of clinical documents, which can range from several months to years given individual project's variations.
- **Credit terms**: typically within 30 days to 120 days after invoicing
- **Intellectual property**: our customers own the clinical research data, results and the related intellectual properties; we retain the intellectual property rights of our software underpinning the service
- **Termination**: by mutual assent, force majeure; unilateral termination by customer 30 days after written notice of our fundamental breach; unilateral termination by us upon customer's non-payment 30 days after our notification

MATERIAL CLAUSES AND TERMS OF OUR SUPPLY AGREEMENTS

We purchase a variety of services from our suppliers to deliver our digital solutions. See "— Our Suppliers." The material clauses and terms of relevant supply agreements between us and our suppliers are as follows.

Cloud Service Annual Framework Agreements

- **Term**: typically one year
- **Minimum purchase amount**: none
- **Payment**: quarterly, through bank transfer
- **Credit terms**: advanced payment
- **Pricing**: pursuant to the quotes shown on the cloud service provider's official website.
- **Termination**: by mutual assent, force majeure

Third-Party SMO Service Supply Agreements

- **Term**: typically three years, in which specific service orders will be issued
- **Scope of services**: the supplier shall assign its employees (CRCs) to provide specific SMO services, including assisting in research initiation and execution at one or more research centers.
- **Liabilities**: in performing the agreement, if the supplier or its service personnel cause harm to third parties, the supplier is responsible. If this results in us being liable to third parties, we have the right to seek compensation from the supplier
- **Minimum purchase amount**: none
- **Payment**: pursuant to the service orders, through bank transfer. The payment milestones are reached based on a certain number of days after execution of contract and the enrollment of a certain percentage of subjects
- **Credit terms**: 30 days after invoicing
- **Pricing**: pursuant to the service orders, in which the estimated number of clinical research institutions to be managed and also the number of subjects will be considered
- **Termination**: CRC's material mistakes causing irreparable harms that lead to failure or suspension of clinical research; mutual assent, force majeure

Imaging Reading Service Supply Agreements

- **Term**: typically one year for payment platforms that in turn primarily engages independent reviewers; indefinite for independent reviewers

- **Scope of services**: the supplier undertakes to help us match with relevant personnel on the supplier's platforms to deliver IRC service and facilitate financial transactions between us and said personnel; the independent reviewers participate in the trainings that we provide and review the images we assign to them by themselves

- **Liabilities**: we or the relevant personnel, but not the supplier, would be liable for any damages incurred in the course of carrying out our services; for independent reviewers, any damages caused due to either party's breach of agreement would cause the party at fault to be liable to the other party

- **Minimum purchase amount**: none

- **Payment**: through the payment platform supplier's online portal via bank transfer

- **Credit terms**: 30 days after invoicing; one month for independent reviewers

- **Pricing**: proportional to the service delivered by the independent reviewers, plus performance incentives to the supplier. The supplier shall settle the service fees with independent reviewers by itself without us having to directly pay the independent reviewers; for independent reviewers, the price is determined per the number of image reviewed and the urgency of the task

- **Termination**: our unilateral 10-day advance written notice; mutual assent, force majeure; for independent reviewers, non-compliance with reviewing methods, ethics committee/sponsor objections, other reasons with 35-day notice, force majeure

Clinical Research Supply Agreements

- **Term**: the duration of the clinical trial

- **Scope of services**: the supplier is entrusted to conduct clinical research in compliance with specified guidelines, laws, and ethical standards, independently of any product affiliations

- **Liabilities**: the supplier agrees to indemnify us of any damages caused by the negligent or intentional misconducts by it or its personnel in the course of performing its duties under this agreement

- **Minimum purchase amount**: none

- **Payment**: through bank transfer by milestones. Such milestones are reached based on project kickoff after contract execution, enrollment of a certain percentage of subjects, completion of certain trial stages, and the submission or completion of samples or clinical documents.

- **Credit terms**: prepayments

- **Pricing**: the amount of clinical trial data gathered and general project management service procured

- **Termination**: our unilateral written notice; supplier's irreparable breach of the contract

BUSINESS SUSTAINABILITY

Our Past Performance

Under the backdrop of the increasingly complex and ever-changing demands in pharmaceutical and medical device R&D and commercialization, China's pharmaceutical and medical device R&D and commercialization digital solutions market has witnessed significant growth in recent years. For details on the evolution of this market, please see "Industry Overview." Given the constantly evolving industry landscape and market opportunities we observe, we believe that China's pharmaceutical and medical device R&D and commercialization digital solutions market presents substantial room for growth, both in terms of user count and usage volume of related solutions. Benefiting from this vast market potential, we achieved continuous growth during the Track Record Period. Our revenue increased from RMB466.2 million in 2021 to RMB549.2 million in 2022 by 17.8%, and by 4.4% to RMB573.1 million in 2023, and further increased by 2.2% from RMB129.2 million for the three months ended March 31, 2023 to RMB132.1 million for the three months ended March 31, 2024.

In the meantime, we have heavily invested in solution development and customer acquisition, attracting 908, 1,033, 1,107 and 867 customers, respectively, in 2021, 2022, 2023 and the three months ended March 31, 2024 for our software and digital services, among whom 679, 789, 851 and 682 were customers of our SaaS products, respectively. We have also continuously improved our solutions to ensure all our customers can utilize the latest technologies and features, consolidating our strong brand reputation and market position.

Our pharmaceutical and medical device solutions consist of digital collaboration platforms, software, and digital services. Due to various historical factors that are no longer applicable or expected to be alleviated in our new phase of development, including (i) our heavy initial investments required for (A) platform and software development and (B) customer acquisition and retention to increase market acceptance that led us to undergo a prolonged initial investment phase; (ii) our ongoing market education, and (iii) our changes in product structure, i.e., the SaaS transformation of our customized products, we incurred net losses and experienced operating cash outflows during the Track Record Period. For details regarding such historical factors, see "— Historical Factors." In 2021, 2022, 2023 and the three months ended March 31, 2024, we incurred net losses of RMB479.6 million, RMB422.6 million, RMB356.4 million and RMB118.2 million, respectively. In addition, we experienced net cash flows used in our operating activities of RMB217.5 million, RMB329.2 million,

RMB351.2 million and RMB112.6 million for 2021, 2022, 2023 and the three months ended March 31, 2024, respectively. The reasons of our cash flows used in our operating activities in 2023 and the three months ended March 31, 2024 primarily include our loss for the year/period, which is in turn primarily attributable to our cost of sales, administrative expenses, R&D expenses and selling expenses. See "Financial Information — Results of Operations — Three Months Ended March 31, 2024 Compared with Three Months Ended March 31, 2023" and "Financial Information — Results of Operations — Year Ended December 31, 2023 Compared with Year Ended December 31, 2022" for more details.

We believe these historical factors to be no longer applicable or are expected to be alleviated in our new phase of development because (i) our substantial investments in market education is expected to subside given (A) we have proven the capabilities of our solutions, (B) we have become the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers, according to CIC, and (C) our current broad coverage of the number of customers would allow us to conduct sales and marketing activities more cost efficiently, which is expected to generate word-of-mouth effect that could alleviate the need for continuous market education; (ii) software development expenses have passed the peak, as in 2023, we optimized less efficient product lines and substantially completed the SaaS transformation of pharmaceutical and medical device commercialization software which have a higher margin than previously offered customized commercialization software, and streamlined our R&D headcount, while optimizing our software development process through improving the application of our core technologies; and (iii) our solutions become more profitable as they scale without proportionally increasing our costs and expenses.

In 2024, we expect to continue to record net losses and operating cash outflows for primarily the same reasons as those that led to our net losses during the Track Record Period, as we plan to continue investing in developing certain of our new platforms and software (such as Trials and Wujie), updating our existing solutions, and expanding our customer base. We have been loss-making since our establishment in 2013, and we will continue to be loss-making in the foreseeable future, including 2024, when we expect to continue to incur operating cash outflow. However, we have implemented a series of new initiatives and streamlining programs that we believe will help to sufficiently and effectively manage operating expenses.

Historical Factors

Mainly due to our past investments in customer acquisition, product development, market education and changes in product structure, we incurred net losses and operating cash outflow during the Track Record Period. In our new phase of development, we believe many of the historical factors below will become no longer applicable or be alleviated:

Substantial Investments in Educating a Bourgeoning Market. As one of the first providers for pharmaceutical and medical device R&D and commercialization digital solutions in China, our early-mover advantage is accompanied by the initial burden of market education and adoption challenges manifested by, among others, intensive sales and marketing efforts, as we and the industry lacked the market recognition today. For us in particular, as the capabilities

that our pharmaceutical and medical device R&D and commercialization digital solutions possess at that time were unproven to customers, this groundwork was indispensable for our customers to accept our cloud-based software and digital services, especially SaaS products that are based on our platforms. Sacrificing immediate returns for long-term growth, we incurred RMB179.3 million, RMB184.7 million, RMB150.2 million, RMB40.6 million and RMB24.4 million of selling expenses in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively, accounting for 38.5%, 33.6%, 26.3%, 31.4% and 18.4% of our total revenues during the same years/periods, respectively, and staff costs comprised 68.3%, 76.1%, 67.1%, 71.7% and 72.7% of such selling expenses, respectively, as we expect our upfront investment to drive continuous future demand for our solutions. For existing customers, the integration of our solutions with their work flows will introduce high switching costs; for prospective customers, once the market becomes familiarized with our solutions, the competitiveness of our solutions is expected to generate word-of-mouth effect that could alleviate the need for continuous market education, improving our profitability. Now, through the competitiveness of our solutions and our continuous sales and marketing efforts, we have become the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers, according to CIC. Our current broad coverage of the number of customers would allow us to conduct sales and marketing activities more cost efficiently, contributing to our increase in profitability.

Significant Software Development Expenses. Historically, significant resources were required to develop a number of new software and upgrade existing software, such as but are not limited to the SaaS transformation of pharmaceutical and medical device commercialization software. For example, we incurred RMB190.8 million, RMB208.2 million, RMB169.2 million, RMB52.7 million and RMB27.2 million of research and development expenses in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively, accounting for 40.9%, 37.9%, 29.5%, 40.8% and 20.6% of our total revenues during the same years/periods, respectively, and staff costs comprised 84.1%, 87.0%, 87.7%, 88.2% and 85.6% of such research and development expenses, respectively. However, this phase has passed its peak. In 2023, we optimized less efficient product lines, after which we expect abated customer churn and short-term revenue loss given that we have substantially completed the SaaS transformation of pharmaceutical and medical device commercialization software in 2023, and our shifted focus on promoting SaaS versions of ONECEM solutions, which have a higher margin than previously offered customized pharmaceutical and medical device commercialization software, is expected to further improve our gross profit margin. We also streamlined our R&D headcount so that the number of our R&D staff on March 31, 2024 was around half that as of December 31, 2022, decreasing from 361 to 186. Coupled with our application of our advancing core technologies, we expect to be able to further streamline our software development process and increase our profitability.

Diverse New Solutions Progressing Towards Maturity. Owing to our long-term investment in platform and software capabilities, we were able to continually diversify our solutions to meet customers' various needs, launching many new products and services historically. As our solutions grew with customer demands, these solutions underwent a period during which they had to gradually gain market acceptance and had relatively low profitability because the number of customers took time to grow. After this period, however, they become

more profitable as they scale without proportionally increasing our costs and expenses. For example, our SMO service, which saw significant early investments in development and in attracting participants, turned from gross loss to gross profit from 2021 to 2023. As an increasing proportion of our solutions reach maturity, we expect a corresponding increase in our profitability.

New Initiatives and Programs to Achieve Profitability

Looking forward, we plan to achieve long-term profitability primarily through continuing our revenue growth, improving our gross profit margin and increasing our operating efficiency, by (i) expanding our customer base, (ii) retaining customers and increasing their spending, and (iii) managing expenses and improving operational efficiency. As our business grows and brand recognition improves, we anticipate to benefit from increasing economies of scale and network effects. This will enable us to acquire new customers in a more cost-effective manner. Furthermore, due to the high importance that we attach to our initiatives to retain customers and boost their spending, we expect a growing proportion of our revenue to come from existing customers. As the service implementation costs related to existing customers are significantly lower than that of new customers, we expect this to lead to sustainable profitability. We also aim to enhance our operational efficiency and manage our expenses more effectively, further boosting our profitability.

Continuous Expansion of Our Customer Base

Grow with the market. The overall penetration rate of digital solutions, as calculated by the proportion of China's pharmaceutical and medical device R&D and commercialization digital solutions market divided by China's pharmaceutical and medical device R&D and commercialization expenditures, remains relatively low at 0.9% in 2023 and is expected to grow to 1.5% in 2028, which represents tremendous growth potential. Driven by climbing R&D and commercialization expenditures, deepening understanding of digital transformation among industry participants, technological advancements, and growing market acceptance of SaaS products, China's pharmaceutical and medical device R&D and commercialization digital solutions market size is expected to grow at a CAGR of 20.2% from 2023 to 2028. We have also obtained 326, 281 and 302 new customers in 2021, 2022 and 2023, respectively. In 2023, our total number of customers was 1,107, which leaves many other pharmaceutical and medical device companies in China for future engagement. Leveraging on our established brand reputation, we believe we are well positioned to capture the attractive market opportunities through our ongoing efforts, as proven by the continued expansion of our customer base over the Track Record Period.

Enhance Our Digital Collaboration Platform's Connectivity. Through our TrialOS and PharmaOS platforms, we have connected a large number of industry participants, enabling us to efficiently acquire customers. Since our establishment, we have launched more than 40 products and services, supporting pharmaceutical companies, CROs/SMOs or hospitals in key stages throughout the entire R&D and commercialization process. Our software and services through user-friendly digital collaboration platforms have earned us the trust of our customers. As of March 31, 2024, we had served over 1,400 pharmaceutical companies and CROs, solidifying our position as the largest provider of pharmaceutical and medical device R&D

digital solutions in China based on the number of sponsors served by 2023, according to CIC. We also partnered with over 700 national drug clinical trial organizations, more than 80% of which were Grade IIIA hospitals as of March 31, 2024. Thanks to the platform capabilities we established that enable collaboration among industry participants, we expanded our customer base, growing our number of customers from 908 in 2021 to 1,033 in 2022 by 13.8%, and further to 1,107 in 2023 by 7.2%. Our number of customers was 893 and 867 in the three months ended March 31, 2023 and the same period in 2024, respectively. We plan to continuously expand our influence in the industry, connect even more industry participants, become foundational infrastructure provider in the industry, and more efficiently expand our customer base, thereby driving sustained revenue growth and achieving long-term profitability.

Increase Market Recognition and Penetration. We intend to consolidate our brand and improve market awareness to enhance our customer acquisition capabilities. As of March 31, 2024, our customers included 21 of the top 25 global pharmaceutical and medical device companies and 90 of the top 100 Chinese pharmaceutical innovators. This prestigious customer roster serves as a testament to our position as the foundational infrastructure provider in the industry, and we will continue delivering to maintain customer satisfaction and forge long-lasting relationship. Furthermore, throughout the Track Record Period, we had been actively exploring the market and developing new customers, which enriched our overall customer composition and promoted our revenue growth. Leveraging our market position and early-mover advantage, we believe we can capture the growth of China's pharmaceutical and medical device R&D and commercialization digital solutions market and further increase the penetration of our cloud-based software among pharmaceutical and medical device companies, CROs and clinical research institutions. In addition, considering the long tail effect of the pharmaceutical and medical device industry, more small-sized companies continue to emerge. Our established market recognition and platform capabilities, coupled with our diverse solutions that cater to pharmaceutical and medical device companies in various stages of development, may attract new participants and established players to choose us as their preferred digital solution provider for R&D and commercialization. For example, from the six months ended June 30, 2023 to the same period in 2024, our contracts newly acquired increased by 7.8% to RMB325.1 million.

Optimize Solutions to Meet Evolving Customer Needs. We will also continue to optimize our solutions. For our existing software and digital services, we aim to enhance their quality and efficiency through continuous development efforts. For our next-generation platforms, Trials and Wujie, we proactively finalize their development and advance the deployment and anticipate them to deliver more intuitive user experience and facilitate more efficient collaboration upon launching, which will further increase customer spending and user retention. In addition, we also systematically upgraded our customized pharmaceutical and medical device commercialization products to SaaS products during the Track Record Period by encouraging relevant customers to switch to standardized versions that offer equivalent or even superior or additional functionalities, which will enable better customer retention and life-cycle customer spending in the long term. The standardized nature of our SaaS products allows us to scale effectively and acquire more users. While we expect our SaaS products to face competition against their peers, our focus on such products benefits our ability to turnaround, as it corresponds to the industry-wide pivot to such solutions since 2015. For the business coverage and service capability of major market players in the pharmaceutical and

medical device R&D and commercialization digital solutions market in China, please see "Industry Overview — China's Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market — Competitive Landscape". For the industry-wide pivot, see "Industry Overview — China's Pharmaceutical and Medical Device R&D and Commercialization Digital Solutions Market — The Evolution of China's Pharmaceutical and Medical Device Digital Solutions Industry." Such a pivot provides established industry incumbents like us with multiple benefits, including greater scalability given the standardized nature and wide applicability of the SaaS products, virtuous data-driven product improvement based on customer feedbacks, and smooth integration with other platform-based solutions to increase customer loyalty. For us in particular, as an established provider of pharmaceutical and medical device R&D and commercialization digital solutions, we have been strategically prioritizing SaaS products as the bedrock of our competitiveness and platform strategy, as their higher profitability is expected to help us achieve overall profitability in the future. Additionally, we plan to continually expand our range of services to cater to a broader user base. We have launched more than 40 products and services as of March 31, 2024 and are continuously improving our product features to meet evolving needs and enable cross-selling opportunities. As the only domestic digital solution provider that can deliver a one-stop digital solution from R&D to commercialization for the pharmaceutical and medical device industry in China, according to CIC, we anticipate that expanding our customer base will further boost economies of scale, thus aiding in enhancing our overall profitability.

Retain Customers and Increase Customer Spending

Increase Customer Retention. Owing to our initiatives to retain customers and boost their spending, we anticipate a continuous increase in customer retention rates, with a higher proportion of our total revenue coming from existing customers. During each year in the Track Record Period, we have strong customer stickiness, with a customer retention rate of over 77% and a core customer retention rate of over 87% for 2021, 2022 and 2023. In 2023, we have 235 core customers, contributing to 83.8% of our total revenue in 2023. As we place significant emphasis on nurturing and retaining our core customers, we achieved retention rates of 91.2%, 94.7% and 87.3% of our core customers in 2021, 2022 and 2023, respectively. In 2021, 2022 and 2023, our retention rate was 84.2%, 83.2% and 78.5%, respectively, for cloud-based software customers, and 75.6%, 76.9% and 74.3% for digital service customers, respectively. The decrease in customer retention rate for our core customers, cloud-based software customers and digital service customers in certain years during the Track Record Period was primarily attributable to our strategic discontinuance of certain customized products during the Track Record Period and scaling down of our customized pharmaceutical and medical device commercialization software. For core customers especially, such a decrease is also attributable to our decision of business cease of Beijing Nuoming, which primarily focuses on the sales of customized products for hospitals and clinical research institutions, resulting in customer termination in 2023. However, this phase has passed its peak. In 2023, we optimized less efficient product lines, after which we expect abated customer churn and short-term revenue loss given that we have completed the business cease of Beijing Nuoming in April 2023, which primarily provided customized pharmaceutical and medical device R&D software, and that we have substantially completed the SaaS transformation, which predominantly affected

ONECEM, our pharmaceutical and medical device commercialization software in 2023. In the future, we plan to continue to increase our customer retention, especially retention of our core customers, through our one-stop solutions that allow our customers to focus on developing and growing their business with the quality and efficiency that meet evolving patient needs. A higher customer retention rate is expected to help us reduce marketing costs, thus enhancing our profitability.

Cross-Selling and Upselling. Looking ahead, we aim to continue retaining customers and augmenting their expenditure. By providing a broader array of solutions, we can strengthen relationships with existing customers, ensuring their loyalty. We also plan to intensify our efforts in cross-selling and upselling across our solution matrix to enhance the average value per customer. In 2021, 2022 and 2023, our customers on average purchased 2.53, 2.56 and 2.47 solutions. Starting from early 2024, we have implemented a number of initiatives to enhance our cross-selling capabilities. For example, in early 2024, we have reorganized our business units from one demarcated by solutions into one unified implementation center that delivers all the solutions. This reorganization enables us to deliver comprehensive solutions through one team, further improving customer service quality and grating customers easier access to a broader range of solutions when using any one of them. In addition, we have observed higher average value per customer and an increasing number of customers that purchased three or more products or services, and we will harness the capabilities therein in the future. During the Track Record Period, our revenue per customer increased from RMB513.4 thousand in 2021 to RMB517.7 thousand in 2023, and from RMB144.7 thousand in the three months ended March 31, 2023 to RMB152.3 thousand in the same period in 2024; and the number of customers who purchased three or more products or services have also increased significantly from 287 in 2021 to 353 in 2023. In 2023, 77.3% of our revenue came from customers who purchased three or more products or services, compared with 74.1% in 2021. Given this trend, we seek to increase the number of solutions each customer purchases and the average revenue generated per customer, further driving our long-term revenue growth.

Manage Expenses and Improve Operational Efficiency

Continuous Product Mix Optimization and Margin Enhancement. As our solutions consistently gain market and user recognition, our branding strength is expected to continually strengthen. This will enhance our pricing power, enabling better price positioning and margin improvements. For instance, our digital services are anticipated to achieve better pricing capabilities and margin levels as they are increasingly recognized by more customers and benefit from economies of scale. Furthermore, as our product structure gets optimized, we expect further enhancement in our margins. We strategically prioritize promoting SaaS products. Compared with customized products, SaaS products require less additional R&D and selling expenses to gain customer acceptance, and they typically do not require extensive customization work to adapt to each customer's existing digital infrastructure. Therefore, such products can achieve higher profitability especially when they mature and are scaled up. To fully harness this advantage, we strategically discontinued certain customized products during the Track Record Period through e.g. business cease of Beijing Nuoming and scaled down our customized pharmaceutical and medical device commercialization software in anticipation of

greater integration with Wujie. Such efforts were primarily taken in 2023. Consequently, our customized products' revenue contribution decreased from 16.6% in 2021 to 8.0% in 2023, and from 6.9% in the three months ended March 31, 2023 to 4.3% in the same period in 2024. We believe such continuing shift to optimize our product structure will contribute to our gross margin in the future despite the temporary negative effects on our revenue growth. This initiative also resulted in a leaner employee structure, which we believe can benefit our future profitability.

Enhance Operational Efficiency. With our expanding scale, our objective is to heighten operational efficiency through refining our R&D and sales teams, enhancing sales efficiency, and ensuring better returns on R&D investments. To enhance operational efficiency, we have implemented measures such as streamlining personnel structure and reducing headcounts. As most of the streamlining program was conducted in the second half of 2023, the financial benefits were not fully achieved in 2023, which was also offset by the termination allowance of RMB60.5 million in 2023 in relation to the streamlining program. We expect the reduced staff costs to be fully reflected in our financial performance starting from 2024 onwards. For example, our selling expenses decreased from RMB40.6 million in the three months ended March 31, 2023 to RMB24.4 million in the same period in 2024, accounting for 31.4% and 18.4% of our total revenues during the same periods. Similarly, our research and development expenses decreased from RMB52.7 million in the three months ended March 31, 2023 to RMB27.2 million in the same period in 2024, accounting for 40.8% and 20.6% of our total revenues during the same periods. We believe that we can achieve sustained reduction of staff costs and the improvement of financial performance would be sustainable because compared to the initial market introduction phase, in our new phase of development, (i) for selling expenses, our established industry recognition and customer relationship is expected to help retain customers and maintain net dollar retention. Given the anticipated increase in product subscriptions, we expect to experience steady revenue growth without the need for substantial new customer acquisition efforts; (ii) for R&D expenses, refinement of our R&D pipeline, such as incremental improvements in our mature products, are unlikely to require R&D spending as extensive as building new solutions, which, coupled with our personnel optimization, would enable us to maintain product development and expansion capabilities. In the meantime, vigilant to the potentially pivotal changes in the industry, we plan to judiciously leverage a portion of the net proceeds to augment our working capital in investing in the improvement of core technologies and R&D capabilities as we believe the utilization of our AI + big data capabilities could help elevate the competitiveness of many of our products, further improve the overall R&D efficiency. See "Future Plans and Use of Proceeds." Moreover, even as we expect swift growth in software sales revenues in the future, the costs associated with our R&D and sales personnel are not expected to rise proportionately because of (i) the increased efficiency that will be brought about by our business unit reorganization, which enabled service of customers though one team, instead of several, reducing redundancy; and (ii) our expectation that the rising proportion of revenue derived from existing customers to correspond to more efficient R&D and sales expenses outcome as compared with deriving revenue from new customers due to established relationship and our familiarization with their needs. In

addition, as our software become more advanced, we anticipate substantial optimization in R&D investments, resulting in improved operational efficiency. These strategic moves collectively contribute to our sustainable financial performance, allowing us to grow while optimizing costs.

Economies of Scale Driving Operational Efficiency. We are committed to augmenting operational efficiency. To enhance sales and marketing efficiencies, we plan to capitalize on cross-selling and up-selling opportunities, aiming to elevate our brand recognition and market acceptance. While we anticipate to continue incurring significant R&D expenses and administrative expenses in absolute terms, we expect these expenses to decrease as a percentage of total revenue in the long run due to economies of scale and operational leverage. This could in turn positively impact our profitability in the long term.

Considering (i) our net losses are primarily attributable to historical factors that are no longer applicable or expected to be alleviated in our new phase of development, which includes the sizable initial investments required for our digital collaboration platform and software in product development, customer acquisition, and retention to boost market acceptance, and the costs of marketing our digital services often surpassing the initial profits from recurring revenue sources; (ii) the prospects of China's pharmaceutical and medical device R&D and commercialization digital solutions market we operate in; (iii) our aim to achieve long-term growth based on our historically business expansion plans; and (iv) our endeavors in cost management and efforts to elevate operational efficiency, our Directors are of the view that we have a sustainable business model.

Having taken into account the factors above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the reasonableness of the Directors' view on the sustainability of the Group's business in any material aspects.

OUR CUSTOMERS

During the Track Record Period, our customers mainly included pharmaceutical and medical device companies, third-party service providers (e.g. CROs), clinical research institutions and others. For a tabulated presentation of the specific types of software/services procured by such customers from us, please see "— Our Solutions" on the main type of customers for each of our solutions. For example, pharmaceutical and medical device companies, clinical research institutions and CROs are the main types of customers of eCooperate/CTMS, eArchives/eTMF, eCollect/EDC, eBalance/IWRS and eImage/IRC. While pharmaceutical and medical device companies are the primary purchasers of IRC service and digital clinical research service, clinical research institutions and CROs also purchase such services to a limited extent. As of March 31, 2024, our customers included 21 of the top 25 global pharmaceutical and medical device companies and 90 of the top 100 Chinese pharmaceutical innovators. Throughout the Track Record Period, we had been actively exploring the market and developing new customers, which enriched our overall customer composition and promoted our revenue growth. In 2021, 2022, 2023 and the three months

ended March 31, 2024, the aggregate sales in each of these years/periods to our five largest customers were RMB73.6 million, RMB82.3 million, RMB110.5 million and RMB25.7 million, representing 15.8%, 15.0%, 19.3% and 19.4% of our revenue, respectively. Sales to our largest customer for each of the same years/periods were RMB21.2 million, RMB21.2 million, RMB32.2 million and RMB8.0 million, representing 4.6%, 3.9%, 5.6% and 6.0% of our revenue, respectively. We require bank transfer as payment method for all of the top five customers in each of these years/periods during the Track Record Period.

During the Track Record Period, some of our contracts with our customers were material loss-making contracts, defined as contracts that incurred a gross loss of more than RMB50,000 as of a given date. As of December 31, 2021, 2022, 2023 and March 31, 2024, the number of such contract was 15, 29, 22 and 24, respectively, and the aggregate amount of losses from such contracts was RMB1.9 million, RMB3.0 million, RMB2.7 million and RMB3.3 million, accounting for 0.4%, 0.6%, 0.5% and 2.5% of our revenue in the corresponding years/periods. Such contracts are mainly related to our digital SMO business management service because such service lacked economies of scale when we offered it in the early stage and that some of the projects encountered unexpected delays which would increase the impact of inflation and rising costs on the eventual profitability of the projects. Its increase from 2021 to 2022 was primarily attributable to our increase in the number of digital SMO business management service projects we entered into with customers.

In addition, there has been early termination of our contracts with customers during the same period related to substantially all of our solutions (excluding early terminations due to earlier-than-expected completion of contracts with customers). In 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, the aggregate contract amount from such early terminated contracts was RMB30.4 million, RMB53.4 million, RMB104.8 million, RMB4.0 million and RMB7.9 million, accounting for 3.2%, 4.9%, 11.7%, 2.0% and 5.7% of our total contract amount in the respective periods. Such contracts are mainly related to our digital SMO business management service primarily because the corresponding customers, through evaluation on the efficacy of the pharmaceuticals and medical devices under clinical trials or their pipeline composition, discontinued the related clinical trials, and also include contract novation due to change of clinical trial plans. Due to temporary market headwind in 2023, the aggregate contract amount from such early terminated contracts increased as customers terminated in that year certain complex, high-amount contracts for pharmaceuticals and medical devices that faced material challenges during clinical trials, which cast doubt on the pharmaceuticals and medical devices' eventual profitability and convinced these customers to terminate early given the market condition.

The following table sets forth the details of our five largest customers in each of these years/periods for the years/periods indicated:

Five Largest Customers for 2021	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer A	Pharmaceuticals	A biopharmaceutical group headquartered in Hong Kong and listed on the Stock Exchange, Nasdaq and the London Stock Exchange, it focuses on the discovery and global development of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases	Cloud-based software and digital services	2017	21,230	4.6%
Customer B	Pharmaceuticals	A healthcare group headquartered in Switzerland and listed on the NYSE and the SIX Swiss Stock Exchange, it focuses on the discovery, development, manufacture and marketing of prescription and generic pharmaceutical products and eye care products	Cloud-based software and digital services	2018	15,978	3.4%

Five Largest Customers for 2021	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer C	Pharmaceuticals	A global pharmaceutical and healthcare group headquartered in Shanghai and listed on the Stock Exchange and the Shanghai Stock Exchange	Cloud-based software and digital services	2017	15,766	3.4%
Customer D	Pharmaceuticals	A pharmaceutical group headquartered in Shandong and develops, manufactures, and markets generic pharmaceutical ingredients	Cloud-based software, IRC service and digital SMO business management	2017	11,497	2.5%
Customer E	Medical instrument wholesale	An ophthalmic pharmaceutical group headquartered in Guangdong and listed on the Stock Exchange. It focuses on the R&D, manufacturing and commercialization of drugs	Cloud-based software, IRC service and digital SMO business management	2019	9,104	2.0%
Total					**73,575**	**15.8%**

Five Largest Customers for 2022	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer A	Pharmaceuticals	A biopharmaceutical group headquartered in Hong Kong and listed on the Stock Exchange, Nasdaq and the London Stock Exchange, it focuses on the discovery and global development of targeted therapies and immunotherapies for the treatment of cancer and immunological diseases	Cloud-based Software and digital Services	2017	21,161	3.9%
Customer C	Pharmaceuticals	A global pharmaceutical and healthcare group headquartered in Shanghai and listed on the Stock Exchange and the Shanghai Stock Exchange	Cloud-based software, IRC service and digital SMO business management	2017	21,105	3.8%
Customer D	Pharmaceuticals	A pharmaceutical group headquartered in Shandong and develops, manufactures, and markets generic pharmaceutical ingredients	Cloud-based software, IRC service and digital SMO business management	2017	17,091	3.1%

Five Largest Customers for 2022	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer B	Pharmaceuticals	A healthcare group headquartered in Switzerland and listed on the NYSE and the SIX Swiss Stock Exchange, it focuses on the discovery, development, manufacture and marketing of prescription and generic pharmaceutical products and eye care products	Cloud-based software, digital SMO business management and digital clinical trial and other services	2018	11,468	2.1%
Customer F	Pharmaceuticals	A pharmaceutical group headquartered in London and listed in the London Stock Exchange and the NYSE. It engages in the research, development and manufacture of vaccines and specialty medicines to prevent and treat disease	Cloud-based software and digital clinical trial and other services	2016	11,467	2.1%
Total					**82,292**	**15.0%**

Five Largest Customers for 2023	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer C	Pharmaceuticals	A global pharmaceutical and healthcare group headquartered in Shanghai and listed on the Stock Exchange and the Shanghai Stock Exchange	Cloud-based software, IRC service and digital SMO business management service	2017	32,172	5.6%
Customer G	Pharmaceuticals	A multinational pharmaceutical group headquartered in Jiangsu with integrated R&D, manufacturing, marketing, sales and distribution capabilities	Cloud-based software and digital SMO business management service	2017	27,641	4.8%
Customer H	Biotechnology Promotion Services	A global biotechnology group that is headquartered in US and listed on the Stock Exchange, Nasdaq, and the Shanghai Stock Exchange. It focuses on developing drugs for cancer treatment	Cloud-based software and digital clinical trial and other services	2021	18,456	3.2%

Five Largest Customers for 2023	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer D	Pharmaceuticals	A pharmaceutical group headquartered in Shandong and develops, manufactures, and markets generic pharmaceutical ingredients	Cloud-based software and IRC service	2017	17,058	3.0%
Customer I	Pharmaceuticals	A pharmaceutical group headquartered in Jiangsu and develops, manufactures, and markets biopharmaceutical products	Digital SMO business management service	2022	15,150	2.6%
Total					**110,477**	**19.3%**

Five Largest Customers for the three months ended March 31, 2024	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount *RMB'000*	Percentage of Total Sales *%*
Customer G	Pharmaceuticals	A multinational pharmaceutical group headquartered in Jiangsu with integrated R&D, manufacturing, marketing, sales and distribution capabilities	Cloud-based software and digital SMO business management service	2017	7,954	6.0%
Customer C	Pharmaceuticals	A global pharmaceutical and healthcare group headquartered in Shanghai and listed on the Stock Exchange and the Shanghai Stock Exchange	Cloud-based software, IRC service and digital SMO business management service	2017	5,779	4.4%
Customer J	Health services	A major Grade IIIA hospital located in Shanghai that qualifies as a leading clinical research institution in China	Cloud-based software and digital clinical trial and other services	2020	4,224	3.2%
Customer H	Biotechnology Promotion Services	A global biotechnology group that is headquartered in US and listed on the Stock Exchange, Nasdaq, and the Shanghai Stock Exchange. It focuses on developing drugs for cancer treatment	Cloud-based software and digital clinical trial and other services	2021	4,151	3.1%

Five Largest Customers for the three months ended March 31, 2024	Principal Business	Background	Primary Products/ services Sold	Commencement of Business Relationship	Sales Amount	Percentage of Total Sales
					RMB'000	*%*
Customer D	Pharmaceuticals	A pharmaceutical group headquartered in Shandong and develops, manufactures, and markets generic pharmaceutical ingredients	Cloud-based software and IRC service	2017	3,557	2.7%
Total					**25,665**	**19.4%**

All of our five largest customers in each of the years/periods during the Track Record Period are Independent Third Parties. As of the Latest Practicable Date, none of our Directors or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) nor any of their respective close associates had any interest in any of our five largest customers during the Track Record Period.

The identities of the top five customers in each of the years/periods and certain top five suppliers in each of the years/periods of our Group during the Track Record Period cannot be disclosed because (i) no consent has been obtained from the top five customers in each of the years/periods or certain top five suppliers in each of the years/periods for disclosing their identities in this prospectus as top five customers in each of the years/periods or certain top five suppliers in each of the years/periods despite our efforts and (ii) we consider the identity of our top five customers in each of the years/periods and suppliers in each of the years/periods to be commercially sensitive as our business success partly depends on our choice of and relationship with our major customers and suppliers. We had proactively requested consent from our top five customers in each of the years/periods and certain top five suppliers in each of the years/periods of the Track Record Period by arranging delivery of consent letters. As of the Latest Practicable Date, we had not obtained consent from any of our top five customers in each of the years/periods and the remaining suppliers in each of the years/periods and consider that their identities cannot be disclosed. In addition, sufficient alternative disclosure on the relevant customers and suppliers have been included in this prospectus to enable investors' proper assessment of our top five customers in each of the years/periods and suppliers in each of the years/periods.

During certain years in the Track Record Period, two of our top five suppliers in certain years/periods (being Tigermed Group (泰格醫藥集團) and Supplier C) were also our customers. For details, please see "— Our Suppliers" in this section.

SALES AND MARKETING

Our solutions are marketed through our skilled and experienced direct sales force. To motivate our sales teams, we set specific KPIs and employ a bonus system tied to certain sales personnel's performance. In making a sale, our sales professionals engage with potential customers, understanding their specific needs raised, and with the assistance of our business and technical personnel, negotiate the main business terms. As we believe in the importance and effectiveness of one-on-one interaction and problem-solving, we engage online search engines to make it easier for potential customers to find us and chat with our customer service team online, who will in turn redirect relevant customer inquiries to our sales team for follow-up. In addition, we expand our business, increase brand influence, and engage with potential customers through participating in and hosting industry conferences, joining industry organizations, and conducting online marketing campaigns, where we would be introduced to multiple potential customers on one occasion and have the opportunity to present our solutions for their perusal. If customers require a bidding process, we prepare the necessary tender documents and fulfill the contract signing process upon winning the bid.

Our track record, combined with our sales force's efforts, has allowed us to enter the approved supplier directories of some major customers or sign long-term strategic agreements with them. During the Track Record Period, we had entered into long-term strategic agreements with 122 customers, in which we agree to, in addition to the common terms provided in ordinary sales agreements, provide favorable pricing tailored to each customer's circumstances and/or rebates payable upon reaching certain procurement amount to incentivize use of our solutions in our strategic customers' future projects. The PRC Legal Adviser is of the view that our rebate policy in such agreements complies with the relevant applicable PRC laws during the Track Record Period and up to the Latest Practicable Date. According to the *Interim Provisions on Prohibition of Commercial Bribery*《關於禁止商業賄賂行為的暫行規定》), we may expressly offer a discount to the buyer which refers to a price preference offered to the buyer when selling commodities, which includes deducting a certain proportion of the price at the time of payment or reimbursing a certain proportion of the price after payment. All these measures could accelerate the subscription renewal and new project collaboration processes, reducing the complexity of initial meetings, introductions, inquiries, and business negotiations, which lowers our sales and marketing costs. Our customer satisfaction could also enable us to explore cross-selling opportunities with existing customers and continually introduce new products to increase the lifetime value of each individual customer by providing more comprehensive solutions to their demands.

While we continue our market penetration in China, we do plan to enlarge our global footprint as we believe promoting our business model to the world would allow us to ride the same trend that has enabled us to succeed in China. In doing so, we plan to cater to users with higher payment ability and higher unit price and correspondingly grow our sales and marketing capabilities to adapt to the regulatory and market demands of new localities. See "Business Sustainability — New Initiatives and Programs to Achieve Profitability — Retain Customers and Increase Customer Spending — Cross-Selling and Upselling" for more details.

OUR SUPPLIERS

Our top suppliers are primarily property service providers, cloud service providers, SMOs, independent imaging reviewers, and clinical research institutions. A significant portion of our purchase amount consist of office expenses paid to property service providers, including rent, utilities and renovation fees due to the nature of our business. In addition, we purchase cloud server services, such as cloud storage, cloud servers, and technical software, to deploy our cloud-based software and for backups and disaster recovery. We choose our cloud service providers based on a variety of factors, including research and development capabilities, service reliability and quality, history of cooperation and price. We primarily sign annual framework contracts that sets out the reference purchase price and make the full quarterly payment in advance. Furthermore, we purchase third-party SMO services to assist in conducting clinical research, and pay fees according to the category and amount of human resources involved in the SMO services; we commission imaging experts for third-party independent image reading services according to our service agreements with pharmaceutical and medical device companies, in which image reading fees are calculated based on the unit price per visit type and the number of image reading visits; for clinical research institutions, we sign clinical research contracts with them on behalf of the pharmaceutical and medical device companies and pay the clinical research institution fees, including management fees, researcher fees, and participant subsidies.

In 2021, 2022, 2023 and the three months ended March 31, 2024, purchases from our largest five suppliers in each of the years/periods in aggregate accounted for 42.4%, 30.2%, 19.6% and 26.7% of our total purchases, respectively, and purchases from our largest supplier in each of the years/periods accounted for 20.7%, 11.3%, 7.8% and 8.4% of our total purchases, respectively. Almost all of these top five suppliers in each of the years/periods in the Track Record Period are located in China. We utilize bank transfer as payment method for all of them. As of March 31, 2024, we had maintained business relationships with our five largest suppliers in that period from one to four years.

The table below sets out the details of our top five suppliers in each of the years/periods during the Track Record Period:

Five Largest Suppliers for 2021	Principal Business	Background	Primary Products/ services Purchased	Commencement of Business Relationship	Purchase Amount *RMB'000*	Percentage of Total Purchase *%*
Supplier A	Technology services	A PRC company headquartered in Tianjin and primarily engages in payment outsourcing services*	Independent imaging review service	2020	27,343	20.7%
Supplier B	Information system integration services	A PRC company headquartered in Shanghai and listed on the Shanghai Stock Exchange. It primarily provides industrial information software service	Cloud service	2020	14,580	11.0%
Tigermed Group (泰格醫藥集團)	CRO	A PRC group headquartered in Zhejiang and listed on the Stock Exchange and the Shenzhen Stock Exchange. It primarily provides CRO services in clinical trials	SMO service	2020	6,100	4.6%
Supplier C	Health services	A PRC hospital that is located in Shanghai	SMO service	2020	4,675	3.5%
Supplier D	Information technology services	A PRC company headquartered in Anhui and primarily engages in business process outsourcing	Data cleansing service	2020	3,468	2.6%
Total					**56,166**	**42.4%**

Five Largest Suppliers for 2022	Principal Business	Background	Primary Products/ services Purchased	Commencement of Business Relationship	Purchase Amount *RMB'000*	Percentage of Total Purchase *%*
Supplier B	Information system integration services	A PRC company headquartered in Shanghai and listed on the Shanghai Stock Exchange. It primarily provides industrial information software service	Cloud service	2020	19,170	11.3%
Supplier A	Technology services	A PRC company headquartered in Tianjin and primarily engages in payment outsourcing services*	Independent imaging review service	2020	18,657	11.0%
Tigermed Group (泰格醫藥集團)	CRO	A PRC group headquartered in Zhejiang and listed on the Stock Exchange and the Shenzhen Stock Exchange. It primarily provides CRO services in clinical trials	SMO service	2020	6,174	3.6%
Supplier D	Information technology services	A PRC company headquartered in Anhui and primarily engages in business process outsourcing	Data cleansing service	2020	4,267	2.5%
Supplier E	Cloud computing service	A US company headquartered in Seattle and primarily provides online software service	Cloud service	2022	3,050	1.8%
Total					**51,318**	**30.2%**

Five Largest Suppliers for 2023	Principal Business	Background	Primary Products/ services Purchased	Commencement of Business Relationship	Purchase Amount *RMB'000*	Percentage of Total Purchase *%*
Supplier B	Information system integration services	A PRC company headquartered in Shanghai and listed on the Shanghai Stock Exchange. It primarily provides industrial information software service	Cloud service	2020	15,595	7.8%
Supplier F	Technology services	A PRC company headquartered in Hainan and primarily provides information technology services*	Independent imaging review service	2023	7,614	3.8%
Supplier G	Information technology services	A PRC company headquartered Hunan and primarily provides human resource outsourcing and tax allocation services*	Independent imaging review service	2023	6,307	3.2%
Supplier E	Cloud computing service	A US company headquartered in Seattle and primarily provides online software service	Cloud service	2022	5,632	2.8%
Shandong AoYing Medical Technology Co., Ltd. (山東奧盈醫藥科技有限公司)	SMO	A PRC company headquartered in Shandong and primarily provides SMO services	SMO service	2022	4,203	2.1%
Total					**39,351**	**19.6%**

Five Largest Suppliers for the three months ended March 31, 2024	Principal Business	Background	Primary Products/ services Purchased	Commencement of Business Relationship	Purchase Amount *RMB'000*	Percentage of Total Purchase *%*
Supplier B	Information system integration services	A PRC company headquartered in Shanghai and listed on the Shanghai Stock Exchange. It primarily provides industrial information software service	Cloud service	2020	3,895	8.4%
Henan Yiming Technology Co., Ltd. (河南奕銘科技有限公司)	Technology Services	A PRC company headquartered in Henan and primarily provides software, IT and professional intermediary services*	Independent imaging review service	2023	2,971	6.4%
Supplier F	Technology Services	A PRC company headquartered in Hainan and primarily provides information technology services*	Independent imaging review service	2023	2,754	6.0%
Jiujiang Tengjiao Enterprise Management Co., Ltd. (九江騰蛟企業管理有限公司)	Technology Services	A PRC company headquartered in Jiangxi and primarily provides technology development, medical development and professional intermediary services*	Independent imaging review service	2023	1,770	3.8%

Five Largest Suppliers for the three months ended March 31, 2024	Principal Business	Background	Primary Products/ services Purchased	Commencement of Business Relationship	Purchase Amount *RMB'000*	Percentage of Total Purchase *%*
Supplier H	Technology and service	A PRC company headquartered in Beijing and primarily provides technology development and application and medical development services	SMO service	2021	986	2.1%
Total					**12,376**	**26.7%**

Note: Supplier A, Supplier G and Supplier F receive payment from us to in turn pay various personnel contracted by them as consideration for such personnel's delivery of independent imaging review service to us. While we only made such payment arrangements to obtain independent imaging review service in the specified years/periods, their respective business as a whole had a wider scope considering their diverse types of service provided to their other customers. As such, Supplier A would be more appropriately described as a payment outsourcing service provider, Supplier G a human resource outsourcing and tax allocation service provider, and Supplier F an information technology services provider.

All of our five largest suppliers in each of the years/periods in the Track Record Period are independent third parties. None of our Directors, their respective close associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) has any interest in any of our five largest suppliers in each of the years/periods during the Track Record Period that is required to be disclosed under the Listing Rules. We usually paid our trade payables with suppliers within 45 days of recognition.

For the reasons on why the identities of the top five customers in each of the years/periods and certain top five suppliers of our Group in each of the years/periods during the Track Record Period cannot be disclosed, please see "— Our Customers."

During the Track Record Period, certain of our major suppliers were also our customers in the respective years, which is in conformity with the industry norm. Specifically, two of our top five suppliers in certain years/periods in the Track Record Period (being Tigermed Group (泰格醫藥集團) and Supplier C) providing us with SMO service, specifically, clinical research on-site management and operation, that enable us to provide digital SMO business management service, were also our customers procuring pharmaceutical and medical device R&D software from us. The procurement from Supplier C has ceased in 2023 due to the completion of the relevant project. In 2021, 2022 and 2023, our purchase amount attributable to these customers amounted to RMB10.8 million, RMB6.2 million and RMB1.3 million, which accounted for

8.1%, 3.6% and 4.5% of our purchases, respectively; our sales amount attributable to these suppliers amounted to RMB0.1 million, RMB0.6 million and RMB0.4 million, which accounted for 0.0%, 0.1% and 0.1% of our sales amount, respectively; and our gross profit attributable to these suppliers amounted to RMB0.1 million, RMB0.3 million and RMB0.1 million, at a gross profit margin of 72.6%, 57.3% and 35.0%, respectively. The decrease in gross profit margin is primarily because we mainly sold pharmaceutical and medical device R&D software that have a high margin in 2021, as compared to 2022 and 2023, when we also sold digital SMO business management service to Tigermed Group (泰格醫藥集團) in certain projects in which we were not procuring SMO service from them.

From an industry standpoint, having such overlaps is common in the our market because SMO service providers can concurrently purchase pharmaceutical and medical device R&D digital solutions to digitalize their own operation. In addition, the transactions that we entered into with the overlapping supplier-customers were on an arm's-length, mutually independent basis under normal commercial terms. Negotiations of the terms of our sales to and purchases from these overlapping supplier-customers were conducted on an individual basis, undertaken by different departments and entities both in our Group and in the overlapping supplier-customers, and the sales and purchases were neither inter-connected nor inter-conditional with each other. Decisions regarding the procurement of SMO service, such as timing, pricing, and quantity, were made independently based on our actual needs to provide digital SMO business management service. Particularly, the procurement of SMO service from Tigermed Group (泰格醫藥集團) was undertaken to fulfill the demands of one-off projects, in which Tigermed Group (泰格醫藥集團) had exclusive coverage of the clinical research institution where the delivery of our digital SMO business management service could take place, and such procurement ceased as soon as the projects were completed. Similarly, decisions regarding the sale of pharmaceutical and medical device R&D software, including timing, pricing, type and quantity, were independently determined based on the actual customer needs of relevant pharmaceutical and medical device R&D software. For each of the overlapping supplier-customers, the key terms of our sales and supply agreements are substantially similar to those of our other customers/suppliers. Furthermore, (i) the price of pharmaceutical and medical device R&D software at which we sold to such overlapping supplier-customers is largely comparable to the price of pharmaceutical and medical device R&D software at which we sold to other independent customers for a similar type and quantity during the Track Record Period; and (ii) the purchase price of SMO service we paid to such overlapping supplier-customers was largely comparable to the purchase price of SMO service we paid to other independent suppliers for a similar type and quantity during the Track Record Period.

Therefore, and given the small percentage of supplier-customer overlap during the Track Record Period, we believe that the supplier-customer overlap during the Track Record Period during certain years in the Track Record Period would not hinder our business prospects.

RESEARCH AND DEVELOPMENT

We invest substantial resources in research and development to improve our technology infrastructure, integrate our technological capabilities into real-world applications, and meet industry-specific challenges. Our continuous advancements, especially that related to large-scale high concurrent processing, data security and system stability, has seen us accumulating a complementary bundle of technology infrastructure and AI capabilities which helps us gain and maintain our edge. We incurred RMB190.8 million, RMB208.2 million, RMB169.2 million, RMB52.7 million and RMB27.2 million of research and development expenses in 2021, 2022, 2023 and the three months ended March 31, 2023 and 2024, respectively, accounting for 40.9%, 37.9%, 29.5%, 40.8% and 20.6% of our total revenues during the same periods, respectively. For accounting policies of R&D expenditure, please see "Financial Information — Material Accounting Policies and Estimates — Material Accounting Policies — Intangible Assets — Research and Development Expenditure."

We conduct our R&D activities by harnessing the talents of our own team as we believe in the long-term strategic benefits of developing our core technologies by ourselves. As such, we do not outsource to our suppliers the development of such core technologies. See "— Technology Infrastructure" for detailed description on our core technologies. As of March 31, 2024, our research and development team consist of 186 employees, making up 23.8% of our total workforce as of the same date, and a majority of our executive Directors had R&D-related background or discharged relevant duties. Most of our research and development personnel are based in Shanghai.

We optimized our R&D organizational structure to cater to customer needs and specific application scenarios. Our R&D department consists of basic R&D center, which provides common technologies utilized by all other technology centers, and business technology centers, which conducts product development across our various product lines, allowing it to serve our product lines including data products, enterprise operations, drug safety monitoring, B2B products, imaging products, and small internet products. When developing a new product, we will go through established processes, such as examining initial product requirements, fundamental design, development & testing, before eventually proceeding to user acceptance, which will in turn require validation by our own personnel or adjustments based on specific customer requirements.

Owing to the efforts of our R&D team, we now possess strong rapid low-code development capabilities tailored for our industry, which allows us to leverage the forms, processes, and middleware to expedite our responses to customer demands. For example, we are able to publish major updates of our cloud-based software within a six-to-nine-month development period, and minor updates can be completed within a week or even a day, in line with leading players in the industry. Our R&D activities are also geared towards enabling us to grasp future market trends. When we believe a technology belongs to a core technical capability that enables us to compete in a new business that is proven to be able to be further matured and developed to serve emerging demands from customers, we will start our related research and development on it in advance. For the next steps, we believe our repository of

public components and low-code programming capabilities form the foundation that allows us to promptly adapt to the rapidly changing landscape in the industry, and we are building up on our existing technical capabilities to develop essential capabilities for medical digitalization, such as natural language understanding in medicine, automated image recognition, and knowledge graph construction. We have been continuously dedicating our efforts to this initiative, including improving our modeling capabilities through integrating low-code data modeling and unified authorization. We are also enhancing our rapid development capabilities through further standardizing and streamlining the application of reusable software development tools. We expect to be in a position to fully leverage such capabilities in late 2024.

INTELLECTUAL PROPERTY

We strive to safeguard our technology, including our unique healthcare data processing capabilities and core software systems, through a combination of patent, copyright, and trade secrets in China and Hong Kong. We also use trademarks to protect our brand. Furthermore, we establish confidentiality, non-disclosure and intellectual property rights agreements with our employees, ensuring that any intellectual property created during their employment belongs to us.

Our intellectual property rights are crucial for our business. As of the Latest Practicable Date, we held 220 issued patents in China, among which 112, 1 and 107 are inventions, utility model and design patents, respectively. Additionally, we owned 195 computer software copyrights in China, 11 work copyrights, and 322 registered trademarks in China and 4 abroad as of the same date. We have also registered 34 of our 67 domain names in China as of the same date. Please see "Appendix VI — Statutory and General Information — Further Information about the Business of Our Company — 2. Intellectual property rights" for details of our material intellectual property rights. We generally renew our domain name registrations annually, submitting renewal applications prior to their expiration. As of the Latest Practicable Date, all of our registered domain names are in effect. If we are unable to renew any domain name registration, the domain name registrar may deregister the relevant domain name.

To vigorously protect our technology and proprietary rights, we utilize internal policies, confidentiality agreements, encryptions, and data security measures. We have established an intellectual property protection team consisting of legal, compliance, and intellectual property engineering personnel, responsible for coordinating intellectual property strategy, timely registration, and other intellectual property protection matters. We require employees to submit materials containing technical information to the intellectual property protection team for review before external use to prevent unnecessary disclosure. We also enter into confidentiality agreements with employees to protect our business secrets and know-how. In addition, we seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and electronic security of our information technology systems. Despite any measures taken to protect our data and intellectual property, unauthorized parties may attempt to or successfully gain access to and use information that we regard as proprietary.

During the Track Record Period, our measures to protect intellectual property have been effective, with no material breaches identified. However, there can be no guarantee that our efforts will continue to succeed, and we may incur significant costs in defending our rights. Third parties may occasionally initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. See "Risk Factors — Risks Relating to Our Business and Industry — We may not be able to prevent unauthorized use of our intellectual property, which could harm our business and competitive position."

We are conscious of certain PRC and foreign patents, as well as pending patent applications owned by third parties, which cover similar application areas as ours. We actively monitor these patents and patent applications by: (i) using patent databases to search and keep track of patent statuses, allowing us to discover and analyze new patent disclosures in our industry promptly; and (ii) analyzing and categorizing all our patents, devising a search method for each patent category, and conducting automatic weekly searches of the domestic patent database to proactively monitor potential patent risks. We may challenge the validity of these patents and patent applications in the PRC and foreign patent offices in the future. We may also consider negotiating licenses for technology covered by one or more such patents and patent applications. However, it is possible that we have overlooked relevant third-party patents or patent applications, and our internal procedures and licensing practices may not entirely prevent unauthorized use of copyrighted materials or infringement of other third-party rights.

The validity, enforceability, and scope of intellectual property protection in internet-related industries, particularly in China, are continuously evolving. As competition intensifies and litigation becomes a more common dispute resolution method in China, we may face an increased risk of intellectual property infringement claims. We cannot guarantee that our operations or any aspects of our business do not and will not infringe upon or otherwise violate patents, copyrights, or other intellectual property rights held by third parties. We may be subject to legal proceedings and claims concerning others' intellectual property rights in the future. See "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to intellectual property infringement claims or other allegations, which could result in payment of substantial damages, penalties and fines and removal of data or technology from our system."

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or pending legal proceedings concerning intellectual property rights with third parties except as disclosed hereunder and elsewhere in this prospectus. See "— Legal Proceedings and Regulatory Compliance — Intellectual Property Dispute in the Shanghai Intellectual Property Court" in this section. Based on our PRC Legal Adviser's review of certificates and licenses of the intellectual properties obtained by our Group in the PRC, their search on the China Judgements Online website (https://wenshu.court.gov.cn/), and our confirmation, except as disclosed hereunder and elsewhere in this prospectus, our PRC Legal Adviser is not aware of any outstanding claims by third parties alleging infringement of their intellectual property rights by us.

SEASONALITY

We have experienced seasonality during the Track Record Period to some extent. We mainly observed some periodical patterns in our business because some of our customers tend to carry out project design and budget applications in the first half of the year before implementing said projects in the second half of the year. For the risks related thereto, please see "Risk Factors — Risks Relating to our Business and Industry — Our business and results of operations may be subject to seasonal fluctuations."

COMPETITION

China's pharmaceutical and medical device R&D and commercialization digital solutions market, in which we compete, is rather fragmented, with the top five market players accounting for 23.1% of market share in terms of revenue generated in 2023. We rank the first in this market by the same metric with a 5.9% market share, according to CIC, and we believe we have an advantage over our competitors due to our strengths in the fast-changing market, including first-mover advantage. See "— Our Competitive Strengths" in this section. However, competitors both domestic and abroad may try to compete with us in different ways, including introducing similar products, expanding their offerings, promoting their brands, and making acquisitions. Many of our competitors are larger and better funded than us, and we expect competition to remain fierce in the future.

In this competition, we possess the following advantages that allow us to outcompete both overseas and PRC peers. Particularly, our competitive advantages over international peers are more pronounced in (1), (2) and (4), whereas those over domestic peers are primarily manifested in (1), (2) and (3):

(1) ***Continuous innovation empowering its solutions***. Our technological innovation allows us to adopt technologies that are in line with global peers' so that we can continue developing and updating our solutions to keep delivering most up-to-date functionalities to its customers. For example, the application of our core technologies, such as AI + Big Data and low-code development, have allowed us further enhance our solutions' capabilities and increase our efficiency. See "— Technology Infrastructure." Furthermore, our strategic innovation enabled us to adopt a platform-based approach that distinguishes ourselves from our peers. Through adopting this approach, we are able to breach information silos to facilitate effective information exchange between industry players, deliver a more customer-friendly experience, and achieve greater customer loyalty that could help us gain a competitive edge against solely solution-offering peers.

(2) ***Comprehensive suite of solutions meeting diverse demand***. We are the only domestic digital solution provider that can deliver a one-stop digital solution from R&D to commercialization for the pharmaceutical and medical device industry in China, according to CIC. While many of our domestic or international peers are only able to offer a limited number of solutions targeting certain aspects in the

pharmaceutical and medical device R&D and commercialization process, the comprehensive range of one-stop platform-based solutions we offer can meet the diverse needs of our customers, backed by our quality standards and adherence to safety protocols in China and abroad. While new entrants and solutions in China's pharmaceutical and medical device digital solutions industry continue to emerge, many of our solutions, e.g., eCollect/EDC, could benefit from our long history of development and application so that their functionalities are on par with similar products offered by leading international competitors, ensuring a committed customer base; our pharmacovigilance solutions are also typically selected by domestic and smaller multinational pharmaceutical companies due to their comprehensive functionalities in the marketplace.

(3) ***Adaptable solutions and customer understanding solidifying market position***. We are optimized to serve both China as our primary market and seek global expansion at the same time. For example, to make our solutions more adapted to the Chinese market, we leverage our Chinese medical information extraction technology, which enables accurate extraction and structuring of diverse information on medical entities, attributes, and relationships from various medical texts in Chinese. We also optimized our Chinese-native infrastructure to better accommodate the Chinese network environment, enabling direct connection to our China-located servers instead of having to rely on VPNs which the products of overseas peers often require. Our strong and collaborative partnerships with domestic and international stakeholder further solidify our market position. Furthermore, our established brand reputation in China, achieved through years of reliable, prompt customer service, along with our adherence to regulatory standards in various jurisdictions in China and abroad, ensures customer stickiness and demonstrates our ability to operate in compliance with both international and domestic standards. As China's pharmaceutical and medical device regulatory framework continues to align with international standards, we are able to maintain our strong market position by applying our prior knowledge in assisting the internationalization of Chinese innovative drugs through, e.g., conducting international multi-center clinical trials, increasing the appeal of our solutions as compared with our PRC peers that are less experienced in this field.

(4) ***High cost-effectiveness of solutions***. Our pricing strategy guides us in delivering cost-effective solutions that have high efficiency, effectiveness and accuracy. According to CIC, regarding similar solutions on a standalone basis, our solutions are on par with those provided by international/PRC peers in terms of pricing. Specifically, compared with the prices of similar solutions offered in the market in the respective years, our solutions' average selling prices are generally cheaper than those from international peers and more expensive compared with domestic ones. The large, blue-chip, and loyal customer base has proven the solutions' capability of addressing the wide-ranging needs of our customers, maintaining high quality and safety standards both in China and abroad.

Due to the nature of our business, having diverse solution offerings that correspond to customer needs is crucial for companies like us to stand out. Furthermore, the application of advanced technologies like machine learning, AI, and cloud computing may help us improve our software and digital service development capabilities, perfect our data processing and analytics, leading to more valuable software and digital services in the future. As we continue to improve our capabilities, we will be better equipped to serve our existing customers, explore cross-selling potential, and attract new ones to join our platforms, creating a positive cycle and strong network effects. By introducing innovative software and digital services and seizing opportunities in China and worldwide, we believe we are able to capture the opportunities in the rapidly evolving pharmaceutical and medical device R&D and commercialization digital solutions market. However, while we introduce new solutions and improve our existing solutions, other companies may do the same, too. Therefore, we may become subject to additional competition. See "Risk Factors — Risks Relating to Our Business and Industry — If we are unable to compete effectively, our business, results of operations and financial condition may be materially and adversely affected."

EMPLOYEES

As of March 31, 2024, we had 783 full-time employees, of whom 772 were based in China, five were based in the U.S. and six were based in Singapore. Among our employees, almost all hold a college degree or above, more than 17% hold a master's degree or above, around 60% are over 30 years old, and more than half of them are females. The table below sets forth a breakdown of our full-time employees by function as of March 31, 2024:

Function	**Number of Employees**	**% of Total**
R&D	186	23.8
Sales and Marketing	105	13.4
Administrative	102	13.0
Professional and Technical Personnel[*]		
– Clinical trials	245	31.3
– Pharmacovigilance	90	11.5
– Marketing activities	55	7.0
Total	**783**	**100.0**

Note: Our professional and technical personnel are primarily responsible for project operations management and delivery support and the maintenance of our software.

We believe our ability to attract, hire, and keep quality employees is indispensable for our success. We find employees through job websites, referrals, and job fairs, considering factors like work experience, education, and job requirements. We offer competitive pay packages based on qualifications and experience, in line with market rates for salary and bonuses. We give our employees training programs covering company culture, policies, work ethics, quality

management, safety, technical skills, and ESG to help them continuously improve. We also provide regular feedback and training in areas like product knowledge, project development, and team building. Employee performance assessments guide decisions on salary, bonus, promotions, and career growth. For example, our sales and marketing KPIs include revenue generation, milestones, and project profitability. We have granted, and plan to continue to grant, share-based incentive awards to our key management and employees in the future to incentivize their contributions to our growth and development.

To ensure compliance with PRC, U.S. and Singapore labor laws, we enter into standard individual employment agreements with our employees, covering matters such as terms, wages, bonuses, employee benefits, KPIs, confidentiality obligations and grounds for termination. For all of our employees, including management and R&D, we also enter into a standard confidentiality, intellectual property rights and non-compete agreement with them.

We contribute to social insurance and housing provident funds for our employees based in China as required by the applicable PRC laws and regulation. During the Track Record Period and up to the Latest Practicable Date, we did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations. In 2021, 2022, 2023 and the three months ended March 31, 2024, our shortfall of contribution to social insurance and housing provident funds amounted to RMB39.3 million, RMB34.7 million, RMB9.6 million and RMB1.9 million, respectively. We did not make full social insurance and housing provident fund contributions for such employees primarily because (i) there are different interpretations of the relevant laws and regulations by local authorities which may deviate from the strict implementation of the relevant laws and regulations, and we followed the local practices and interpretations of the laws and regulations by the local authorities; (ii) certain of our employees were not willing to bear the costs associated with social insurance and housing provident funds strictly in proportion to their salary, and (iii) some employees were unwilling to participate in the social welfare schemes of the cities where they reside for work and instead chose to participate in local welfare schemes offered in their place of residency.

As advised by our PRC Legal Adviser, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. We estimate that in the event that we are ordered to make up for the social insurance outstanding contributions during the Track Record Period, the maximum late payment fee would be approximately RMB24.5 million as of June 30, 2024. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue. In addition, an employer that has failed to pay the housing provident fund on time or underpaid the housing provident fund in violation of relevant regulations, may be ordered to make the payment within a stipulated deadline. If the employer still fails to make the payment within the stipulated deadline, the competent authorities may apply to the court for compulsory enforcement. As of the Latest Practicable Date, we were not aware of any complaint filed by any of our employees regarding our social security insurance

and housing provident fund policy. Also, as of the Latest Practicable Date, we had not received any notification from the relevant Chinese authorities requiring us to pay for the shortfalls or any overdue charges, nor had we received any material complaints from employees with respect to social insurance and housing provident funds, and we had not been subject to any administrative penalties for the above-mentioned non-compliance. As advised by our PRC Legal Adviser, based on the confirmations from and interviews with relevant competent authorities, considering relevant regulatory policies and facts stated above, the likelihood that we are subject to collection of historical arrears, late payment fees and any material penalties due to our failure to provide full social insurance and housing provident funds contributions for our employees is remote.

We have consulted with the relevant regulatory authorities in the different localities where we operate to adjust the contribution base for social insurance and housing provident funds, the procedure and timing of which may vary based on local rules and policies, such that we can make full contributions as soon as practicable. Based on our consultations, and after reviewing the relevant regulatory policies and as advised by our PRC Legal Adviser, the earliest possible time for us to adjust our contribution base and make full contributions to social insurance and housing provident funds for all of our employees is expected to be July 2025. Therefore, we currently expect to start making full contributions to social insurance and housing provident funds for all of our employees in compliance with the applicable laws and regulatory requirements by July 2025. For more information, please see "Risk Factors — Failure to fully comply with the relevant PRC laws and regulations in respect of contributions to various employee benefit plans may materially and adversely affect our financial condition and results of operations."

In addition, through timely observation of shifts in market trends and continuous dynamic adjustment, we adapted our personnel planning and enacted streamlining program to enhance operational efficiency and decrease business risk. This streamlining program started in March 2023 and was primarily conducted in the second half of 2023. During the Track Record Period, according to our PRC Legal Adviser, such streamlining program was conducted in compliance with PRC laws and regulations, and it increased the average productivity of our employees as surplus staff and low-margin products were terminated. Compared with December 31, 2022, the total number of our employees as of December 31, 2023 showed a decrease of 645, of which 175, 102, 66 and 302 employees exercised R&D, sales and marketing, administrative, and professional and technical functions, respectively. We believe this will help to sufficiently and effectively manage operating expenses, achieve sustained reduction of staff costs, and realize sustainable improvement of financial performance. See "— Business Sustainability — New Initiatives and Programs to Achieve Profitability — Manage Expenses and Improve Operational Efficiency" for detailed elaboration on how streamlining program would affect us.

As of the Latest Practicable Date, some of our employees were represented by a labor union. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material claims, lawsuits, penalties or administrative actions relating to non-compliance with occupational health and safety laws or regulations, and had not experienced any strikes, labor disputes or industrial actions which have had a material effect on our business.

INSURANCE

We maintain certain insurance policies as of the Latest Practicable Date. We do not maintain any key-man insurance for any member of our management team, or business disruption insurance. We consider that the coverage from the insurance policies maintained by us is adequate for our present operations and is in line with the industry norm, but it may be insufficient to cover all claims for product liability, damage to our assets, facilities and personnel or other claims. For more details, see "Risk Factors — Risks Relating to Our Business and Industry — We have limited business insurance coverage, which could expose us to significant costs and business disruption." During the Track Record Period and up to the Latest Practicable Date, we had not made, or been the subject of, any material insurance claims.

PROPERTIES

We do not own any properties or hold land usage rights. We mainly operate in Shanghai, and we lease and occupy our office space with an aggregate floor area of approximately 12,661.6 square meters as of the Latest Practicable Date. A majority of our employees are based in Shanghai. The following table sets forth the details of the 10 properties leased by us as of the Latest Practicable Date:

No.	Location	Usage	Leased Area *(Approximate sq.m.)*	End of Lease Term
1.	Jiaxing, Zhejiang	Office	2,318	June 30, 2025
2.	Chengdu, Sichuan	Office	577	April 30, 2027
3.	Dalian, Liaoning	Office	986	December 29, 2026
4.	Shanghai	Office	5,959	July 31, 2027
5.	Beijing	Office	1,280	December 31, 2024
6.	Hangzhou, Zhejiang	Office	547	October 31, 2025
7.	Guangzhou, Guangdong	Office	244	September 30, 2026
8.	California, U.S.	Office	456	March 14, 2025
9.	Singapore	Office	191	March 31, 2026
10.	Singapore	Office	103	August 19, 2024

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the competent PRC construction (real estate) departments where the leased house is located. As of the Latest Practicable Date, we had not obtained full lease registration for three properties we leased in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. Such properties had an aggregate floor area of approximately 7,189.5 square meters that were used as offices. The registration of such leases will require the cooperation of our lessors. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered. Our PRC Legal Adviser has advised us that the lack of registration of the lease contracts will not affect the validity of the lease agreements under PRC laws, and has also advised us that a maximum penalty of RMB10,000 may be imposed for non-registration of each lease. The estimated total maximum penalty is RMB20,000. As of the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for our failure on the registration of lease agreements. For details, see "Risk Factors — Certain of our leased property interests may be defective, which could cause disruption to our business." in this prospectus.

In the event that any of our leases expire after the end of their respective lease term, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations.

We will renew our lease for a certain property only if such property: (i) is compliant with all environment, health and safety laws and regulations, (ii) is not subject to any dispute, lawsuit or other factors that may affect our use, (iii) offers quality property management service, and (iv) is located at a place with sufficient substitute properties in case we cannot renew our lease. To ensure a certain property satisfies all these requirements, we conduct background checks on whether the property or the landlord is subject to any investigation, dispute or lawsuit or has any enforcement record and routinely evaluate the service quality of the property management company.

As of the Latest Practicable Date, no single property interest forming part of our non-property activities as defined under Rule 5.01(2) of the Listing Rules had a carrying amount of 15% or more of our total assets. As such, according to section 6(2) of Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the laws of Hong Kong), this prospectus is exempted from compliance with the requirements of section 342(1)(b) under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires us to include a valuation report for any of our interests in land or buildings.

Our servers are mainly cloud servers in China and abroad owned and maintained by third-party cloud service operators. We believe that our existing facilities are sufficient for our current needs, and we will obtain additional facilities, principally through leasing, to accommodate our future expansion plans as needed.

AWARDS AND RECOGNITIONS

During the Track Record Period, we had received various awards and recognitions in connection with the quality of our software and digital services, reputation and influence, which primarily include:

No.	Year	Award, Honor or Recognition	Awarding Entity	Receiving Entity
1.	2023	Zhejiang Province Science and Technology Little Giant Enterprise	Department of Science and Technology of Zhejiang Province	Company
2.	2023	2022 Second Batch Specialized Focused and Innovative SMEs in Shanghai	Shanghai Municipal Commission of Economy and Informatization	Taimei Xinghuan, Shanghai Shengfang, Taimei Xingyun
3.	2022	2022 Fourth Batch Specialized Focused and Innovative "Little Giants"	Ministry of Industry and Information Technology	Company
4.	2022	Zhejiang Province High and New Technology Enterprise R&D Center	Department of Science and Technology of Zhejiang Province	Company
5.	2022	High and New Technology Enterprise	Department of Science and Technology of Zhejiang Province, Zhejiang Provincial Department of Finance, and Zhejiang Provincial Tax Service, State Taxation Administration	Taimei Xingcheng
6.	2021	R&D Digital Operating System TrialOS: Third Prize of Zhejiang Science and Technology Progress Award in 2021	People's Government of Zhejiang Province	Company

No.	Year	Award, Honor or Recognition	Awarding Entity	Receiving Entity
7.	2021	Digital Operation Platform for Life Science Industry; 2021 Digital Empowerment Promoting New Business Models and Typical Platforms	Zhejiang Provincial Development and Reform Commission	Company
8.	2021	High and New Technology Enterprise	Shanghai Municipal Finance Bureau, Shanghai Municipal Tax Service, State Taxation Administration Management Leading Group Office	Taimei Xinghuan

LICENSES, PERMITS AND APPROVALS

We are required to obtain, file and renew certain certificates, permits and licenses for our business operations. As confirmed by our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from the relevant government authorities for our operations in the PRC, and all of such licenses, permits and approvals remained in full effect. The following table sets forth the details of the material licenses and permits necessary for our operations held by us as of the Latest Practicable Date:

Holder	License/Permit/ Approval	Issue Authority	Newest Grant/Filing Date	Expiration Date
Company	Value-added Telecommunications Business License	Zhejiang Provincial Communications Administration	May 17, 2024	May 16, 2029
Company	Second Class Medical Device Operating Record Certificate	Jiaxing Market Supervision Administration	May 7, 2022	n/a*
Taimei Xinghuan	Online Drug Information Offering License	Shanghai Food and Drug Administration	June 7, 2023	June 6, 2028

Holder	License/Permit/ Approval	Issue Authority	Newest Grant/Filing Date	Expiration Date
Taimei Xinghuan	Value-added Telecommunications Business License (Domestic multi-party communication services)	Ministry of Industry and Information Technology	June 5, 2023	June 5, 2028
Taimei Xinghuan	Value-added Telecommunications Business License (Internet information services only)	Shanghai Communication Administration	July 24, 2023	July 24, 2028
Shanghai Shengfang	Second Class Medical Device Operating Record Certificate	Shanghai Minhang District Market Supervision Administration	December 7, 2023	n/a*

Note: There is no specific expiration of the Second Class Medical Device Operating Record Certificate stipulated by the PRC laws.

We had not experienced any material difficulty in renewing such certificates, permits and licenses during the Track Record Period and up to the Latest Practicable Date. We intend to apply for renewal of our key licenses and permits prior to their respective expiry dates, the procedures for which is expected to be initiated at least six months prior to their respective expiration date. The successful renewal of our existing licenses, permits and approvals will be subject to our fulfillment of relevant requirements. As of the Latest Practicable Date, we were not aware of any reason that would cause or lead to the non-renewal of our existing licenses, permits and approvals. Our PRC Legal Adviser confirmed that, as of the Latest Practicable Date, there was no substantial legal impediment for us to renew our existing licenses, permits and certificates as long as we comply with the relevant legal requirements, and there was no foreseeable legal impediment for us to renew our value-added telecommunications business license.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, financial condition, results of operations, reputation or compliance except as disclosed below and elsewhere in this prospectus. During the same period, we were not involved in any non-compliance incidents which would, individually or in aggregate, have a material adverse effect on our business as a whole. As confirmed by our PRC Legal Adviser,

our business operations had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. In addition, during the same period, our business operations have complied with applicable laws and regulations of the overseas jurisdictions where we have operations.

From time to time, we may be involved in legal proceedings, investigations, administrative penalties or other claims or disputes arising in the ordinary course of our business. For risks and uncertainties relating thereto, see "Risk Factors — Risks Relating to Our Business and Industry — We may become subject to lawsuits and liabilities which could cause us to incur significant expenses and adversely affect our business, financial condition and results of operations" in this prospectus.

Intellectual Property Dispute in the Shanghai Intellectual Property Court

On November 1, 2022, the Shanghai Intellectual Property Court (the "**Shanghai IP Court**") accepted a lawsuit filed by a company in Hangzhou (the "**Plaintiff**"). The Plaintiff alleged that we and three other individual defendants, who were our employees but not otherwise related to our Group, our shareholders or Directors (collectively, the "**Defendants**") infringed its computer software copyright related to a self-owned specialized disease database software (the "**Disputed Software**") that we launched the use in 2021, which was not among our main software offered during the Track Record Period. The Plaintiff based its damage theory on one project of ours that did not generate any revenue for us and was in the process of termination because we shifted our strategic focus away from specialized disease database software, including the Disputed Software, and discontinued such businesses. The Disputed Software continued being in use after the instigation of this proceeding until 2023, when we discontinued this software as part of our strategic adjustment.

The Plaintiff primarily pleaded for (i) court recognition that the Defendants infringed on its alleged software copyright, including the rights of authorship, modification, reproduction and distribution, and order that we cease our allegedly infringing acts; (ii) the Defendants' public apology for 30 consecutive days on the pages of the *People's Court Daily* except the central seam and a prominent position on the front page of our official website; (iii) the Defendants' compensation for Plaintiff's alleged economic losses of RMB25.7 million (inclusive of requested punitive damage); (iv) the Defendants' payment of the Plaintiff's lawyer fees of RMB80,000 involved in this dispute; and (v) the Defendant's bearing of related court fees.

On January 12, 2023, the Shanghai IP Court ruled to freeze our bank deposit of RMB5,000,000, as a provisional measure to preserve property before the decision of this lawsuit, which has no bearing on the merits of the claim. This deposit freezing was carried out on January 19, 2023.

On June 28, 2024, we received the first-instance decisions from the Shanghai IP Court. It found that (i) we had access to the Plaintiff's copyrighted software through one of the individual defendants; and (ii) pursuant to the court's comparison, our Disputed Software and the Plaintiff's software have partially identical or similar codes in the open-source portions of

the codes. However, the Shanghai IP Court also determined that the infringing codes, including the open-source codes, accounted for a very limited proportion of the Plaintiff's and our Disputed Software's codes for only about 0.05% and 0.08% respectively, and the evidence on file could neither prove that the Plaintiff suffered losses due to infringement nor we profited from the infringement. Therefore, the Shanghai IP Court decided that: (i) we shall immediately cease the infringement of the Plaintiff's copyright in the Disputed Software; (ii) we shall compensate the Plaintiff for its economic losses and reasonable expenses in the amount of RMB100,000; and (iii) it will dismiss the Plaintiff's remaining claims.

Both parties have appealed against the Shanghai IP Court's decision in mid July 2024. The Plaintiff appealed and requested that the original decision be upheld in item (i) and that the compensation amount in item (ii) be changed to RMB2 million. The Plaintiff also requested that we publish an apology statement, eliminate the impact, or a retrial for the case. We appealed and requested that the first-instance decisions be vacated in accordance with the law and that all Plaintiff's claims of the first-instance be dismissed. The appellate court hearing was held on September 14, 2024, and the Shanghai High People's Court has been in deliberation.

Our IP Litigation Counsel is of the view that the focus of the dispute between the two parties in this case are the ownership of the secondary development codes of the software open source project and the determination of their similarity. Such codes only constitute a small part of the software, and can also be easily modified. Considering the proportion of the similar codes is low, the amount of compensation ruled by the Shanghai IP Court is not significant. In addition, the Plaintiff has significantly reduced the amount of compensation claimed in the appeal. In view of the above, our IP Litigation Counsel believes that there is a high probability that the second instance court will uphold the original decision. Having considered the rulings by the Shanghai IP Court and the view of our IP Litigation Counsel, we are of the view that this litigation will not have a material adverse impact on our business and financial condition as a whole.

Employment Dispute in a Court in the State of California

On September 12, 2024, we received a complaint which was filed with the Superior Court of the State of California for the County of Alameda by a former employee (the "**Plaintiff**") of Shanghai Taimei Digital Technology Co., LTD., one of our subsidiaries. The Plaintiff primarily alleged that our Company wrongfully terminated his employment, and that we failed to pay the equity compensation as provided in an equity incentive award agreement. In the complaint filed, the Plaintiff claimed for restitution, general and special damages, actual and/or liquidated damages, a US$10,000 penalty and interests, attorneys' fees, costs and expert costs, and punitive damages against us. The initial case management conference date had been scheduled on January 8, 2025.

Having consulted our employment dispute counsel, even if the Plaintiff prevails on any claim in the complaint, we estimated our exposure on this claim to be approximately US$600,000, for which we have made provision accordingly. Given the above, we are of the view that this employment litigation would not cause any material adverse effect on our operations or financial performance.

TECHNOLOGY INFRASTRUCTURE

Our prioritization on research and development and continuous investments in cutting-edge technologies have helped us accumulate technologies suitable for various business scenarios, driving the development of new software and digital services based on forward-looking market insights. To date, our capabilities primarily feature three core technologies: AI + big data, and low-code development, erecting a competition barrier. For details regarding the technology infrastructure applied in our data arrangements and security, please see "— Data Arrangements and Security" in this section.

AI + Big Data

Technology Framework

Our rich industry and project experience gained from having served over 1,400 pharmaceutical companies and CROs as of March 31, 2024 has provided our AI + Big Data capability with great support, which enables us to distinguish ourselves in the overall landscape of AI technology. We are dedicated to exploring the possibilities to apply the latest AI technologies, such as deep learning (including machine learning), to clinical research. By leveraging AI, we can firstly enhance the efficiency of data processing and analysis, thus accelerating the discovery of valuable clinical insights. In addition, in our efforts to implement AI technology, we select the most appropriate AI methods based on specific clinical research needs and conduct rigorous validation and testing to ensure that the technology delivers maximum benefits in real-world applications. Considering that each clinical research project is unique, we focus on fine-tuning and optimizing AI models for specific scenarios, including pre-trial preparation, during-trial monitoring, post-trial analysis, and information consultation. By continuously adjusting and improving our models, we would be able to deliver more accurate and efficient solutions to meet the practical needs of clinical research at various stages.

Our AI technology framework is designed to simplify and enhance various automated functions of clinical research and management by building relevant basic capabilities. This framework ensures a coherent flow from the acquisition and processing of core data types to the training of corresponding domain models and the development and application of solutions, facilitating the development and deployment of AI-driven solutions.

- *Data acquisition.* We are committed to consolidating the foundation of AI basic capacity building by obtaining high-quality data. We usually obtain self-labeled data through public channels, or obtain data from search engines, etc.; we will also obtain desensitized data authorized by customers in some cooperation projects with customers (such as EDC database construction). During this process, we mainly refer to the robots protocol, and obtain the object rights statement through manual inspection to ensure that the corresponding data is free from rights defects.

- *Data processing*. Data pre-processing is one of the keys to producing quality results from an AI, as it can ensure noise removal of fields/text (such as formatting problems, image noise), thereby converting data into materials that can be learned by AI. To process the various core data types in the pharmaceutical and medical device industry, including medical text, images, video and audio, we have built high-quality AI-empowered processing modules and integrated some open-source general large language models to supplement data processing across data types. After pre-processing, we can use the machine learning "feature engineering" module in the AI suite and high-quality industry knowledge bases (such as Cdisc and OMAHA) to transform them into "learning materials" that are optimized for AI training in the medical industry, which is convenient for high-efficiency and high-precision AI training.

- *AI training*. After having a wealth of AI learning materials, we use the algorithm developed by ourselves to use cloud computing for further training. During the training process, the training data between each customer is logically isolated, and domestic and foreign algorithms and algorithm results are isolated. Nevertheless, because of the interoperability of our technology infrastructure, the improvement of these trainings to the algorithm can be shared by various solutions, thereby improving the comprehensive capabilities of our solutions. At the same time, our algorithms allow us to utilize multilingual learning materials. For example, using our Chinese medical information extraction technology, even when lab forms, charts, drug inserts and other documents are image-only and have a mix of Chinese, English and numeric text, our enhanced AI text recognition capabilities based on deep neural networks enable us to extract the text strings and combine our understanding of medical natural language and medical knowledge graphs to correct errors with 97% accuracy and allow translation of such text. At the same time, our big data support capabilities enable the storage, computation and analysis of massive medical data, and support data aggregation and integration, data cleansing and processing, data service visualization, and data value extraction by integrating technology components such as distributed storage, memory computing, large-scale distributed scheduling, mobile data processing, large-scale parallel processing, and custom analytical reports.

Through such trainings, we have built up a rich library of industry models and algorithms, including automatic writing of medical texts, automatic quality control and automatic classification of clinical research documents, and automatic quality control of medical images. These industry models and algorithms, combined with auxiliary tools such as relevant A/B testing (automated user performance feedback testing), automated evaluation and data annotation, can greatly optimize and achieve efficient and effective deployment of AI models in our practical applications.

Technical applications

Based on the capabilities of our AI + Big Data, we have built applications that support clinical research and management at all levels, including but not limited to:

- AI automated EDC database construction, which can realize automatic construction from clinical trial plan to EDC database;

- Intelligent Clinical Trial Electronic Document Management System, which assists drafting, translating, categorizing and reporting medical documents;

- eImage AI, which streamlines body part identification and lesion analysis. It can realize loading of key image sequences or pages in priority, and saving and analysis of image markers, thus improving the efficiency of key image loading. We can realize localization, organ identification and tumor identification, which helps improve the accuracy and efficiency of image assessment by independent viewers.

The application of these technologies has greatly improved the capabilities of our solutions. For example, in terms of patient enrollment, our model is designed to accurately extract medically important information from textual information such as clinical study materials, e-cases, adverse event descriptions, and medical image reports, so that the information can be effectively used in clinical studies, autofill, quality control, and other scenarios. This AI application can effectively and automatically match patient-related information and relevant program entry criteria, greatly improving the efficiency of patient recruitment. In addition, according to CIC, we are one of the early adopters of short text recognition technology based on pharmaceutical and medical device master data in the field of data cleansing. According to our internal evaluation, our data cleansing software is able to achieve an automated matching accuracy rate of over 70%, in line with our leading industry players, dramatically improving the efficiency and accuracy of data cleansing while reducing the reliance on manual intervention.

Technology updates

We adopt various measures to ensure we stay abreast of emerging technologies to keep us in a position to efficiently combine our industry and project experience with leading technologies that could maximize the potential of our solutions.

To keep our personnel well prepared for technological updates, we vigilantly observe technological trends and advancements, especially in AI, and participate in relevant industry forums and consortia. We also continuously train our employees to keep them up-to-date with the latest technological advancements and best practices, including cutting-edge developments in AI, and maintain comprehensive knowledge management systems related thereto to keep them informed and for their reference.

To keep our infrastructure and software updated, our dedicated technology assessment team regularly evaluates our existing infrastructure and software to identify components that are at risk of becoming outdated or unsupported. We also proactively conduct technology upgrades and replacements, regularly communicate with our suppliers to receive timely feedbacks on currently available technologies, and reserve a budget therefor, which help to enhance our preparedness to adopt frontline technology. For AI in particular, while we do not build large language models by ourselves, we continuously evaluate the competency of open-source general large language models by using the standardized test sets that we constructed that are tailored to our application scenarios and tasks to determine their potential for integration.

Regulatory Compliance

While developing AI and big data capabilities, we also keep ourselves abreast of the rapidly evolving regulatory landscape related thereto to ensure compliant operation while harnessing the potential of leading technologies to maintain a competitive edge. For example, on August 15, 2023, the *Interim Measures for the Administration of Generative Artificial Intelligence Services* (the "**Interim Measures**") came into force. According to the Interim Measures, the term "generative AI technology" refers to models and related technologies that have the capability of generating content such as text, pictures, audio and video. Meanwhile, the Interim Measures shall not apply if an enterprise develops or applies generative AI technology but does not provide generative AI services to the domestic public. According to our legal adviser as to PRC cybersecurity and data privacy protection laws, the Interim Measures are not applicable to us because during the Track Record Period and up to the Latest Practicable Date, (1) we did not apply generative AI technology and (2) our AI technologies were substantially exclusively used internally and provided to our customers, instead of serving the domestic public. During the Track Record Period, the open-source general large language models integrated by us are mainly "Pretrained Foundation Models", which are used to perform text preprocessing tasks such as sequence tagging and text classification. The results generated by text preprocessing are used to develop our internal algorithm technology, instead of directly being used in commercial scenarios. As the Interim Measures does not define the specific meaning of "application", our legal adviser as to PRC cybersecurity and data privacy protection laws is of the view that the non-commercial use of open-source general large language models as mentioned above is not an "application" under the Interim Measures.

Additionally, while the *Draft Data Security Regulations* proposes to require a cybersecurity review under certain circumstances, our legal adviser as to PRC cybersecurity and data privacy protection laws is of the view that we are not required to apply for a cybersecurity review because: (1) our platforms do not involve data resources related to national security, economic development, or public interest; (2) as a processor of personal information, we have not processed up to one million individuals' information; (3) our listing venue is in Hong Kong, and our business does not involve the processing of important data, leading to a low risk of impacting or potentially impacting national security; and (4) we have obtained confirmation from the China Cybersecurity Review, Certification and Market Regulation Big Data Center that the *Draft Data Security Regulations* has not yet come into force and it will not be used as a basis for cybersecurity review.

In addition to the factors above, our legal adviser as to PRC cybersecurity and data privacy protection laws is further of the view that we are not required to apply for a cybersecurity review according to the *2022 Review Measures* because (1) while China's current standards for the identification of critical information infrastructure operators are in the process of being further clarified, we have not received any notification that we have been identified as a critical information infrastructure operator by the regulatory authority responsible for the security protection of critical information infrastructure; and (2) we have obtained confirmation from the China Cybersecurity Review, Certification and Market Regulation Big Data Center that we are not required to apply for a cybersecurity review.

As such, assuming that the *Draft Data Security Regulations* are implemented in their current form, our legal adviser as to PRC cybersecurity and data privacy protection laws is of the view that we would be able to comply with the *Draft Data Security Regulations* in all material respects, and that the *Draft Data Security Regulations* would not have a material adverse impact on our business operations or proposed listing.

Furthermore, our legal adviser as to PRC cybersecurity and data privacy protection laws is of the view that the national security risks set out in Article 10 of the *2022 Review Measures* would not be applicable to our business operations and/or proposed listing because Article 10 of the *2022 Review Measures* only applies to entities that are subject to cybersecurity review.

Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the views of Jingtian & Gongcheng as stated above.

Low-Code Development

As a leading digital solution provider for pharmaceutical and medical device R&D and commercialization, we have developed specialized low-code rapid development technologies that enable rapid application generation with little or no coding. Our low-code development platform (Tiangong) allows the relevant personnel to make and use pre-configured templates in a model-driven drag-and-drop interface, with modules, logic, workflows, forms, and connectors further customized and expanded by implementation staff, thus rapidly building personalized business logic and improving the platform's build development efficiency and scalability.

Unlike general low-code platforms, our Tiangong low-code development platform provides clinical research-specific project-based organizational scalability, and is integrated with core business components such as visit components, audit trails, medical coding, project training, electronic signatures, etc. Currently, our next-generation platforms, such as Trials, are based on the Tiangong platform to achieve unified security authorization and object management, as well as customized construction and reorganization of processes. It also provides related privilege/interface adaptation SDK (Software Development Kit) capabilities to ensure seamless integration and service capability reuse of some legacy software with the new platform.

Tiangong platform enables us to quickly incorporate the pharmaceutical and medical device-specific knowledge and experience we have accumulated from our operations into our foundational capabilities, such as the rapid configuration and visualization of clinical research data and operational scenarios, and the creation of compliance controls that are specific to pharmaceutical and medical device research and development. This has greatly enhanced our ability to rapidly iterate our software to adapt to the complex landscape of the pharmaceutical and medical device industry in China and is expected to increase the usability and stability of our systems, and reduce maintenance costs for iterations, enabling us to keep pace with the dynamic pharmaceutical and medical device research and development in China, and reduce the cost of innovation validation.

DATA ARRANGEMENTS AND SECURITY

Data Arrangement

The data involved in our platforms, software and digital services all originate from user entries or uploads, or from publicly available information on related public websites, and are stored via public/private cloud servers, where applicable. Only after obtaining full authorization from users can we access, transfer, and use the data, and we do not provide such data to third parties without requisite authorization or absent applicable legal or regulatory requirements.

Platforms. Our TrialOS and PharmaOS digital collaboration platforms collect user registration and authentication information after full user authorization. Such information is obtained at the time of user registration. Registration of our customers enables them to become tenants of our platform, who as administrators of their accounts can in turn set up authorized accounts for authorized individuals, such as their employees, as end users who utilize our software and digital services. In doing so, our customers would typically import certain information related to the end users, including their roles, names, email addresses, and mobile phone numbers. We ensure that all data transmission is encrypted, and domestic data storage is strictly located within third-party cloud services in China, as required by regulations, and our overseas data is stored via Amazon Web Services.

Software. Our software do not collect or use customer data. Under a typical agreement for our solutions, our software merely access, store and process customers' clinical trial-related data pursuant to their designed functions to deliver our solutions. For example, for data collection, eCollect/EDC streamlines the data collection activities of CRCs, who only uploads patient data without PII or other data related to their privacy; in terms of accessing data, while our customers can conduct information collection, statistical analysis and signal detection and write PSURs using our eSafety/PVS, we are not able to view the PSURs without customer consent, and the customers can directly submit these reports to appropriate authorities using our pharmacovigilance interface; for storage, our eArchives/eTMF stores and processes customer-uploaded non-standardized data for the customer's further perusal; in terms of processing, our eBalance/IWRS' focuses on using its algorithms to randomize and group patients, in which process they are tagged per the customers' own rules, not ours. Any data transmitted using our software is encrypted, and data is stored per customer requirements either in third-party cloud servers (for public cloud) or on the customer's local servers (for private cloud).

Digital Services. Our digital services do involve obtaining and processing customer data, though we ensure we only do so with full customer authorization or permission. As such, we do not have independent discretion on the use of data. We only collect data that is necessary to provide our solutions. For example, in providing our digital SMO business management service, which require evaluation of the CRC candidates' capabilities based on their unanonymized resumes, we access and process such data uploaded by SMO companies in compliance with relevant regulations as we ensure the relevant personal information fields collected do not exceed the necessary scope, and we review SMO companies' relevant qualifications before featuring them on our platform. Other than the digital SMO business management service, substantially all pharmaceutical and medical device R&D and commercialization data obtained by us is encrypted and anonymized by the customer, and the same process is applied during data usage or processing per relevant regulations. Therefore, we ensure our data usage in digital service delivery is in strict observance with user authorization, and customers retain the control of their data.

The following table sets forth a brief summary of our overall data arrangements during the Track Record Period:

Types of Data Obtained	Data Source	Data Storage Method	Data Flow	Our Authorities	Our Data Security Management Methods
User registration and login information	User-filled	Public/private cloud servers	We can only process the data with full user authorization. We do not provide this data to other data processors unless obtained proper user or other legal authorization.	We obtain such data for user identification and authentication. We can only process data with full user authorization. We inform users and obtain their authorized consent by requiring users to read and consent to our *Platform Service Agreement* and *Privacy Policy*. The *Privacy Policy* informs the users of the type of data to be collected, the collection method, the purpose of processing, the related legal basis and the requirements for data security management mechanisms to be applied throughout the data lifecycle.	1. The communication between the customer and the server is HTTPS-encrypted, password information is MD5-encrypted on the customer side before transmission, and the password ciphertext will be stored in the server for a second one-way irreversible encryption. For PII and sensitive personal information, SM4 algorithm is used for encryption and storage, and SM4 algorithm chooses the longest key length of 128 bits. 2. The platforms provide a path to exercise the rights of personal data subjects, and can respond and complete the processing within 15 days of receiving a user request.

Types of Data Obtained	Data Source	Data Storage Method	Data Flow	Our Authorities	Our Data Security Management Methods
Data related to pharmaceutical and medical device R&D and commercialization software	User uploads and entries		Only storage space is provided. Therefore, we cannot carry out other data processing activities without the user's permission. We do not provide this data to other data processors unless obtained proper user or other legal authorization.	Integration of such data into our CRO project management system, or using such data to achieve the functionalities of pharmaceutical and medical device commercialization software	The communication between the customer and the server is HTTPS-encrypted, password information is MD5-encrypted on the customer side before transmission, and the password ciphertext will be stored in the server for a second one-way irreversible encryption. For PII and sensitive personal information, SM4 algorithm is used for encryption and storage, and SM4 algorithm chooses the longest key length of 128 bits.
Data related to pharmaceutical and medical device R&D and commercialization digital services	User uploads and entries		We leverage corresponding software in providing digital services. We do not provide this data to other data processors unless obtained proper user or other legal authorization.	We only process customer data within the scope of the customer's informed consent. We use such data to achieve the functionalities of digital services.	
Basic information (e.g. users' contact information)	User-filled		We directly obtain and use the data. We do not provide this data to other data processors unless obtained proper user or other legal authorization.	We use the obtained contact information to contact the user and understand their business needs.	
Public data from third parties	Data obtained organized from relevant public channels by ourselves		Users can browse relevant data through TrialOS.	We display such information on our platforms.	

In obtaining user consent, we require users to directly give consent to us by agreeing to our privacy policy. Therefore, according to our legal adviser as to PRC cybersecurity and data privacy protection laws, we have obtained valid consent before import of users' information.

Delivering our platform-based software and services enable us to generate valuable knowledge and insights. In this process, what we store in our servers is this knowledge and insights rather than the data itself, in the form of knowledge graphs, logical knowledge bases, algorithms, machine learning models, and other data processing and operational tools. Once the service agreement ends, we lose access to the customers' data. However, we can continue utilizing the knowledge and insights in our servers derived from processing the data, as well as intellectual properties we develop independently. As we familiarize ourselves with the data quality and structure during the data processing, we periodically develop new applications and functions on our platforms. This familiarity with the data and constant development leads to future collaborations and enhances customer retention rate.

Data Security

Over the years, our data arrangement and security measures have evolved to cover all stages of data security management, including data classification, collection, transmission, storage, secure utilization, compliance, disclosure, destruction and leakage prevention, ensuring strict compliance with relevant domestic and overseas laws and regulations, including HIPPA and GDPR. We also implement heightened requirements on the protection of personal information and sensitive data to safeguard our growth based on our platform-based model. In addition, we leverage confidentiality agreements with our employees, customers and suppliers to safeguard data security through collaboration. As laws and regulations on data security are constantly evolving, we have been closely monitoring the latest legislative progress, and we intend to update our data security policies strictly in compliance with existing and future laws and regulations that are applicable to us.

Security System Design

As we believe data security requires continuous on-going efforts, we have established and maintained a system to monitor and prevent data security risks and provide warnings and assist in the handling and reporting of data security incidents. In monitoring and preventing data security risks, we both monitor the security of our system and assess the security of data. System security protection monitoring is realized through a suite of measures, including deploying cloud platform DDoS protection, web application firewall, network firewall, vulnerability scanning, and database auditing devices. In the meantime, we conduct annual data security assessment, where we assess both the management and technical aspects of data security. Through such assessments, we strive to ensure our system's compliance with relevant laws and regulations and safeguard data security via implementing technical measures that enhance overall data security throughout the lifecycle of data. We also have an established data security incident management and emergency response mechanism, pursuant to which we minimize the negative impact of data security incidents. To achieve comprehensive compliance management in case of high-impact data security incident, we also collaborate with regulatory bodies, such as the Zhejiang Provincial Communications Administration and Jiaxing Network Security Team.

To standardize and systematize our security system design, we have formulated a complementary set of data security guidelines that guide our daily operations. Central to these guidelines is the *Data Security Management Strategy*, which lays the groundwork for data handling and security measures. It established the roles and responsibilities within our information security department and adhered to a set of principles including compliance, minimization, and confidentiality, aligned with China's Cryptography Law and various national standards. Complementing this was the *Data Classification and Grading Security Specification*, which organized data into distinct categories and sensitivity levels, ranging from public information like user manuals to highly confidential data such as personal health information, each requiring varying levels of protection. In addition, the *Data Collection Security Specification* governed the procedures for data acquisition, ensuring that data collected directly from subjects or other organizations was handled with proper authorization and respect for privacy rights. Meanwhile, the *Data Transmission Security Specification* detailed secure methods for data movement, emphasizing the need for authorization, identity verification, and the use of secure channels and encryption technologies. This focus on security extended to the *Data Storage Security Specification*, which addressed diverse aspects of data storage including access control, backup protocols, and data retention, tailored to the nature of the data and legal requirements. Furthermore, the *Data Use Security Specification* set out stringent rules for data utilization, mandating applications for data access and advocating for de-identification techniques to minimize data leakage risks. Our commitment to compliance was further exemplified in the *Data Security Compliance Specification*, which focused on adherence to domestic and international data protection laws. The *Data Disclosure Management Specification* outlined specific procedures for external data sharing, ensuring transparency and compliance with regulatory requirements. Lastly, the *Data Destruction Security Specification* and the *Data Leakage Prevention Management Process* ensured that data, once its utility had ended or in the event of potential leaks, was handled with utmost security, emphasizing recordable and auditable destruction methods and proactive leakage prevention strategies.

To ensure that the privacy of users, especially the privacy of patients, is not violated, we have specially formulated and released *Privacy and Security Management Regulations* to comprehensively regulate the identification, processing, monitoring and recovery of private information, privacy information security incidents, channels for complaints, and maintenance of personal privacy. In addition, to ensure that we can effectively respond to security incidents related to privacy data leakage, we have established *Information Security Incident Management Measures* and *Information Security Comprehensive Risk Assessment and Disposal Process*.

In addition, all our employees are bound by confidentiality agreements and regularly trained on confidentiality and information security. To reinforce compliance, we have data security monitoring and alert systems in place, and we maintain logs of all data access, usage, and transfer activities. These logs are periodically analyzed and audited to detect deviations from our policies. Employees are also encouraged to report anonymously any non-compliance with our data security policies. Depending on the specifics, penalties for non-compliance may range from immediate dismissal to initiating legal proceedings against the employee. We also enter into confidentiality agreements with our customers, which may cover the security of information, software and network. Security tests are conducted to ensure strict adherence to our internal control system and data arrangement and security measures. Our cloud service providers are all well-established industry players with good track records of data security.

Security System Certification

Our data security competency is evidenced by our security system certifications. Our architecture and platforms have passed various Level 3 security certifications from Jiaxing Municipal Public Security Bureau, which, while not being the highest level of network security protection in China, is usually the highest archive-filing level for processors of non-important data, i.e., data that may not endanger national security, public interests or the legitimate rights and interests of individuals or organizations once they are tampered with, damaged, disclosed, illegally obtained or illegally used, like us. Pursuant to the *Administrative Measures for the Graded Protection of Information Security* (信息安全等級保護管理辦法) and the *Guidelines for Grading of Classified Protection of Cyber Security* (網絡安全等級保護定級指南), the operator of an information system shall determine the security protection grade of the information system and report the grade to the relevant department for examination and approval. The grading of the classified protection of the information systems are determined based on the importance of such information systems and the latitude of potential damage that it could incur to national security, economic development and other lawful rights of private entities. We have also obtained Level II Communication Network Security Protection Grading Record Certificate from Zhejiang Communications Administration, evincing the robustness of our information systems.

In addition to government certifications, we have obtained certifications from various industry associations and other recognized non-governmental authorities. Our information security management system, quality management system and information technology service management system have been certified by the ISO standard. Specifically, we have passed ISO27001 (Information Security Management System Certification), ISO27017 (Cloud Service Information Security Management System Certification), ISO27018 (Personally Identifiable Information Security Certification), and ISO27701 (Privacy Information Management). We also passed the "Trusted Cloud" enterprise cloud-based software evaluation by the China Academy of Information and Communications Technology and Open Source Cloud Alliances for Industry, a professional evaluation system for cloud computing services and software with wide industry recognition, as confirmed by CIC.

Infrastructure Stability and Security

We take comprehensive security precautions to ensure the stability and security of our infrastructure and data in accordance with our guidelines. Our domestic data is transmitted to our cloud service provider's data center in Shanghai in real time, and our data will be synchronized to the same cloud service provider's data center in Beijing for off-site back-up and disaster recovery. For overseas data, which are stored via Amazon Web Services whose data centers are located in the United States and Singapore, we maintain the same protocol for backups and have completed establishing our disaster recovery system before August 2023. We do not transfer our domestic business data overseas and vice versa. In addition, we have established a business continuity mechanism in case of any major catastrophic event, including natural or unnatural disasters that could lead to various business interruptions, such as inability to work in-office, power failure, network failure, or server power outages.

Furthermore, our maintenance team closely and constantly monitors for common technical issues and the usage of resources and alerts our technical team of unusual technical difficulties. We deploy firewalls to effectively safeguard against hackers and other security attacks. Applications and solutions are required to pass internal security test before going live and are subject to ongoing penetration test to ensure timely bug detection and repair.

Architecture and Protective Measures

Pursuant to our guidelines, we have implemented sophisticated mechanisms such as advanced logging and monitoring, data encryption, and regular security audits to ensure comprehensive recording of data operations and adherence to national data security standards. This secure environment facilitates the safe transfer of files and traffic by filtering out malicious file requests and behavior. Every instance of data access and operation is meticulously logged, monitored, and subject to review. Abnormal activity would trigger automatic alerts from our system, which would prompt our information security department to investigate the incident and assess its potential impact. In the event that the alert signals a genuine issue, we take appropriate security measures to counter any abnormal or suspicious requests or behaviors.

The healthcare data we are authorized to access and use remains within the confines of the respective customer's system at all times. These anonymized data is stored on public or private clouds per the customer's choice of deployment, allowing them convenient monitoring and auditing. Data backups, necessary for data processing and security, are also stored in locations per the customer's choice of deployment. In addition, all data operations are recorded and traceable and can be audited by the customer, ensuring complete control. Each customer on our platforms only has access to their own data, with no access to any other customer's data.

Our technical and medical teams regularly engage in discussions with our customers using our solutions. These dialogues help us understand their feedback and suggestions, which inform the improvements and adjustments we make to our algorithms, models, and knowledge graphs in conjunction with updates.

Sufficiency of Aforementioned Measures

Our legal adviser as to PRC cybersecurity and data privacy protection laws is of the view that we have established the data security management system and operating procedures in accordance with applicable laws and regulations on data privacy protection, organized data security training, taken appropriate technical measures and other necessary measures to ensure data security, and there is no material deficiency in our internal policies and procedures regarding data privacy protection. Our business operations have complied with applicable laws and regulations of the overseas jurisdictions where we have operations. Especially, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any leakage of personal information, or received any regulatory inquiries, investigations, notices, warning, penalties, litigation or other legal proceedings in relation to laws and regulations of personal information protection. Our legal adviser as to PRC cybersecurity and data privacy protection laws, Jingtian & Gongcheng, is of the view, and we concur that we are in compliance with all

the applicable PRC laws and regulations governing data protection and privacy and our internal controls in all material respects during the Track Record Period. Our legal adviser as to PRC cybersecurity and data privacy protection laws formed its view based on its review of relevant agreements and policies (including our internal control policies) provided by us and our confirmation on certain facts relating to our operation. It has conducted legal due diligence in issuing its legal opinion and forming the conclusion on our compliance in processing of personal information of employees, processing of personal information of supplier/customer contacts, processing of personal information involved in our main business and fulfillment of data security protection obligations. It has also concluded that we did not process important data or information on human genetic resources, do not require cybersecurity review or security assessment of outbound data transfer, nor did it notice any matters related to violation of laws and regulations.

Based on the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the views of Jingtian & Gongcheng as stated above.

IMPACT OF THE OUTBREAK OF COVID-19 EPIDEMIC

Since late January 2020, the outbreak of COVID-19 has affected China and many parts of the world. The COVID-19 pandemic resulted in temporary closure of many corporate offices, retail stores, manufacturing facilities and factories across China.

Our business operations to certain extent had been impacted by the COVID-19 pandemic and such impact had been manageable. The resurgence of COVID-19 in 2022, particularly in the second quarter, resulted in slowed participant enrollment in certain clinical trials, which in turn impacted demand for our digital SMO business management services. As a result, the number of new contracts for these services decreased from 85 in the second quarter of 2021 to 74 in the same period in 2022. Also, the progress of some pharmaceutical R&D and marketing activities of our customers delayed during the COVID-19 outbreak, which affected the growth of our revenue. In particular, despite our total revenue increased in 2022, the revenue from cloud-based software and digital services for marketing activities decreased from RMB78.0 million in 2021 to RMB56.8 million in 2022, which was partially due to the impact of COVID-19. Besides, our trade and notes receivables turnover days increased from 64.2 days in 2021 to 76.7 days in 2022, primarily due to the prolonged payment cycle of our customers mainly caused by the COVID-19. Moreover, the resurgence of COVID-19 in 2022 affected the progress of renovation and relocation of our office in Shanghai, but this relocation was ultimately completed in July 2022. In addition, during the COVID-19 outbreak in 2022, the mobility of some employees was affected, and certain employees had to work remotely. However, such impact was limited as we flexibly adjusted work arrangement of our employees and implemented various precautionary measures.

Considering our continued revenue growth during the Track Record Period, our Directors are of the view that the outbreak of the COVID-19 has not had any material adverse impact on the Group's business, financial condition or results of operations. However, we cannot guarantee you that the COVID-19 pandemic will not further escalate or have a material adverse effect on our results of operations, financial position or prospects. We continue to monitor the COVID-19 situation and assess our strategies accordingly to maintain normal business operations. For more details, please refer to "Risk Factors — Risks Relating to Our Business and Industry — We may face risks related to natural disasters, health epidemics and outbreaks of contagious diseases, and other factors beyond our control."

Having taken into account the factors above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view above.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks for our operations. For details of the various operational risks we face, see "Risk Factors" in this prospectus. As such, we stay vigilant to the risks and opportunities in the short, medium and long term and are committed to establishing, maintaining risk management and internal control systems that are appropriate for us, and we continuously strive to improve these systems as we believe this allows us to accurately assess the relevant actual and potential impact on our business, strategy and financial performance.

We recognize that a robust risk management and internal control system is founded on our business ethics and culture. Through director and senior management's attention and full participation of our employees, we cultivate an organizational culture of risk management. We believe in preempting risks by establishing communication channels and encouraging employees to voice their opinions upwards. Employees understand that in the event of an unforeseen incident, it is important not only to focus on the incident itself but also to be aware of its causes. We encourage employees to report any internal control failures or suspected improper conducts to the appropriate personnel who can take necessary action.

Our management is collectively responsible for the establishment and updates of our risk management and internal control systems. It also proactively monitors the implementation of the internal control procedures and measures and conducts periodic review of the implementation thereof to ensure their effectiveness and sufficiency. For the professional qualifications and experiences of the members of our senior management, see the section headed "Directors, Supervisors and Senior Management" in this prospectus. We have also established an internal audit department responsible for reviewing internal controls and reporting any issues to senior management. Our finance department, and legal department are responsible for managing the risks related to financial risks, product risks and compliance/contract risks, respectively. Through the collaboration of our senior management and internal audit department and our various departments, we aim to be able to monitor the implementation of our risk management policies on an ongoing basis and to ensure that our policies and implementation are effective and sufficient.

For risk and opportunity management mechanisms, we follow a process-oriented risk and opportunity assessment procedure that includes identifying, analyzing, and evaluating risks and responses. This involves:

- Categorizing risks and opportunities into areas such as financial reporting risk management, information system risk management, compliance and intellectual property risk management, human resources risk management, investment risk management, and climate-related risks and opportunities management.

- Identifying risks by considering multiple significant factors that affect our operations, conducting rolling identification, management, and disposition of potential internal and external risks and opportunities that may arise during organizational operations. The audit department should timely organize departments to individually identify risks associated with special/significant matters.

- Assessing the significance of potential risks and opportunities and the likelihood of their occurrence. We score each type based on the impact level and probability, multiplying these scores to derive risk and opportunity scores, forming a risk management matrix. Those rated as significant risks or opportunities are given priority in resource allocation for appropriate control. Based on the results of risk analysis and evaluation, considering the causes and balancing risks and benefits, we choose suitable risk response strategies and implement them.

We focus on indicators such as financial impact (potential revenue loss or gain, cost implications), operational impact (downtime, production loss or gain), strategic impact (effects on market position, brand reputation), and compliance impact (potential fines, legal costs). For some forward-looking indicators lacking historical data, we use qualitative methods to assess the financial, operational, strategic, and compliance impacts comprehensively.

In addition, given our engagement of certain third parties for the delivery of some of our services, e.g., service providers for the digital clinical trial service and independent reviewers for our IRC service, we have established or remediated policy and processes on procurement from all suppliers. During the Track Record Period, the monitoring and management on our business and collaboration with these service suppliers were conducted in accordance with our procurement policy. All new suppliers should be investigated and evaluated before entry in our ERP system. Agreements or contracts should be reviewed and approved by our legal team before execution.

Once identified by our senior management, the risks will be analyzed on the basis of likelihood and impact, and properly followed up, mitigated and rectified, and reported to our Board. Our comprehensive risk management policies covering various aspects of our business operations, including financial reporting, information systems, internal controls, human resources, and investment management, are as follows:

Financial Reporting Risk Management

For financial reporting risk management, we have established accounting policies that govern our financial reporting process, such as financial reporting management, budget management, treasury management, financial statement preparation, and finance department and staff management. Our finance department has also implemented a review to ensure appropriate internal control of approvals and authorizations. We use various procedures and IT systems to implement our accounting policies, while our finance department reviews management accounts accordingly. We also provide regular training to our finance department employees to ensure their understanding and proper implementation of our financial management and accounting policies.

Information System Risk Management

We have formulated a comprehensive system of data arrangement and security measures to mitigate information system risks. Such measures are drafted by data security compliance engineers, reviewed by data security supervisors, approved by our senior management, and maintained by our dedicated information security department. As of March 31, 2024, the information security department had two members, averaging over ten years of experience in the internet industry. This team includes experts in data security, information security management system construction, application security and security testing. We ensure that each of our solutions is configured with a privacy policy and user agreement. Please see "— Data Arrangements and Security" in this section for more details.

Pursuant to these measures, we have implemented internal procedures and controls to ensure the security of our IT infrastructure and the protection of healthcare data against leakage and loss. Our domestic data is transmitted to our cloud service provider's data center in Shanghai in real time, and our data will be synchronized to the same cloud service provider's data center in Beijing for off-site back-up and disaster recovery. For overseas data, which are stored via Amazon Web Services whose data centers are located in the United States and Singapore, we maintain the same protocol for backups and have completed establishing our disaster recovery system before August 2023. Our IT system security department oversees the security of our IT infrastructure and ensures compliance with internal rules and applicable laws and regulations. We provide regular training to our information technology teams to keep them abreast of new regulatory requirements and technical developments in data security. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant system failures or data breaches.

Compliance and Intellectual Property Risk Management

Compliance and intellectual property risk management are addressed through strict internal procedures designed to ensure regulatory compliance and protection of our intellectual property rights. Our in-house legal department is responsible for reviewing and updating contracts with customers and suppliers, examining contract terms, reviewing relevant documents, and performing due diligence before entering into any agreements or business arrangements. The legal department also ensures regulatory compliance of our products and services and secures necessary government approvals, consents, and filings.

In addition, we have implemented a series of measures to mitigate the risk of unauthorized use of our intellectual property and avoid the occurrence of such unauthorized uses, including:

- *Dedicated Personnel and Systems.* A specialized IP Management Department has been established to maintain and periodically review patent, trademark, and software copyright ledgers. This includes updates for new additions, changes, or deletions of IP rights. Additionally, a dedicated IP manager within the Quality and Security Department oversees the improvement of IP-related systems and management processes. The Finance Department maintains information on intangible assets, including intellectual property rights, within the ERP system to provide an updated roadmap for safeguarding intellectual property rights.

- *Contracts and Documentation Improvements.* In addition to updating non-competition and confidentiality agreements and staff commitment letters to enhance the protection afforded to us to the full extent allowed by relevant laws and regulations, we ensure that all new employees sign such documents at the time of employment, clarifying their obligations towards confidentiality and data security management. To ensure compliance on an ongoing basis, we also hold seminars and lectures on confidentiality in which we reminds our employes of the duties and liabilities related thereto.

- *Enhanced Access Control.* We have established *Information and Data Security Management Policies*, detailing the scope, access control, security management, and data cleansing of sensitive information such as data, system accounts, and operational development information. Network diagrams have been developed to isolate internal and external networks, with VPN management employed for accessing critical systems. Upon employee departure, the Operations Assurance Department disables such employee's Active Directory domain account, ensuring the corresponding VPN and ERP account are also invalidated. The HR Department weekly provides a list of departing employees to the Operations Assurance Department's ERP engineer for further manual checking of account deletion and closure.

Human Resources Risk Management

Our human resources risk management involves providing regular and specialized training tailored to the needs of employees in different departments. We have an employee handbook and code of conduct, which contain internal rules and guidelines regarding work ethics, fraud prevention, negligence, and corruption. We provide employees with regular training and resources to ensure their understanding of these guidelines.

We have implemented an anti-bribery and corruption policy to guard against corruption within our company. The policy outlines potential bribery and corruption conduct and the measures in place to prevent them. We regularly monitor the policy's effectiveness and reports to our Board and conduct internal audits to ensure compliance. We also developed several additional policies to provide detailed guidance to our employees, including *Anti-Bribery and Anti-Corruption Policy, Anti-Fraud Management Measures, Compliant Operation Management Measures, Conflict of Interest Management Measures,* and *Integrity Reporting Reward Management Measures*. Pursuant to our policies, we have taken a series of measures to ensure adherence, including establishing comprehensive channels for reporting fraudulent behavior, such as via phone, email, and WeChat, providing a way for both internal and external individuals to supervise our employees' compliance. We encourage reports of fraudulent behavior from both inside and outside our Group, and we offer rewards for information that is verified to be true. Additionally, we allow for anonymous reporting and strictly protect the confidentiality of the informants' information.

We have a zero-tolerance policy towards any fraudulent actions. Depending on the severity of the fraud, we may take actions against the involved employees, ranging from dismissal, fines, permanent non-reemployment, to referring them to law enforcement authorities.

Investment Risk Management

In investment risk management, we exercise prudence and only strategically investing in or acquire businesses that complement our operations after due authorization in accordance with our corporate governance documents. Our finance department is responsible for sourcing, screening, executing, and managing investment projects, and we conduct robust business and legal due diligence to ascertain the desirability and the value of such investments. The department also monitors the performance of each investment and provides recommendations on risk reduction measures when necessary.

HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

Due to the nature of our business, we do not believe we are exposed to significant health, work safety, or environmental risks. To maintain compliance with relevant laws and regulations, our human resources department periodically reviews and, when necessary, updates our human resources policies to reflect any significant changes in labor and work safety legislation. Furthermore, as we believe that having a balanced lifestyle is crucial to achieving a good mindset at work, we encourage employees to maintain good mental and physical health by participating in sports and recreational activities.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or penalties due to non-compliance with health, work safety, or environmental regulations. Furthermore, we have not experienced any accidents or received any claims for personal or property damage from our employees that have had a material and adverse impact on our financial condition or business operations. This demonstrates our commitment to maintaining a safe and compliant work environment for our employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a responsible corporate citizen, we recognize that corporate social responsibility is an essential obligation and a vital element in promoting our long-term growth. As such, we have incorporated environmental, social, and governance ("**ESG**") considerations into our corporate management and operations, and we have made strides in the programs that we have enacted. Our objective is to invigorate the healthcare industry by enabling various stakeholders with access to our platforms. We aim to eradicate inefficiencies and significantly reduce waste, thus fostering an overall more productive and effective industry. We take pride in having assisted with the clinical trials of multiple orphan drugs during the Track Record Period, and we endeavor to continue cooperating with our customers in their efforts to alleviate the sufferings of rare medical conditions. In terms of patient care, we expect our initiatives to have a positive impact. By addressing critical inefficiencies in healthcare systems and utilizing our sophisticated data intelligence infrastructure, we are dedicated to elevating the standard of patient care. This approach does not only streamline healthcare delivery but also bolsters the accuracy of diagnoses, thereby contributing to improved patient outcomes. As for data privacy and protection, we hold a firm commitment to uphold the rights of patients to their personal information and privacy. See "— Data Arrangements and Security" in this section.

We are dedicated to fulfilling ESG reporting requirements upon Listing. Our Board will hold overall responsibility for establishing, adopting, and reviewing our ESG vision, policy, and objectives. They will also periodically assess, determine, and address ESG-related risks and monitor our compliance with ESG policies after the Listing. We are in the process of establishing ESG policies in accordance with Appendix C2 of the Listing Rules, which would cover, among others, (i) ESG policies and performance; (ii) ESG management strategy; and (iii) ESG risk management and monitoring. We focus on areas such as economic, employee, customer, public and environmental responsibility. We also intend to establish communication channels with stakeholders so that we could review the issues material to stakeholders and monitor how our environmental, social and climate-related performance has impacted different stakeholders.

Governance

Supply Chain Governance

Although we do not have a traditional, physical supply chain, we aim to ensure the quality and stability of our solutions through effectively governing the technical capabilities, security, and compliance of our supply chain. Our *Procurement Management Methods* and its supplementary notes outline the supplier assessment and selection process. Depending on the estimated procurement amount and available purchasing methods, we typically select reputable suppliers through bidding or public tender procedures. Before introducing new suppliers, our procurement department pre-screens candidates based on their certificates and qualifications, quality control systems, R&D capabilities, service reliability, and market reputation, collaborating only with those who meet our quality standards. Furthermore, our procurement department collaborates with other departments to conduct a comprehensive assessment of suppliers, classifying them into different levels based on purchasing amount, frequency, degree of cooperation, and supply quality. We may also terminate business relationships with suppliers rated at the lowest level.

Technology Governance

Pursuant to our technology governance strategy, we aim to benefit from emerging technologies while preventing or mitigating potential negative impacts. To that end, we attach high priority to effective technology governance as supported by our Board and senior management. A majority of our executive Directors had R&D-related background or discharged relevant duties, and our senior management team works closely with our CTO to provide valuable insights, participating in technology governance to allocate technology resources, including hardware, software, human, and financial resources, to support the organization's technological needs. Our R&D department, under the guidance of the senior management team, chief technology officer, and audit department, explores the risks associated with the application of new technologies such as AI to ensure compliant technology practices. In addition, we believe technology governance occurs in the interactions between individuals and new technologies, e.g., in the creative choices made by frontline technical personnel. Thus, we advocate for "technology for good," aiming to recruit professionals whose values and technical levels align with ours.

Given our understanding of the importance of technology governance, we keep ourselves abreast of laws, regulations, and industry policies to continuously strengthen our governance in the field of data security, AI, and personal privacy protection. Furthermore, we places great emphasis on IP protection, endeavoring not to infringe on the IP rights of others while also focusing on the protection and management of our own IPs. We strictly adhere to relevant trademark usage regulations, proactively applying for and renewing software copyrights and patent applications. We have been constantly updating our contract templates, establishing standard terms for the ownership of IP rights, aiming to ensure the ownership of IP rights is undisputed from their formation.

Reputation Governance

Our reputation primarily stems from the customer recognition gained through our solutions' capabilities and performance, with a growing customer base and word-of-mouth recommendations solidifying our brand and enhancing our reputation.

To manage our reputation, we firstly focus on delivering exceptional service. We provide a 24/7 hotline, conduct customer satisfaction surveys to promptly address customer needs, improve services, and enhance customer experience, thereby continuously improving customer satisfaction. We have also established a post-sales service department responsible for handling customer complaints, which, upon receiving a complaint, collaborates with relevant departments to understand the issue, devise and implement solutions to meet customer expectations as closely as possible. We also identify responsible departments based on the causes of complaints, develop preventive and corrective mechanisms, and conduct training to prevent recurrence of similar issues.

We also believe transparent communication with our stakeholders is crucial for building and protecting our reputation. Therefore, we have refined our stakeholder engagement mechanisms, maintaining open communication channels with customers, partners, employees, and the community. This includes a 24/7 hotline, customer satisfaction surveys, media outreach, participation in industry events and seminars, internal communications, and health and public welfare forums and activities. Since 2019, we have been organizing the Pharmacovigilance Digital Ecosystem Conference annually, inviting industry peers to participate for free to promote the development of the pharmacovigilance industry. We also hold forums on clinical research digitization, automated imaging, and digital transformation for enterprises, actively participating in forums and conferences with various reputable industry-leading institutions where we share our digital expertise and capabilities.

Social Matters

Regarding social matters, we prioritize creating a fair and supportive work environment for our employees. Our policies on compensation, dismissal, equal opportunities, and anti-discrimination are transparent, and we make employee handbooks available to our staff so that they are kept abreast with their relevant rights and duties. We hire employees based on their merits and maintain a corporate policy that promotes equal opportunities and fair compensation for all. If employees experience discrimination, we encourage them to seek immediate assistance, allowing us to promptly investigate and address the situation. Additionally, we offer training programs to keep our employees updated on industry and regulatory developments, and provide business English training programs and tests to our employees to facilitate international outreach. We also offer our employees annual physical examinations and distribute birthday gifts to express our genuine care of their physical and mental well-being.

During the COVID-19 pandemic, we took measures to ensure a safe work environment by implementing company-wide self-protection policies for our employees. In particular, we conducted regular disinfection in the office, provided masks and disinfectant sanitizers to our employees in need, monitored health conditions of our employees, and made work-from-home accommodations. In September 2021, during the World Patient Safety Day, we collaborated with the Soong Ching Ling Foundation to support medical safety incident victims. In 2022, we donated to the Bethune Charitable Foundation to support the digitalization of clinical trial institutions. These initiatives demonstrate our commitment to community support and improving social matters through our own efforts.

Environmental Matters

Climate-Related Risks and Opportunities

We regard environmental protection as a crucial aspect of our business. During the Track Record Period and up to the Latest Practicable Date, our business operations did not face significant environmental risks. Furthermore, we have not received any fines or penalties for non-compliance with PRC environmental laws, nor have we experienced any substantial administrative penalties due to violations of environmental regulations in the PRC.

Although the business model we operate does not consume a large amount of resources, we recognize that climate change could potentially impact our business operations and financial condition. For example, extreme high temperatures can lead to increased operational costs due to the need for additional water and electricity to cool temperature sensitive equipment, coupled with a decrease in cooling system efficiency. Such conditions also raise the demand for water and energy. During heatwaves, employees may be unable to work due to heat exhaustion, heatstroke, or other health issues, resulting in increased medical expenses and heat subsidies, thereby increasing operational costs, posing additional operational and financial challenges to industry participants that are less efficient or less cognizant of the issues therein. We have begun to compile and calculate data on the Group's greenhouse gas emissions, resource consumption, waste, and emissions to evaluate our environmental performance, laying the groundwork for analyzing climate-related risks and opportunities.

We employ risk assessment methods developed by the Committee of Sponsoring Organizations of the Treadway Commission internal control framework, engaging with stakeholders, collecting and analyzing historical data, benchmarking against peers, and analyzing regulatory policies. This comprehensive information gathering from various sources helps us identify potential climate-related risks and opportunities that could affect us, leading to the creation of a detailed inventory of these risks and opportunities.

We then categorize the significance and likelihood of these potential risks and opportunities, multiplying scores for impact and probability to calculate scores for various types of risks and opportunities. This results in a risk management matrix that prioritizes risks and opportunities. If risks and opportunities are deemed significant, they are reported to the management, and identification procedures and response strategies for high-concern risks are established.

Through our preliminary assessment, we believe that extreme weather conditions and potential transition risks due to changes in climate-related regulations and policies are not expected to significantly impact our operations in the short to medium term. We are currently integrating climate-related risk and opportunity analysis into our risk assessment processes and risk preference settings, demonstrating our proactive approach to managing the potential impacts of climate change on our operations.

Resource Consumption and Emissions Management

During the Track Record Period, we actively monitored our resource consumption for our operations, which mainly consist of water and electricity. The main metrics are as follows:

		Year Ended December 31,			Three Months Ended March 31,
	Unit	**2021**	**2022**	**2023**	**2024***
Water Consumption	tons	3,255	2,264	2,669	310
Energy Consumption	MWh	1,172	1,013	827	72
Paper Consumption	Pieces	1,096,287	2,369,125	1,967,323	184,371
None-toxic Wastes	tons	26	27	34	8
GHG Emission (Scope I)	tons CO_2 equivalent	14	14	15	5
GHG Emission (Scope II)	tons CO_2 equivalent	685	578	471	41
GHG Emission (Scope III)	tons CO_2 equivalent	3,224	2,300	2,155	507

Note: certain metrics decreased significantly in the three months ended March 31, 2024, primarily due to the decrease in staff headcount, the Chinese New Year holiday season, and our robust implementation of resource consumption and emissions management policies.

Currently, we are not classified under industries or entities that are key sources of greenhouse gas ("**GHG**") emissions or major polluters and thusly are not under mandatory emission standards. As such, we voluntarily benchmark our consumption and emissions intensity against comparable companies within the same industry, finding our resource consumption and emissions to be in line with our industry standard.

Because the comparable companies in our industry that we benchmark against do not disclose certain of their consumption or emissions data, and due to variations in the categories and calculation methods for consumption and emissions across different companies, we are unable to directly and meaningfully compare our consumption or emissions with those of other enterprises. As the data for upstream and downstream consumption or emissions becomes more comprehensive, we will continue to refine and improve our consumption and emissions accounting in the future.

Due to our nature of business, we believe our environmental footprint to be relatively small. Nonetheless, we strive to achieve greener management and actively seek low-carbon sustainable development in our operations. Over the next three years, we aim to continue reducing our consumption of electricity and water to achieve lower emissions. We have set a goal to reduce per capita electricity consumption, water usage, and GHG emissions by 5% by 2025 compared to 2023, as part of our effort to contribute to environmental protection. In pursuit of this goal, we are implementing a range of specific policies and practical actions.

One key initiative is moving towards a paperless office. We are adopting online systems and work order systems for handling various approvals. To reduce paper use, we encourage practices like double-sided and black-and-white printing. Additionally, we are advocating for online meetings and telecommuting to reduce the need for employee travel, promoting a culture of environmental responsibility.

Another significant area of focus is reducing energy consumption. We are encouraging employees to turn off office equipment when not in use and have standardized the setting of air conditioning temperatures to ensure efficient use of electricity. In our offices, we have installed sensor-based lighting in stairwells and sensor faucets in restrooms to further reduce energy and water use. We are also placing reminders around the office to save water and electricity, helping to foster a culture of conservation among our staff. Moreover, by adopting cloud servers for data storage, we have managed to significantly reduce the energy consumption associated with maintaining servers. Through these measures, we are making a concerted effort to minimize our environmental impact while promoting sustainability within our operations.

Going forward, we plan to further improve our resource consumption management system to promote efficient energy management and reduce the carbon footprint in our operations. We will closely monitor relevant industry developments and make management improvements in accordance with changes in market condition or industry standards when appropriate.

Identification and Assessment Of ESG Risks and Issues

In terms of physical risk, we focus on acute risks such as extreme weather events. Our offices and infrastructure may be affected by extreme weather through workplace disruptions, personnel commuting, transportation, and disruptions related to our IT infrastructure. To address these challenges, we have developed a contingency plan that outlines clear responsibilities and specific implementation measures, ensuring the thorough execution of safety and health management guidelines. We also regularly organize training sessions and drills for our employees.

Regarding transition risks, our industry is not highly sensitive to climate-related risks, and our main concerns involve policy and legal risks. We closely monitor global trends and China's national strategies to better address climate change and environmental protection. We are committed to actively enhancing our ability to respond to climate change and adapting to China's future initiatives and action plans regarding carbon dioxide emissions.

We have implemented measures to mitigate ESG-related risks during our operations. For example, to identify, evaluate and manage relevant risks along the supply chain, in addition to focusing on quality, operations, products, and quality assurance of supplier candidates, we also consider the environmental, social, and ethical issues related to our suppliers' businesses. This includes their integrity, labor and employment practices, and the use of environmentally friendly materials, to ensure that our suppliers comply with applicable laws and regulations, as well as other standards regarding environmental pollution, health and safety, forced labor, and child labor.

Our procurement department regularly maintains supplier information and conducts annual assessments to dynamically optimize our supplier base. Our relevant teams actively monitor the cooperative status and performance indicators of our suppliers and conduct on-site spot checks of the suppliers' operations when necessary. Moreover, we provide training on sustainable procurement, employee responsibilities, supplier screening, and anti-fraud measures for our employees involved in the purchasing process.

We will continue to develop ESG guidelines, define departmental responsibilities, and monitor our operations. Furthermore, we will consistently improve our ESG management regulations and operational rules. When necessary, we will engage independent professional third parties to help us make improvements to address ESG issues and implement changes to reduce the risks and/or issues identified.

As a result of the aforementioned measures, during the Track Record Period and up to the Latest Practicable Date, we complied with the relevant environmental and safety laws and regulations in all material aspects, and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or impact on the operations of our business during the period. In 2021, 2022, 2023 and the three months ended March 31, 2023 and the same period in 2024, our total cost related to environmental protection amounted to approximately RMB76.9 thousand, RMB168.0 thousand, RMB285.3 thousand, RMB89.1 thousand and RMB71.2 thousand, respectively. We do not expect our costs of complying with current and future environmental protection and safety laws to significantly increase going forward. However, because the legal and regulatory requirements may change, we may be unable to accurately predict the cost of complying with these laws and regulations.

BOARD OF DIRECTORS

Our Board consists of nine Directors, with six executive Directors and three independent non-executive Directors. Our Board serves a term of three years and is responsible for, and has general powers for, the management and conduct of our business.

The table below sets out certain information in respect of the members of our Board.

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Role and responsibilities	Relationship with other Directors, Supervisors and senior management
Mr. ZHAO Lu (趙璐)	46	Chairman of our Board, executive Director and general manager	December 1, 2016	January 18, 2016	Responsible for strategic planning, execution, operation and overall management of our Group	None
Mr. MA Dong (馬東)	41	Executive Director and chief product officer	July 20, 2017	December 15, 2014	Responsible for management and operation of the product division and quality assurance division of our Group	None
Mr. ZHANG Hongwei (張宏偉)	44	Executive Director and head of digital marketing division	February 14, 2016	January 23, 2015	Responsible for management and operation of the digital marketing division of our Group	None
Mr. LU Yiming (陸一鳴)	43	Executive Director and chief technology officer	March 27, 2024	May 28, 2018	Responsible for management and operation of the R&D division of our Group	None
Mr. HUANG Yufei (黃玉飛)	45	Executive Director and head of operations assurance division	June 28, 2016	May 8, 2015	Responsible for management and operation of the operations assurance division and the product development subdivision under the digital marketing division of our Group	None

Name	Age	Position	Date of appointment as Director	Date of joining our Group	Role and responsibilities	Relationship with other Directors, Supervisors and senior management
Ms. NI Xiaomei (倪曉梅)	53	Executive Director, legal director and Board secretary	June 13, 2018	April 16, 2018	Responsible for securities-related and legal affairs of our Group and providing support to our Board	None
Dr. JIANG Xiao (蔣驍)	46	Independent Non-executive Director	September 10, 2020	September 10, 2020	Responsible for providing independent advice and judgment to our Board	None
Dr. LI Zhiguo (李治國)	47	Independent Non-executive Director	September 10, 2020	September 10, 2020	Responsible for providing independent advice and judgment to our Board	None
Mr. FUNG Che Wai Anthony (馮志偉)	55	Independent Non-executive Director	September 21, 2023	September 21, 2023	Responsible for providing independent advice and judgment to our Board	None

Executive Directors

Mr. ZHAO Lu (趙璐), aged 46, is the chairman of our Board, an executive Director and the general manager of our Company. Mr. Zhao has joined our Group since January 2016 as the general manager and has served as a Director since December 2016. He was redesignated as an executive Director on September 21, 2023. Mr. Zhao is also currently an executive director of Taimei Xingyun, the chairman of the board of directors of Taimei Xinghuan, the chairman of the board of directors of Shanghai Shengfang, an executive director of Taimei Xingcheng and an executive director and the general manager of Taimei Xinghui. He is primarily responsible for strategic planning, execution, operation and overall management of our Group.

Mr. Zhao has more than 23 years of experience in the pharmaceutical and medical science industries. Prior to joining our Group, from August 2000 to March 2001, he was a technician and sales representative at Shanghai Sine Pharmaceuticals Co., Ltd. (上海信誼藥業有限公司), a pharmaceutical manufacturer, where he was primarily responsible for pharmaceutical sales. From March 2001 to April 2008, he was a product manager at the oncology and biotechnology products department at Schering-Plough (China) Co., Ltd. (先靈葆雅(中國)有限公司) (a subsidiary of Merck & Co., Inc. (formerly known as Schering-Plough Corporation) which is a multinational pharmaceutical company listed on the New York Stock Exchange (stock symbol: MRK)) in the PRC, where he was primarily responsible for pharmaceutical sales. Besides, Mr. Zhao was a co-founder of Shanghai Jsure Health Technology Co., Ltd. (上海捷信醫藥科技股

份有限公司) (a digital patient solution provider in the pharmaceutical industry), and served as its director from June 2008 to January 2017 and deputy general manager from June 2008 to January 2016, where he was primarily responsible for formulation of business development strategies and market expansion.

Mr. Zhao obtained his bachelor's degree in biotechnology and pharmacy jointly from Shenyang Pharmaceutical University (瀋陽藥科大學) in Liaoning and Jilin University (吉林大學) in Jilin in July 2000. He further obtained his executive master of business administration degree jointly from Fudan University (復旦大學) in Shanghai and National Taiwan University (國立臺灣大學) in Taiwan in January 2019.

Mr. MA Dong (馬東), aged 41, is an executive Director and the chief product officer of our Company. He joined our Group as the president of the digital R&D division in December 2014, and has been the chief product officer since February 2024. Mr. Ma has further served as a Director since July 2017, and was redesignated as an executive Director on September 21, 2023. He is also currently an executive director and the general manager of Taimei International. He is primarily responsible for management and operation of the product division and quality assurance division of our Group.

Mr. Ma has more than ten years of experience in clinical research and medical editorials. Prior to joining our Group, from August 2009 to August 2010, he was a project assistant at Shanghai Hengrui Pharmaceuticals Co., Ltd. (上海恒瑞醫藥有限公司), a company principally engaged in pharmaceutical R&D and a wholly-owned subsidiary of Jiangsu Hengrui Pharmaceuticals Co., Ltd. (江蘇恒瑞醫藥股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600276)), where he was primarily responsible for formulation of clinical research protocols and project management. From November 2012 to May 2014, he was a clinical supervising associate at Parexel China Co., Ltd. (精鼎醫藥研究開發(上海)有限公司), a contract research organization, where he was primarily responsible for supervising clinical research. From May 2014 to December 2014, Mr. Ma worked at WuXi Clinical Development Services (Shanghai) Co., Ltd. (上海康德弘翼醫學臨床研究有限公司) (formerly known as Shanghai Kangde Baorui Clinical Development Co., Ltd. (上海康德保瑞醫學臨床研究有限公司)), a contract research organization and a wholly-owned subsidiary of WuXi AppTec Co., Ltd. (無錫藥明康德新藥開發股份有限公司) (a company listed on the Stock Exchange (stock code: 2359)), where he was primarily responsible for designing clinical research protocols. He also previously worked at Shanghai THINK Advertising Co., Ltd. (上海欣可廣告有限公司) (a marketing service provider).

Mr. Ma obtained his bachelor's degree in basic medicine from Fudan University (復旦大學) in Shanghai in July 2006. He further obtained his master's degree in pharmacology from Shanghai Institute of Pharmaceutical Industry (上海醫藥工業研究院) in Shanghai in June 2009 and his master's degree in business administration from the University of Hong Kong in Hong Kong in December 2020.

Mr. ZHANG Hongwei (張宏偉), aged 44, is an executive Director and the head of the digital marketing division of our Company. He has joined our Group as the head of the digital marketing division since January 2015. Mr. Zhang has further served as a Director since February 2016, and was redesignated as an executive Director on September 21, 2023. He is primarily responsible for management and operation of the digital marketing division of our Group.

Mr. Zhang has more than ten years of experience in the pharmaceutical and medical industries. Prior to joining our Group, from September 2001 to December 2004, he was successively the head of the general manager's office at Shanghai Sine Pharmaceutical Equipment Co., Ltd. (上海信誼製藥裝備有限公司) (a pharmaceutical equipment manufacturer), an assistant to the general manager at Shanxi Xinyitong Pharmaceutical Co., Ltd. (山西信誼通製藥有限公司) (a company principally engaged in manufacturing and sales of pharmaceuticals and medical devices) and a deputy general manager at Shanghai Sine Pharmaceutical Equipment Co., Ltd.. From August 2010 to August 2012, he was a strategic development manager at Sanofi (China) Investment Co., Ltd. (賽諾菲(中國)投資有限公司), an investment management company. From September 2012 to February 2013, he was a manager at LEO Pharma Consultancy (Shanghai) Company Limited (上海勵奧醫藥諮詢有限公司), a company principally engaged in provision of medical consultancy services. From June 2013 to February 2014, Mr. Zhang was a national manager of the patient support division at Bristol Myers Squibb (Shanghai) Trading Co., Ltd. (百時美施貴寶(上海)貿易有限公司), a company principally engaged in marketing and sales of pharmaceuticals, nutritional products and medical devices. From March 2014 to January 2015, he was a national manager of the patient management division at AstraZeneca Investment (China) Co., Ltd. (阿斯利康投資 (中國)有限公司), a pharmaceutical company, where he was primarily responsible for patient management.

Mr. Zhang obtained his college degree in pharmaceutical equipment from Shanghai University of Medicine & Health Sciences (上海健康醫學院) (formerly known as Shanghai Medical Equipment College (上海醫療器械高等專科學校) in Shanghai in July 2001. He further obtained his master's degree in business administration from Fudan University (復旦大學) in Shanghai in January 2012.

Mr. LU Yiming (陸一鳴), aged 43, is an executive Director and the chief technology officer of our Company. He joined our Group as the president of the R&D division in May 2018, and has been the chief technology officer since March 2024. Between January 2021 and March 2024, he was a shareholders' representative Supervisor. Mr. Lu was appointed as an executive Director on March 27, 2024. He is primarily responsible for management and operation of the R&D division of our Group.

Mr. Lu has more than 14 years of experience in information technology and software engineering. Prior to joining our Group, from October 2008 to August 2011, he was a senior engineer at Microsoft Inc., a company listed on Nasdaq (stock symbol: MSFT), where he was primarily responsible for designs and R&D of the operating system of the company. From August 2011 to August 2015, he was a senior architect at Box Inc., a company listed on the New York Stock Exchange (stock symbol: BOX), where he was primarily responsible for R&D and system architecture of cloud services for file collaboration. Further, from September 2015

to April 2018, Mr. Lu was a vice president of technology at Beijing Xieli Zhucheng Technology Information Services Co., Ltd. (北京協力築成科技信息服務股份有限公司) (formerly known as Beijing Xieli Zhucheng Financial Information Service Co., Ltd. (北京協力築成金融信息服務有限公司)), a company principally engaged in provision of media consultancy, corporate, financial information and venture capital services, where he was primarily responsible for the R&D and management of the company's media platform and venture financing platform.

Mr. Lu obtained his bachelor's degree in computer science and technology from Shanghai Jiao Tong University (上海交通大學) in Shanghai in July 2003. He further obtained his master's degree in computer system structure from Shanghai Jiao Tong University (上海交通大學) in Shanghai and his master's degree in information and computer science from the University of California, Irvine in California in March 2006 and September 2008, respectively. Mr. Lu is currently doing an executive master of business administration program at China Europe International Business School (中歐國際工商學院) in Shanghai.

Mr. HUANG Yufei (黃玉飛), aged 45, is an executive Director and the head of the operations assurance division of our Company. He joined our Group as a deputy general manager and the chief technology officer of our Company in May 2015, and has been the head of the operations assurance division since February 2024. Mr. Huang has further served as a Director since June 2016, and was redesignated as an executive Director on September 21, 2023. He is also currently an executive director and the general manager of Taimei Digital Technology. Mr. Huang is primarily responsible for management and operation of the operations assurance division and the product development subdivision under the digital marketing division of our Group.

Mr. Huang has more than 18 years of experience in telecommunications and software technology. Prior to joining our Group, from August 2005 to June 2006, he was a network engineer at China Mobile Communications Group Anhui Co., Ltd. (中國移動通信集團安徽有限公司), a telecommunications company, where he was primarily responsible for managing inter-provincial communication networks. From June 2006 to April 2015, he was a senior engineer at Shanghai Baosight Software Co., Ltd. (上海寶信軟件股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600845), where he was primarily responsible for designing and maintaining the company's products.

Mr. Huang obtained his bachelor's degree in electronic information engineering in June 2002 and his master's degree in communication and information engineering in July 2005, from University of Science and Technology of China (中國科學技術大學) in Anhui.

Ms. NI Xiaomei (倪曉梅), aged 53, is an executive Director, the legal director and the Board secretary of our Company. She joined our Group as a deputy general manager, the legal director and the Board secretary in April 2018, and has been the legal director and the Board secretary since then. Ms. Ni has further served as a Director since June 2018, and was redesignated as an executive Director on September 21, 2023. Ms. Ni is primarily responsible for securities-related and legal affairs of our Group and providing support to our Board.

Ms. Ni has more than 17 years of experience in legal related matters. From March 2007 to April 2018, Ms. Ni was a lawyer at Shanghai GF Law Firm (上海市廣發律師事務所), where she was primarily responsible for providing legal services on securities-related, financing and corporate matters.

Ms. Ni obtained her bachelor's degree in industrial design from Shanghai Jiao Tong University (上海交通大學) in Shanghai in July 1992. She further obtained her master's degree in civil and commercial laws from East China University of Political Science and Law (華東政法大學) in Shanghai in December 2007. Ms. Ni obtained her qualification of legal profession from the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2007.

Independent Non-executive Directors

Dr. JIANG Xiao (蔣驍), aged 46, has joined our Group since September 2020 as an independent Director and was redesignated as an independent non-executive Director on September 21, 2023. He is primarily responsible for providing independent advice and judgment to our Board.

Dr. Jiang has over 21 years of experience in investment and asset appraisal industries. From February 2003 to July 2024, he worked at and last served as the president and a director of Shanghai Orient Appraisal Co., Ltd. (上海東洲資產評估有限公司) ("**Shanghai Orient**"), a company principally engaged in provision of business valuation and asset appraisal services. He was also a director of Zhoulan Valuation Technology Research (Wuxi) Co., Ltd. (洲瀾估值技術研究(無錫)有限公司) from February 2022 to November 2023 and a director of Zhoulan (Shanghai) Asset Appraisal Co., Ltd. (洲藍(上海)資產評估有限公司) from April 2022 to March 2024, both of which are subsidiaries of Shanghai Orient. From October 2005 to December 2019, he was an executive director of Shanghai Hui Zhi Enterprise Management Consulting Co., Ltd. (上海輝智企業管理諮詢有限公司), a management consultancy firm. From April 2016 to April 2022, Dr. Jiang was an independent director of Angel Yeast Co., Ltd. (安琪酵母股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600298). From December 2018 to December 2021, he was an independent director of Welltrans O&E Co., Ltd. (武漢微創光電股份有限公司), a company listed on the Beijing Stock Exchange (stock code: 430198). From November 2017 to June 2021, Dr. Jiang was an executive director of Shanghai BroadMesse International Creative & Technology Co., Ltd. (上海寬創國際文化科技股份有限公司), a company principally engaged in provision of design, fabrication, installation and technology solutions for exhibitions and events. Since June 2020, he has been an independent director of Techstorm Advanced Material Corporation Limited (道生天合材料科技(上海)股份有限公司), a company principally engaged in manufacturing and development of advanced chemical products related to wind energy, composites and automotives. From June 2021 to December 2022, he was an executive director of Shanghai Zhoulan Technology Co., Ltd. (上海洲瀾科技有限公司), a wholly-owned subsidiary of Shanghai Orient principally engaged in R&D and provision of enterprise consulting services with intelligent solutions. Since November 2022, Dr. Jiang has also been a director of Zhoulan Heyuan (Shanghai) Enterprise Service Co., Ltd. (洲藍郃願(上海)企業服務有限公司), an asset appraisal firm. Since July 2024, he has served as the chairman of the board of directors of Jinzheng (Shanghai) Asset Appraisal Co., Ltd. (金證(上海)資產評估有限公司), a company principally engaged in provision of business valuation and asset appraisal services, where he has been primarily responsible for overseeing the daily management and operation of the company.

Besides, Dr. Jiang has been a director of Shenyang Jinbei Automotive Company Limited (金杯汽車股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600609)) since September 2022, an independent director of Tianfeng Securities Co., Ltd. (天風證券股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601162)) since February 2024, and an independent director of Shanghai Friendess Electronic Technology Corporation Limited (上海柏楚電子科技股份有限公司) (a company listed on the SSE STAR Market (stock code: 688188)) since June 2024.

Dr. Jiang obtained his bachelor's degree in economics and master's degree in economics from Soochow University (蘇州大學) in Jiangsu in June 2000 and July 2003, respectively. Dr. Jiang further obtained his doctor's degree in management from Business School Netherlands in the Netherlands in September 2016. Dr. Jiang obtained his qualification as an asset appraiser from the China Appraisal Society (中國資產評估協會) in June 2008.

Dr. LI Zhiguo (李治國), aged 47, has joined our Group since September 2020 as an independent Director and was redesignated as an independent non-executive Director on September 21, 2023. He is primarily responsible for providing independent advice and judgment to our Board.

Dr. Li has approximately 20 years of experience in academic research and teaching. Dr. Li is currently an associate professor at the School of Management of Fudan University (復旦大學管理學院), where he has been primarily involved in academic research and teaching. Since June 2015, he has also been a supervisor of Shanghai Fuai Green Chemistry Technology Co., Ltd. (上海複愛綠色化學技術有限公司), a company principally engaged in research and manufacturing of green technology chemicals. From October 2018 to March 2023, Dr. Li served as an independent director of Steelmate Co., Ltd. (鐵將軍汽車電子股份有限公司), a company principally engaged in development and manufacturing of automotive parts.

Besides, Dr. Li has been an independent director of Tianjin Jinhaitong Semiconductor Equipment Co., Ltd. (天津金海通半導體設備股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603061)) since December 2020 and Jiangsu Tongda Power Technology Co., Ltd. (江蘇通達動力科技股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002576)) since June 2022.

Dr. Li obtained his bachelor's degree in telecommunication engineering in July 1997 and his master's degree in national economics in July 2000, from South China University of Technology (華南理工大學) in Guangdong. He further obtained his doctor's degree in management science and engineering from Fudan University (復旦大學) in Shanghai in June 2003.

Mr. FUNG Che Wai Anthony (馮志偉), aged 55, was appointed as an independent non-executive Director on September 21, 2023. He is primarily responsible for providing independent advice and judgment to our Board.

Mr. Fung has more than 32 years of experience in the accounting, consulting services, investor relations and financial management. From August 1992 to September 1999, Mr. Fung was an auditor at Deloitte Touche Tohmatsu, an accounting firm, where he was primarily responsible for providing audit services. From October 1999 to August 2007, he was a director of Winsmart Consultants Limited (弘陞投資顧問有限公司), a financial consulting firm, where he was primarily responsible for advising on pre-listing matters. From January 2008 to August 2010, he was a vice president of NagaCorp Ltd. (金界控股有限公司), a company listed on the Stock Exchange (stock code: 3918), where he was primarily responsible for investor relations matters. From January 2011 to July 2014, he was the chief financial officer and company secretary of Zall Smart Commerce Group Ltd. (卓爾智聯集團有限公司), a company listed on the Stock Exchange (stock code: 2098), where he was primarily responsible for financial management. From July 2014 to April 2017, Mr. Fung served as the chief financial officer and company secretary of Kong Sun Holdings Limited (江山控股有限公司), a company listed on the Stock Exchange (stock code: 295), where he was primarily responsible for financial management. From May 2017 to December 2022, he was the chief financial officer and company secretary of Beijing Enterprises Urban Resources Group Limited (北控城市資源集團有限公司), a company listed on the Stock Exchange (stock code: 3718), where he was primarily responsible for financial management. Mr. Fung also served as an independent non-executive director of FY Financial (Shenzhen) Co., Ltd. (富銀融資租賃(深圳)有限公司) (a company listed on the Stock Exchange (stock code: 8452)) from April 2017 to August 2023, and S&P International Holding Limited (椰豐集團有限公司) (a company listed on the Stock Exchange (stock code: 1695)) from June 2017 to October 2021, where he was primarily responsible for providing independent advice to the board of directors of the aforementioned companies.

Besides, Mr. Fung has been an independent non-executive director of KWG Living Group Holdings Limited (合景悠活集團控股有限公司) (a company listed on the Stock Exchange (stock code: 3913)) since October 2020, Zhong An Group Limited (眾安集團有限公司) (a company listed on the Stock Exchange (stock code: 672)) since November 2021, XXF Group Holdings Limited (喜相逢集團控股有限公司) (a company listed on the Stock Exchange (stock code: 2473)) since October 2023, Dekon Food and Agriculture Group (四川德康農牧食品集團股份有限公司) (a company listed on the Stock Exchange (stock code: 2419)) since October 2023, and Qyuns Therapeutics Co., Ltd. (a company listed on the Stock Exchange (stock code: 2509)) since January 2024, where he has been primarily responsible for providing independent advice to the board of directors of the aforementioned companies.

Mr. Fung obtained his bachelor's degree in accounting from The Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in Hong Kong in October 1992. Mr. Fung has been a fellow of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants since October 2001 and September 2005, respectively.

General

Save as disclosed in this section and the section headed "Statutory and General Information" in Appendix VI to this prospectus, each of our Directors has confirmed that:

(1) he/she has obtained legal advice referred to under Rule 3.09D of the Listing Rules on October 31, 2023 and understood his/her obligations as a director of a listed issuer;

(2) he/she does not have any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

(3) he/she does not have any interests in the Shares within the meaning of Part XV of the SFO;

(4) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;

(5) other than being a Director of our Company, he/she does not have any relationship with any other Directors, Supervisors, senior management of our Company or substantial shareholders of our Company; and

(6) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

Each of our independent non-executive Directors has confirmed:

(1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;

(2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and

(3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

SUPERVISORS

Our Supervisory Committee comprises three members. Our Supervisors serve a term of three years and may be re-elected for successive reappointments. The functions and duties of the Supervisory Committee include reviewing financial reports, business reports and profit distribution plans prepared by our Board and overseeing the financial and business performance of our Group. They are also entitled to appoint certified public accountants and practicing auditors to re-examine our Company's financial information where necessary.

The following table sets out information in respect of the Supervisors.

Name	Age	Position	Date of appointment as Supervisor	Date of joining our Group	Role and responsibilities	Relationship with Directors, other Supervisors and senior management
Ms. DONG Xiaohan (董曉晗)	41	Supervisor and chairperson of Supervisory Committee	July 4, 2024	May 28, 2018	Responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor	None
Mr. WEN Gang (文綱)	47	Supervisor	September 10, 2020	September 10, 2020	Responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor	None
Mr. CAI Xin (蔡鑫)	44	Supervisor	March 27, 2024	September 21, 2017	Responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor	None

Ms. DONG Xiaohan (董曉晗), aged 41, is an employee representative Supervisor and the chairperson of our Supervisory Committee. She first joined our Group in November 2016 and worked as a senior manager of the public relations and marketing division until January 2018, and rejoined our Group in May 2018 and has been the director of the public relations and marketing division since then. She has been our Supervisor and the chairperson of our Supervisory Committee since July 2024. As our Supervisor, she is primarily responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor.

Ms. Dong has more than ten years of experience in marketing. Prior to joining our Group, from July 2007 to June 2008, she was an officer administrator at CIT Finance & Leasing Corporation (美聯信金融租賃有限公司). From June 2008 to June 2010, Ms. Dong worked at and last served as a senior manager at Leo Burnett Black Pen Advertising (Shanghai) Co., Ltd. (李奧貝納黑筆廣告(上海)有限公司), a company principally engaged in provision of advertising and media services, where she was primarily responsible for project promotion and execution. From August 2010 to February 2011, she was a secretary at Beijing Foreign Enterprise Human Resources Service Co., Ltd. (北京外企人力資源服務有限公司), where she was primarily responsible for administrative issues. From March 2011 to September 2015, she was a marketing manager of the Greater China Region at IMS Market Research Consulting (Shanghai) Co., Ltd. (艾美仕市場調研諮詢(上海)有限公司), a company principally engaged in provision of medical science data information and consultancy services, where she was primarily responsible for marketing activities and brand promotion. From October 2015 to November 2016, she worked at Shanghai Huiji Financial Information Services Co., Ltd. (上海匯稷金融信息服務有限公司), a company principally engaged in provision of finance leases.

Ms. Dong obtained her bachelor's degree in English from Shanghai International Studies University (上海外國語大學) in Shanghai in January 2011.

Mr. WEN Gang (文綱), aged 47, has been a shareholders' representative Supervisor since September 2020. He is primarily responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor.

Mr. Wen has more than ten years of experience in investment. From June 2015 to October 2020, Mr. Wen was a supervisor of Beijing Kangfujiahe Medical Equipment Co., Ltd. (北京康福嘉和醫療器械有限公司).

Besides, since November 2013, Mr. Wen has also been a partner of Ningbo Free Trade Zone Kaifeng Venture Capital Management Co., Ltd. (寧波保稅區凱風創業投資管理有限公司), an investment company, where he has been primarily responsible for managing investments in the biomedical sector. Besides, Mr. Wen is also currently a director of Beijing Kaifeng Jingde Management Consulting Co., Ltd. (北京凱風景德管理諮詢有限公司) (a business consultancy firm), Sinovation (Beijing) Medical Technology Co., Ltd. (華科精準(北京)醫療科技有限公司) (a company principally engaged in development of medical robotics and intelligent medical products), Neuracle Technology (Changzhou) Co., Ltd. (博睿康科技(常

州)股份有限公司) (a company principally engaged in R&D, production, sales and technical service of brain computer interface and medical neuro-electrophysiological equipment), Hangzhou Bioeast BioTech Co., Ltd (杭州博岳生物技術有限公司) (a company principally engaged in provision of molecular diagnostic reagents and kits for medical science industries), Fang Cun Quan Xiang (Beijing) Technology Co., Ltd. (方寸泉香(北京)科技有限公司) (an internet medical service provider), InsureSmart (Shanghai) Intelligent Technology Co., Ltd. (因朔桔(上海)智能科技有限公司) (an artificial intelligence technology application service provider with a focus on the healthcare and insurance industries), YW MEMS (Suzhou) Co., Ltd. (蘇州原位芯片科技有限責任公司) (a company principally engaged in design and manufacturing of microelectromechanical systems chips), Shanghai Yinlu Information Technology Co., Ltd. (上海飲露信息科技有限公司) (a company principally engaged in provision of healthcare venture capital advisory services), Beijing Jingyilin International Hospital Management Co., Ltd. (北京菁醫林國際醫院管理有限公司) (a company principally engaged in provision of medical and healthcare services), Hangzhou Tiaoding Data Co., Ltd. (杭州調鼎數據有限公司) (a company principally engaged in providing intelligent information solutions for hospital health management and physical examination centers), Beijing Yaputuo Medical Technology Co., Ltd. (北京亞普拓醫療科技股份有限公司) (a company principally engaged in provision of private healthcare services), Red Cloud Bio Co., Ltd. (南京紅雲生物科技有限公司) (a small molecule drug discovery and development biotech company), Gege Medical Technology (Shanghai) Co., Ltd. (格格醫療科技(上海)有限公司) (a technology-based healthcare services provider) and Wuhan Tian Shi Wei Biotech Co., Ltd. (武漢天時維控股有限公司) (a manufacturer of soluble microcrystalline skin care products).

Mr. Wen obtained his bachelor's degree in clinical medicine and his master's degree in clinical medicine in July 2000 and July 2003, respectively, from Peking Union Medical College (北京協和醫學院) (formerly known as China Union Medical College (中國協和醫科大學)) in Beijing.

Mr. CAI Xin (蔡鑫), aged 44, is a shareholders' representative Supervisor. He joined our Group as a deputy director of the image delivery center of commercial operations division of our Company in September 2017, and was the director of the same center between April 2018 and February 2024. He has been our vice president and the head of the image delivery center of commercial operations division since February 2024. Further, Mr. Cai has been our Supervisor since March 2024. As our Supervisor, he is primarily responsible for the supervision of the performance of our Directors and members of our senior management in performing their duties to our Company and performing other supervisory duties as a Supervisor.

Mr. Cai has more than 15 years of experience in the pharmaceutical industry. Prior to joining our Group, from December 2008 to October 2013, he was a research associate at Washington University in St. Louis in the United States. From October 2013 to May 2015, he was a project manager at Hangzhou Tigermed Consulting Co., Ltd (杭州泰格醫藥科技股份有限公司), a company listed on the Stock Exchange (stock code: 3347) and the Shenzhen Stock Exchange (stock code: 300347), where he was primarily responsible for project management.

From June 2015 to September 2017, Mr. Cai was a client operations manager at Parexel China Co., Ltd. (精鼎醫藥研究開發(上海)有限公司), a contract research organization, where he was primarily responsible for project management and customer support.

Mr. Cai obtained his bachelor's degree in computer science and technology from Wuhan University (武漢大學) in Hubei in June 2002. He further obtained his master's degree in biomedical engineering from Huazhong University of Science and Technology (華中科技大學) in Hubei and his master's degree in business administration from Fudan University (復旦大學) in Shanghai in December 2008 and June 2024, respectively.

General

Save as disclosed in this section and the section headed "Statutory and General Information" in Appendix VI to this prospectus, each of our Supervisors has confirmed that:

(1) he/she does not have any existing or proposed service contract with our Company or any of its subsidiaries other than contracts expiring or determinable by the relevant member of our Company within one year without payment of compensation (other than statutory compensation);

(2) he/she does not have any interests in the Shares within the meaning of Part XV of the SFO;

(3) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;

(4) other than being a Supervisor of our Company, he/she does not have any relationship with any Directors, other Supervisors, senior management of our Company or substantial shareholders of our Company; and

(5) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets out certain information in respect of the senior management of our Company.

Name	Age	Position	Date of appointment as senior management	Date of joining our Group	Role and responsibilities	Relationship with Directors, Supervisors and other senior management
Mr. ZHAO Lu (趙璐)	46	Chairman of our Board, executive Director and general manager	December 1, 2016	January 18, 2016	Responsible for strategic planning, execution, operation and overall management of our Group	None
Ms. NI Xiaomei (倪曉梅)	53	Executive Director, legal director and Board secretary	April 16, 2018	April 16, 2018	Responsible for securities-related and legal affairs of our Group and providing support to our Board	None
Mr. JIANG Chengwen (姜程文)	42	Chief financial officer	October 15, 2023	September 4, 2023	Responsible for strategic financial planning and overseeing financial management of our Group	None

Mr. ZHAO Lu (趙璐), see " – Board of Directors – Executive Directors" in this section for his biographical details.

Ms. NI Xiaomei (倪曉梅), see " – Board of Directors – Executive Directors" in this section for her biographical details.

Mr. JIANG Chengwen (姜程文), aged 42, is our chief financial officer. He joined our Group in September 2023 and has served as our chief financial officer since then. He is primarily responsible for strategic financial planning and overseeing the financial management of our Group.

Mr. Jiang has approximately 15 years of experience in audits, financial management and investment. From October 2008 to October 2012, Mr. Jiang worked at and last served as a senior accountant at Ernst & Young Hua Ming (LLP) Shanghai Branch (安永華明會計師事務所 (特殊普通合夥)上海分所), an accounting firm, where he was primarily responsible for audits. From June 2013 to May 2016, he was a senior audit manager at Luye Pharma Group Ltd. (綠葉製藥集團有限公司), a company listed on the Stock Exchange (stock code: 2186), where he was primarily responsible for internal control of the company and financial analyses of projects. From May 2016 to September 2020, Mr. Jiang was a finance director at Luye Medical Group (China) (綠葉醫療集團(中國)), a company principally engaged in provision of healthcare services, where he was primarily responsible for overall financial management. From October 2020 to August 2023, he was the chief financial officer and board secretary at Shulan Health Management Co., Ltd. (樹蘭醫療管理股份有限公司), where he was primarily responsible for overseeing financial and accounting affairs of the company.

Mr. Jiang obtained his bachelor's degree in accounting and finance from Manchester Metropolitan University in the United Kingdom in June 2007. He further obtained his master's degree in professional accountancy from the Chinese University of Hong Kong (香港中文大學) in Hong Kong in November 2021. Mr. Jiang obtained his qualifications as a certified internal auditor from the Institute of Internal Auditors, as a public accountant from the Institute of Public Accountants, as a financial accountant from the Institute of Financial Accountants and as a management accountant from the Institute of Management Accountants in November 2014, May 2019, March 2019 and May 2019, respectively.

General

Save as disclosed in this section, each of our senior management members has confirmed that:

(1) he/she does not hold and has not held any other positions in our Company and any other members of our Company as of the Latest Practicable Date;

(2) other than being a Director and/or a member of our Company's senior management, he/she does not have any relationship with any Directors, Supervisors, any other senior management members of our Company or substantial shareholders of our Company;

(3) he/she has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and

(4) he/she has not completed his/her education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. NI Xiaomei (倪曉梅) was appointed as one of our joint company secretaries on July 31, 2023. Ms. Ni is an executive Director, the legal director and the Board secretary of our Company. See " – Board of Directors – Executive Directors" in this section for her biographical details.

Mr. POON Ping Yeung (潘秉揚) was appointed as one of our joint company secretaries on July 31, 2023. Mr. Poon is the manager of the listed & fiduciary corporate services of Trident Corporate Services (Asia) Limited, a global professional services firm. He has ten years of professional experience in the company secretarial field. He is currently the joint company secretary of Boyaa Interactive International Limited (a company listed on the Stock Exchange (stock code: 434)).

Mr. Poon obtained his bachelor's degree in arts (major in social policy and administration) from The Hong Kong Polytechnic University in Hong Kong in October 2012. He further obtained his master's degree in corporate governance from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in Hong Kong in October 2019.

Mr. Poon is an associate member (a holder of practitioner's endorsement) of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom.

COMPLIANCE ADVISER

We have appointed Anglo Chinese Corporate Finance, Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Anglo Chinese Corporate Finance, Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the Listing Date.

BOARD COMMITTEES

We have established the following committees on our Board: an audit committee, a remuneration and appraisal committee and a nomination committee. The committees operate in accordance with the terms of reference established by our Board.

Audit Committee

Our Company has established an audit committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of Mr. FUNG Che Wai Anthony (馮志偉), Dr. JIANG Xiao (蔣驍) and Dr. LI Zhiguo (李治國), with Mr. FUNG Che Wai Anthony serving as the chairperson. Mr. FUNG Che Wai Anthony holds the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Company, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board.

Remuneration and Appraisal Committee

Our Company has established a remuneration and appraisal committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Appraisal Committee consists of Dr. LI Zhiguo (李治國), Mr. ZHAO Lu (趙璐) and Mr. FUNG Che Wai Anthony (馮志偉), with Dr. LI Zhiguo (李治國) serving as the chairperson. The primary duties of the Remuneration and Appraisal Committee include, but are not limited to, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

Nomination Committee

Our Company has established a nomination committee (effective from the Listing Date) with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of Mr. ZHAO Lu (趙璐), Dr. JIANG Xiao (蔣驍) and Dr. LI Zhiguo (李治國), with Mr. ZHAO Lu (趙璐) serving as the chairperson. The primary functions of the Nomination Committee include, without limitation, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

CORPORATE GOVERNANCE

Code Provision C.2.1 of the Corporate Governance Code

Under paragraph C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhao is the chairman of our Board and the general manager (equivalent to the chief executive officer) of our Company. With experience in the pharmaceutical and medical science industries and having joined our Group since January 2016, Mr. Zhao is in charge of strategic planning, execution, operation and overall management of our Group. Despite the fact that the roles of the chairman of our Board and the general manager of our Company are both performed by Mr. Zhao which constitutes a deviation from paragraph C.2.1 of the Corporate Governance Code, our Board considers that vesting the roles of both the chairman of our Board and the general manager all in Mr. Zhao has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of our Group. The balance of power and authority is ensured by the operation of our Board, our Supervisors and our senior management, each of which comprises experienced and diverse individuals. Our Board currently comprises six executive Directors and three independent non-executive Directors. Therefore, our Board possesses a strong independence element in its composition. Save as disclosed above, our Company intends to comply with all code provisions under the Corporate Governance Code after the Listing.

Board Diversity

We have adopted a board diversity policy (the "**Board Diversity Policy**") to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company's business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, R&D, engineering, law, audits and project management. They obtained degrees in various majors including biotechnology, pharmacy, computer science and technology, business administration, accounting, economics, electronic information engineering, telecommunication engineering and law. In addition, we have taken steps to promote and enhance gender diversity at all levels of our Company, and our Board currently comprises one female Director and eight male Directors. Furthermore, our Board has a relatively wide range of ages, ranging from 41 years old to 55 years old. Our Board is of the view that our Board satisfies the Board Diversity Policy.

We aim to maintain at least 10% female representation in our Board and the current composition of our Board satisfies this target gender ratio. Our Company will take opportunities to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will encourage our Board members to recommend female director candidates and take other actions to help achieve greater board diversity, for example, inviting some of our outstanding female staff at the middle to senior levels to attend and observe our Board meetings, and providing trainings to our female staff who display leadership and potential. This will also allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for discharging a Director's duties. We will also continue to ensure that there is gender diversity when recruiting staff at the middle to senior levels so that our Company will have a pipeline of female senior management and potential successors to our Board. As such, we are of the view that our Board will be offered chances to identify competent female staff at the middle to senior levels to be nominated as a Director in the future with a pipeline of female candidates.

The Nomination Committee is responsible for reviewing the diversity of our Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

COMPENSATION OF DIRECTORS, SUPERVISORS AND MANAGEMENT

We offer our executive Directors, Supervisors and senior management members, who are also employees of our Company, emolument in the form of fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairperson of Board committees).

The aggregate amount of remuneration which was paid to our Directors and Supervisors (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) for the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024 were RMB56.9 million, RMB47.5 million, RMB13.5 million and RMB24.3 million, respectively.

It is estimated that the aggregate amount of remuneration (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) payable to Directors and Supervisors for the year ending December 31, 2024 would be approximately RMB18.2 million under arrangements currently in force.

For the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024, there were four, four, three and two Directors among the five highest paid individuals, respectively, and none of the five highest paid individuals for the respective year/period was a Supervisor. The aggregate amount of remuneration (including fees, wages, salaries, bonuses, contributions to pension plans, share-based payments, other social security costs, housing benefits and other employee benefits) which were paid by our Group to our five highest paid individuals (excluding Directors) for the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024 were RMB13.2 million, RMB3.1 million, RMB6.7 million and RMB2.2 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors, Supervisors or the five highest paid individuals as an inducement to join, or upon joining our Group, and (ii) no compensation was paid to, or receivable by, our Directors, past Directors, Supervisors, past Supervisors or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director or Supervisor has waived or agreed to waive any emoluments for the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024.

Except as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors, Supervisors or the five highest paid individuals of our Group during the Track Record Period.

For additional information on Directors' and Supervisors' remuneration during the Track Record Period as well as information on the five highest paid individuals, see notes 8 and 35 to the Accountant's Report.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Zhao, an executive Director, the chairman of our Board and the general manager of our Company, was able to exercise approximately 33.35% voting rights in our Company, through (i) 93,042,388 Shares directly held by him, (ii) 62,791,758 Shares held by the Employee Shareholding Platforms, each of which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its executive partner, (iii) 5,380,538 Shares held by Zhoushan Yijin which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its general partner, and (iv) 18,204,844 Shares held by Xinyu Shenkong which is a limited partnership established under the laws of the PRC and is managed by Mr. Zhao as its general partner. Further, as of the Latest Practicable Date, Ms. Tang held 95% partnership interest in Zhoushan Yijin and 99% partnership interest in Xinyu Shenkong as their respective sole limited partner. For background and biographical details of Mr. Zhao, see "Directors, Supervisors and Senior Management" in this prospectus. For details of Ms. Tang, the Employee Shareholding Platforms, Zhoushan Yijin and Xinyu Shenkong, see "History, Development and Corporate Structure" in this prospectus.

Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), Mr. Zhao will be entitled to exercise approximately 32.02% voting rights in our Company. Therefore, Mr. Zhao, Ms. Tang, the Employee Shareholding Platforms, Zhoushan Yijin and Xinyu Shenkong will constitute a group of Controlling Shareholders of our Company under the Listing Rules.

As of the Latest Practicable Date, save for the interest in our Group, our Controlling Shareholders did not have any interest in a business which competes or is likely to compete, directly or indirectly, with the business of our Group, and which requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after the Listing, taking into consideration the factors below.

Management Independence

Our Board comprises nine Directors, including six executive Directors and three independent non-executive Directors. We believe that our Board as a whole, together with our senior management, is able to perform the managerial role in our Group independently from our Controlling Shareholders for the following considerations:

(a) each of our Directors is aware of his/her fiduciary duties as a Director which require, among others, that he/she acts for the benefit of and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) our daily management and operation decisions are made by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management, see "Directors, Supervisors and Senior Management" in this prospectus;

(c) we have appointed three independent non-executive Directors with a view to bringing independent judgment to the decision-making process of our Board;

(d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting; and

(e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders, which would support our independent management. For further details, see " — Corporate Governance Measures" in this section.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. We have our own departments specializing in the respective areas which have been in operation and are expected to continue to operate independently from our Controlling Shareholders and their close associates. We hold the licenses, intellectual property rights and qualifications necessary to carry on our principal business. We also have independent access to suppliers and customers, and have sufficient capital, facilities and employees to operate our business independently from our Controlling Shareholders and their close associates.

Based on the above, our Directors believe that we will be able to operate independently from our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system. We make financial decisions according to our own business needs, and neither our Controlling Shareholders nor their close associates intervene with our use of funds. We have established an independent finance department with a team of finance staff and an independent audit, accounting and financial management system.

In addition, we have been and are capable of obtaining financing from third parties without relying on any guarantee or security provided by our Controlling Shareholders or their close associates. As of the Latest Practicable Date, there was no loan, advance or guarantee provided by our Controlling Shareholders or their close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their close associates after the Listing.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interests between our Group and our Controlling Shareholders:

(a) under the Articles of Association, where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective close associates has a material interest, our Controlling Shareholders and their close associates will not vote on the relevant resolutions and shall not be counted in the quorum for the voting;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;

(c) our Board consists of a balanced composition of executive Directors and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company's expenses; and

(e) we have appointed Anglo Chinese Corporate Finance, Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws in Hong Kong and the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interests that may arise between our Group and our Controlling Shareholders and to protect our Shareholders' interests as a whole after the Listing.

OVERVIEW

Prior to the Listing, our Group has entered into certain transactions with Shanghai Weilian Danuo Information Consulting Co., Ltd. (上海威聯達諾信息諮詢有限公司) ("**Weilian Danuo**") and Tencent Cloud Computing (Beijing) Co., Ltd. (騰訊雲計算(北京)有限責任公司) ("**Tencent Cloud**"), both of which will, upon Listing, become connected persons of our Company.

Weilian Danuo is a limited liability company established under the laws of the PRC and is principally engaged in provision of consultancy services. It is wholly owned by Mr. WAN Bangxi (萬幫喜) ("**Mr. Wan**"), who was a Director from September 2020 to March 2024 and the president of our pharmacovigilance division from February 2016 to March 2024, primarily responsible for management of quality and safety division, pharmacovigilance division and technical support division of our Group. Mr. Wan resigned from our Group to pursue his personal career development in the legal profession. As Weilian Danuo is an associate of Mr. Wan who was a Director in the last 12 months, it will be a connected person of our Company upon Listing under Chapter 14A of the Listing Rules.

Tencent Cloud is a limited liability company established under the laws of the PRC and is principally engaged in provision of cloud services to Chinese enterprises going abroad and overseas local enterprises. As Tencent Cloud is a subsidiary of Tencent Holdings Limited, which, through Linzhi Tencent Investment Management Co., Ltd. (林芝騰訊投資管理有限公司) and Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)), will be entitled to exercise approximately 11.58% voting rights in our Company immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) and will be a substantial shareholder of our Company upon Listing, Tencent Cloud will be an associate of Tencent Holdings Limited and therefore, a connected person of our Company under Chapter 14A of the Listing Rules.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Consultancy Service Agreement

Our Company entered into a consultancy service agreement dated May 1, 2024 (the "**Consultancy Service Agreement**") with Weilian Danuo for a term of three years commencing from May 1, 2024, pursuant to which Weilian Danuo, through Mr. Wan as the designated personnel, shall provide to our Company professional consultancy services and trainings relating to pharmacovigilance at a consideration of RMB800,000 annually, which shall be payable on a monthly basis. The service fees under the Consultancy Service Agreement were determined by our Company and Weilian Danuo through arm's length negotiations based on Mr. Wan's more than 19 years of experience in the healthcare and pharmacovigilance sectors and factors applicable to all service providers, including but not limited to the nature, complexity and value of services provided by Weilian Danuo, and the then prevailing market rates by obtaining and comparing against fee quotes provided by other similar third party service providers.

Since the Consultancy Service Agreement is a new transaction with effect from May 1, 2024, there is no historical transaction amount for the Consultancy Service Agreement.

With Mr. Wan's considerable experience in the healthcare and pharmacovigilance sectors and his familiarities with our operation having regard to his previous roles and responsibilities within our Group, our Group will be able to continue to benefit from the valuable and professional advice from Mr. Wan in respect of our offerings in the pharmacovigilance scenarios. The transactions contemplated under the Consultancy Service Agreement have been entered into in the ordinary and usual course of business of our Company, on normal commercial terms or better. As each of the applicable percentage ratios in respect of the transactions contemplated the Consultancy Service Agreement will be less than 5% on an annual basis and the total consideration on an annual basis is less than HK$3 million, the transactions contemplated under the Consultancy Service Agreement would, upon Listing, be fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.

Cloud Services Agreements

On June 21, 2022, Taimei Xingyun entered into a cloud services agreement with Tencent Cloud, pursuant to which Tencent Cloud agreed to provide cloud services to Taimei Xingyun for service fees for a term commencing on June 21, 2022 and expiring on June 20, 2024 (the "**2022 Cloud Services Agreement**"). Pursuant to a supplemental agreement entered into between Taimei Xingyun and Tecent Cloud on August 6, 2024 (the "**2024 Supplemental Agreement**"), the 2022 Cloud Services Agreement was renewed for a term commencing on June 21, 2024 and expiring on March 19, 2026, subject to renewal upon the mutual agreement of both parties thereto.

Further, on March 20, 2023, Taimei Xinghuan entered into a cloud services agreement with Tencent Cloud, pursuant to which Tencent Cloud agreed to provide cloud services to Taimei Xinghuan for service fees for a term commencing on March 20, 2023 and expiring on March 19, 2026 (together with the 2022 Cloud Services Agreement and the 2024 Supplemental Agreement, the "**Cloud Services Agreements**"), subject to renewal upon the mutual agreement of both parties thereto.

The cloud services provided by Tencent Cloud to our Group, which include but are not limited to provision of cloud servers, cloud database and cloud storage, are required for our daily operations. As the transactions under the Cloud Services Agreements have been entered into by our Group with Tencent Cloud, the transactions under the Cloud Services Agreements are aggregated pursuant to the requirements under Chapter 14A of the Listing Rules.

For the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024, the service fees paid by our Group to Tencent Cloud under the Cloud Services Agreements were RMB591,167, RMB1,383,060, RMB1,789,391 and RMB277,412, respectively.

It is expected that the maximum aggregate transaction amounts payable by our Group to Tencent Cloud under the Cloud Services Agreements for the three financial years ending December 31, 2024, 2025 and 2026 shall not exceed RMB2,200,000, RMB2,350,000 and RMB2,500,000, respectively.

The historical transactions entered into with Tencent Cloud in respect of our subscription of cloud services have been, and the transactions contemplated under the Cloud Services Agreements have been, entered into in the ordinary and usual course of business of our Company, on normal commercial terms or better. As each of the applicable percentage ratios in respect of the transactions contemplated the Cloud Services Agreements will be less than 5% on an annual basis and the total consideration on an annual basis is less than HK$3 million, the transactions contemplated under the Cloud Services Agreements would, upon Listing, be fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.

So far as our Directors are aware, immediately following the completion of the Global Offering and without taking into account any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	**Capacity/nature of interest**	**Number of Shares to be held**	**Approximate percentage of shareholding in the relevant proportion of Shares[(1)]** *(%)*	**Approximate percentage of shareholding in the total issued share capital of our Company[(1)]** *(%)*
Mr. Zhao[(2)]	Beneficial owner; Interests in controlled corporations	178,203,028 Domestic Shares	49.07	31.80
		1,216,500 H Shares	0.62	0.22
Ms. Tang[(2)]	Interests in controlled corporations; Interest of spouse	178,203,028 Domestic Shares	49.07	31.80
		1,216,500 H Shares	0.62	0.22
Shanghai Xiaoju[(2)(3)]	Beneficial owner	20,312,190 Domestic Shares	5.59	3.62
ZHANG Hongwei (張宏偉)[(3)]	Interests in controlled corporations	20,312,190 Domestic Shares	5.59	3.62
Shanghai Kunrui[(2)]	Beneficial owner	19,344,866 Domestic Shares	5.33	3.45

Name of Shareholder	Capacity/nature of interest	Number of Shares to be held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
Xinyu Shenkong[2]	Beneficial owner	18,204,844 Domestic Shares	5.01	3.25
Linzhi Tencent Investment Management Co., Ltd. (林芝騰訊投資管理有限公司)[4]	Beneficial owner	44,880,821 Domestic Shares	12.36	8.01
		11,220,205 H Shares	5.69	2.00
Tencent Holdings Limited[4][5]	Interests in controlled corporations	51,911,405 Domestic Shares	14.29	9.26
		12,977,851 H Shares	6.58	2.32
Jingwei Chuangteng (Hangzhou) Venture Capital Partnership (Limited Partnership) (經緯創騰(杭州)創業投資合夥企業(有限合夥)) ("**Jingwei Chuangteng**")[6]	Beneficial owner	22,349,533 Domestic Shares	6.15	3.99
		28,100,879 H Shares	14.25	5.01
Hangzhou Jingwei Yuanchuang Investment Management Partnership (Limited Partnership) (杭州經緯遠創投資管理合夥企業(有限合夥)) (**"Jingwei Yuanchuang**")[6]	Interests in controlled corporations	22,349,533 Domestic Shares	6.15	3.99
		28,100,879 H Shares	14.25	5.01

Name of Shareholder	Capacity/nature of interest	Number of Shares to be held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
Shanghai Jingwei Equity Investment Management Co., Ltd. (上海旌威股權投資管理有限公司) ("**Shanghai Jingwei**")[6]	Interests in controlled corporations	22,349,533 Domestic Shares	6.15	3.99
		28,100,879 H Shares	14.25	5.01
ZUO Lingye (左淩燁)[6]	Interests in controlled corporations	23,908,953 Domestic Shares	6.58	4.27
		30,061,593 H Shares	15.24	5.36
Nanjing Kaiyuan Growth Investment Partnership (Limited Partnership) (南京凱元成長創業投資合夥企業(有限合夥)) ("**Nanjing Kaiyuan**")[7]	Beneficial owner	9,125,333 Domestic Shares	2.51	1.63
		11,473,611 H Shares	5.82	2.05
Nanjing Kaiyuan Venture Capital Management Partnership (Limited Partnership) (南京凱元創業投資管理合夥企業(有限合夥))[7]	Interests in controlled corporations	9,125,333 Domestic Shares	2.51	1.63
		11,473,611 H Shares	5.82	2.05
Huzhou Kaifeng Housheng Enterprise Management Partnership (General Partnership) (湖州凱風厚生企業管理合夥企業(普通合夥)) ("**Kaifeng Housheng**")[7]	Beneficial owner; Interests in controlled corporations	10,430,058 Domestic Shares	2.87	1.86
		13,114,088 H Shares	6.65	2.34

Name of Shareholder	Capacity/nature of interest	Number of Shares to be held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
ZHAO Guibin (趙貴賓)[7]	Interests in controlled corporations	21,098,366 Domestic Shares	5.81	3.76
		26,527,736 H Shares	13.45	4.73
Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光正源創業投資合夥企業(有限合夥))[8]	Beneficial owner	10,139,955 Domestic Shares	2.79	1.81
		10,139,955 H Shares	5.14	1.81
Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership) (蘇州柏源創業投資管理合夥企業(有限合夥))[8]	Interests in controlled corporations	15,930,449 Domestic Shares	4.39	2.84
		15,930,449 H Shares	8.08	2.84
Suzhou Songyuan Entrepreneurship Investment Management Co., Ltd. (蘇州松源創業投資管理有限公司)[8]	Interests in controlled corporations	15,930,449 Domestic Shares	4.39	2.84
		15,930,449 H Shares	8.08	2.84

Name of Shareholder	Capacity/nature of interest	Number of Shares to be held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
ZHANG Pengpeng (張朋朋)[8]	Interests in controlled corporations	15,930,449 Domestic Shares	4.39	2.84
		15,930,449 H Shares	8.08	2.84
Shanghai Chenxi Venture Capital Center (Limited Partnership) (上海晨熹創業投資中心(有限合夥)) ("**5Y Chenxi**")[9]	Beneficial owner	9,158,223 Domestic Shares	2.52	1.63
		11,514,965 H Shares	5.84	2.05
Shanghai Yuanpan Enterprise Management Consulting Partnership (Limited Partnership) (上海源畔企業管理諮詢合夥企業(有限合夥))[9]	Interests in controlled corporations	9,158,223 Domestic Shares	2.52	1.63
		11,514,965 H Shares	5.84	2.05
Shanghai Xingshang Enterprise Management Consulting Co., Ltd. (上海興尚企業管理諮詢有限公司) ("**Shanghai Xingshang**")[9]	Interests in controlled corporations	10,575,834 Domestic Shares	2.91	1.89
		13,297,378 H Shares	6.74	2.37
NI Yuanyuan (倪媛媛)[9]	Interests in controlled corporations	10,575,834 Domestic Shares	2.91	1.89
		13,297,378 H Shares	6.74	2.37
WANG Zhenting (王振庭)[9]	Interests in controlled corporations	10,575,834 Domestic Shares	2.91	1.89
		13,297,378 H Shares	6.74	2.37

Name of Shareholder	Capacity/nature of interest	Number of Shares to be held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
Shanghai Xingpan Investment Management Consulting Co., Ltd. (上海興畔投資管理諮詢有限公司) ("**Shanghai Xingpan**")[9]	Interests in controlled corporations	12,358,096 Domestic Shares	3.40	2.21
		15,538,280 H Shares	7.88	2.77
LIU Qin (劉芹)[9]	Interests in controlled corporations	12,358,096 Domestic Shares	3.40	2.21
		15,538,280 H Shares	7.88	2.77
SHI Jianming (石建明)[9]	Interests in controlled corporations	12,358,096 Domestic Shares	3.40	2.21
		15,538,280 H Shares	7.88	2.77
Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) (天津賽富盛元投資管理中心(有限合夥))[10]	Interests in controlled corporations	8,660,582 Domestic Shares	2.38	1.55
		10,889,262 H Shares	5.52	1.94
YAN Yan (閻焱)[10]	Interests in controlled corporations	8,660,582 Domestic Shares	2.38	1.55
		10,889,262 H Shares	5.52	1.94
Zheshang Venture Capital Co., Ltd. (浙商創投股份有限公司) ("**Zheshang VC**")[11]	Beneficial owner; Interests in controlled corporations	10,094,225 Domestic Shares	2.78	1.80
		10,094,225 H Shares	5.12	1.80

Name of Shareholder	Capacity/nature of interest	Number of Shares to be held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區迪銳投資管理合夥企業(有限合夥))[12]	Interests in controlled corporations	8,505,665 Domestic Shares	2.34	1.52
		10,694,479 H Shares	5.42	1.91
TANG Meng (唐萌)[12]	Interests in controlled corporations	8,505,665 Domestic Shares	2.34	1.52
		10,694,479 H Shares	5.42	1.91
ZHANG Xu (張旭)[13]	Interests in controlled corporations	9,770,766 Domestic Shares	2.69	1.74
		12,285,138 H Shares	6.23	2.19

Notes:

(1) The calculation is based on the total number of 363,186,467 Domestic Shares in issue and 197,230,133 H Shares in issue upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

(2) Mr. Zhao beneficially holds 93,042,388 Domestic Shares. Mr. Zhao is the executive partner of Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng, and is responsible for their respective management. As of the date of this prospectus, he also held approximately 74.94% partnership interest in Ruansu Enterprise Management. Further, Mr. Zhao is the general partner of Zhoushan Yijin and Xinyu Shenkong, and is responsible for their respective management. As such, under the SFO, Mr. Zhao is deemed to be interested in the 85,160,640 Domestic Shares and 1,216,500 H Shares held by Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming, Xinyu Xingmeng, Zhoushan Yijin and Xinyu Shenkong.

Ms. Tang held 95% partnership interest in Zhoushan Yijin and 99% partnership interest in Xinyu Shenkong as their respective sole limited partner as of the Latest Practicable Date. As such, under the SFO, Ms. Tang is deemed to be interested in the 23,585,382 Domestic Shares held by Zhoushan Yijin and Xinyu Shenkong. Besides, Ms. Tang is the spouse of Mr. Zhao. As such, she is deemed to be interested in the H Shares and the Domestic Shares in which Mr. Zhao is interested and is deemed to be interested.

(3) As of the date of this prospectus, Mr. ZHANG Hongwei (張宏偉) held approximately 39.42% partnership interest in Shanghai Xiaoju as one of its limited partners. As such, under the SFO, Mr. ZHANG Hongwei is deemed to be interested in the 20,312,190 Domestic Shares held by Shanghai Xiaoju.

(4) Linzhi Tencent Investment Management Co., Ltd. (林芝騰訊投資管理有限公司) is wholly owned by Shenzhen Tencent Industrial Investment Fund Co., Ltd. (深圳市騰訊產業投資基金有限公司), which is a subsidiary of Tencent Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock codes: 700 (HKD counter) and 80700 (RMB counter)).

(5) Suzhou Paiyi Venture Capital Partnership L.P. (蘇州湃益創業投資合夥企業(有限合夥)) is managed by its general partner, Suzhou Yaoyi Enterprise Management Co., Ltd. (蘇州垚益企業管理有限公司), which is wholly owned by Shenzhen Zeyi Consultancy Co., Ltd. (深圳市澤益諮詢有限公司). Suzhou Tencent Phase I Investment Fund Partnership (Limited Partnership) (蘇州騰訊一期跟投基金合夥企業(有限合夥)) is the largest limited partner of Suzhou Paiyi Venture Capital Partnership L.P..

(6) The general partner of Jingwei Chuangteng is Jingwei Yuanchuang, whose general partner is Shanghai Jingwei, which was in turn held as to 80% by ZUO Lingye (左淩燁) as of the Latest Practicable Date.

Besides, the general partner of Suzhou Jingwei Chuangbo Investment Center (Limited Partnership) (蘇州經緯創博投資中心(有限合夥)) is Suzhou Weichuang Investment Management Partnership (Limited Partnership) (蘇州緯創投資管理合夥企業(有限合夥)), whose general partner is Shanghai Jingyi Investment Management Co., Ltd. (上海經熠投資管理有限公司), which was in turn held as to 80% by ZUO Lingye (左淩燁) as of the Latest Practicable Date.

As such, under the SFO, each of Jingwei Yuanchuang and Shanghai Jingwei is deemed to be interested in the 22,349,533 Domestic Shares and 28,100,879 H Shares held by Jingwei Chuangteng, and ZUO Lingye is deemed to be interested in the 23,908,953 Domestic Shares and 30,061,593 H Shares held by Jingwei Chuangteng and Suzhou Jingwei Chuangbo Investment Center (Limited Partnership).

(7) The general partner of Suzhou Kaifeng Taimei Venture Capital Partnership (Limited Partnership) (蘇州凱風太美創業投資合夥企業(有限合夥)) and Shanghai Kaifeng Zhide Venture Capital Partnership (Limited Partnership) (上海凱風至德創業投資合夥企業(有限合夥)) is Ningbo Free Trade Zone Kaifeng Venture Capital Management Co., Ltd. (寧波保稅區凱風創業投資管理有限公司), which was held as to 36.5% by ZHAO Guibin (趙貴賓), 35% by HUANG Xin (黃昕), 11% by SUN Zhuangzhi (孫壯志), 9% by WEN Gang (文綱), 6% by CHEN Zhong (陳忠), 2.5% by LIN Zhongyao (林中躍).

Kaifeng Housheng beneficially holds 296,810 Domestic Shares and 373,190 H Shares.

The general partner of Shanghai Kaifeng Changyang Venture Capital Partnership (Limited Partnership) (上海凱風長養創業投資合夥企業(有限合夥)) is Kaifeng Housheng, whose executive partner is ZHAO Guibin.

The general partner of Nanjing Kaiyuan is Nanjing Kaiyuan Venture Capital Management Partnership (Limited Partnership) (南京凱元創業投資管理合夥企業(有限合夥)), whose general partner is Kaifeng Housheng.

The general partner of Nanjing Kaitai Venture Capital Partnership (Limited Partnership) (南京凱泰創業投資合夥企業(有限合夥)) is Nanjing Kaitai Venture Capital Management Partnership (Limited Partnership) (南京凱泰創業投資管理合夥企業(有限合夥)), whose general partner is Suzhou Kaifeng Housheng Venture Capital Management Center (General Partnership) (蘇州凱風厚生創業投資管理中心(普通合夥)), whose executive partner is ZHAO Guibin.

As such, under the SFO, (i) Nanjing Kaiyuan Venture Capital Management Partnership (Limited Partnership) is deemed to be interested in the 9,125,333 Domestic Shares and 11,473,611 H Shares held by Nanjing Kaiyuan, (ii) Kaifeng Housheng is deemed to be interested in the 10,133,248 Domestic Shares and 12,740,898 H Shares held by Nanjing Kaiyuan and Shanghai Kaifeng Changyang Venture Capital Partnership (Limited Partnership), and (iii) ZHAO Guibin is deemed to be interested in the 21,098,366 Domestic Shares and 26,527,736 H Shares held by Suzhou Kaifeng Taimei Venture Capital Partnership (Limited Partnership), Shanghai Kaifeng Zhide Venture Capital Partnership (Limited Partnership), Shanghai Kaifeng Changyang Venture Capital Partnership (Limited Partnership), Kaifeng Housheng, Nanjing Kaiyuan and Nanjing Kaitai Venture Capital Partnership (Limited Partnership).

(8) The general partner of each Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光正源創業投資合夥企業(有限合夥)) and Suzhou Northern Lights Hongyuan Venture Capital Partnership (Limited Partnership) (蘇州北極光泓源創業投資合夥企業(有限合夥)) is Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership) (蘇州柏源創業投資管理合夥企業(有限合夥)), whose general partner is Suzhou Songyuan Entrepreneurship Investment Management Co., Ltd. (蘇州松源創業投資管理有限公司), which was held as to 50% by ZHANG Pengpeng (張朋朋), 25% by LI Lixin (李立新) and 25% by YANG Lei (楊磊), respectively.

As such, under the SFO, each of Suzhou Boyuan Venture Capital Management Partnership (Limited Partnership), Suzhou Songyuan Entrepreneurship Investment Management Co., Ltd. and ZHANG Pengpeng is deemed to be interested in the 15,930,449 Domestic Shares and 15,930,449 H Shares held by Suzhou Northern Lights Zhengyuan Venture Capital Partnership (Limited Partnership) and Suzhou Northern Lights Hongyuan Venture Capital Partnership (Limited Partnership).

(9) The general partner of 5Y Chenxi is Shanghai Yuanpan Enterprise Management Consulting Partnership (Limited Partnership) (上海源畔企業管理諮詢合夥企業(有限合夥)), which is controlled by its general partner, Shanghai Xingshang, which was in turn held as to 50% by each of NI Yuanyuan (倪媛媛) and WANG Zhenting (王振庭) as of the Latest Practicable Date. 5Y Chenxi is managed by Shanghai Xingpan, which was held as to 50% by each of LIU Qin (劉芹) and SHI Jianming (石建明) as of the Latest Practicable Date.

Shanghai Chenyu Investment Management Partnership (Limited Partnership) (上海晨馭投資管理合夥企業(有限合夥)) ("**5Y Chenyu**") is managed by its general partner, Shanghai Xingpan.

The general partner of Nanjing Wuyuan Qixing Venture Capital Investment Center (Limited Partnership) (南京五源啟興創業投資中心(有限合夥)) ("**5Y Qixing**") is Nanjing Wuyuan Chuxing Equity Investment Center (Limited Partnership) (南京五源初興股權投資中心(有限合夥)), which is controlled by its general partner, Shanghai Xingshang. 5Y Qixing is managed by Shanghai Xingpan.

As such, under the SFO, (i) Shanghai Yuanpan Enterprise Management Consulting Partnership (Limited Partnership) is deemed to be interested in the 9,158,223 Domestic Shares and 11,514,965 H Shares held by 5Y Chenxi, (ii) each of Shanghai Xingshang, NI Yuanyuan and WANG Zhenting is deemed to be interested in the 10,575,834 Domestic Shares and 13,297,378 H Shares held by 5Y Chenxi and 5Y Qixing, and (iii) each of Shanghai Xingpan, LIU Qin and SHI Jianming is deemed to be interested in the 12,358,096 Domestic Shares and 15,538,280 H Shares held by 5Y Chenxi, 5Y Chenyu and 5Y Qixing.

(10) The general partner of Suzhou SAIF Puxin Medical and Health Industry Investment Center (Limited Partnership) (蘇州賽富璞鑫醫療健康產業投資中心(有限合夥)) is Suzhou SAIF Puxin Venture Capital Center (Limited Partnership) (蘇州賽富璞鑫創業投資中心(有限合夥)), whose general partner is Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) (天津賽富盛元投資管理中心(有限合夥)), which is managed by its executive partner, YAN Yan (閻焱).

The general partner of Nanjing SAIF Hengzhun Venture Capital Fund (Limited Partnership) (南京賽富衡准創業投資基金(有限合夥)) is Jiaxing SAIF Hengshun Investment Management Partnership (Limited Partnership) (嘉興賽富恒順投資管理合夥企業(有限合夥)), whose general partner is Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership).

The general partner of Huangshan SAIF Tourism Cultural Industry Development Fund (Limited Partnership) (黃山賽富旅遊文化產業發展基金(有限合夥)) is Mount Huangshan Saifu Fund Management Co., Ltd. (黃山賽富基金管理有限責任公司), which was held as to 80% by Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) as of the Latest Practicable Date.

As such, under the SFO, each of Tianjin SAIF Shengyuan Investment Management Center (Limited Partnership) and YAN Yan is deemed to be interested in the 8,660,582 Domestic Shares and 10,889,262 H Shares held by Suzhou SAIF Puxin Medical and Health Industry Investment Center (Limited Partnership), Nanjing SAIF Hengzhun Venture Capital Fund (Limited Partnership) and Huangshan SAIF Tourism Cultural Industry Development Fund (Limited Partnership).

(11) Zheshang VC is a limited liability company listed on the National Equities Exchange And Quotations (stock code: 834089). It beneficially holds 1,609,427 Domestic Shares and 1,609,427 H Shares.

The general partner of Hangzhou Yangjian Investment Partnership (Limited Partnership) (杭州仰健投資合夥企業(有限合夥)) is Zhejiang Haipeng Investment Management Co., Ltd. (浙江海鵬投資管理有限公司), which is a wholly-owned subsidiary of Zheshang VC.

The general partner of Hangzhou Qizhen Future Innovation Equity Investment Partnership (Limited Partnership) (杭州啟真未來創新股權投資合夥企業(有限合夥)) is Zheshang VC.

As such, under the SFO, Zheshang VC is deemed to be interested in the 8,484,798 Domestic Shares and 8,484,798 H Shares held by Hangzhou Yangjian Investment Partnership (Limited Partnership) and Hangzhou Qizhen Future Innovation Equity Investment Partnership (Limited Partnership).

(12) The general partner of each of Aochuan Bangde Investment Partnership (Limited Partnership) (蘇州市相城區奧傳邦德投資合夥企業(有限合夥)), Ningbo Jinjiao Langqiu Investment Partnership (Limited Partnership) (寧波金蛟朗秋投資合夥企業(有限合夥)) and Ningbo Xuri Xinzhu Investment Partnership (Limited Partnership) (寧波旭日新竹投資合夥企業(有限合夥)) is Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) (寧波梅山保稅港區迪銳投資管理合夥企業(有限合夥)), whose general partner is TANG Meng (唐萌). As such, under the SFO, each of Ningbo Meishan Bonded Area Dirui Investment Management Partnership (Limited Partnership) and TANG Meng is deemed to be interested in the 8,505,665 Domestic Shares and 10,694,479 H Shares held by Aochuan Bangde Investment Partnership (Limited Partnership), Ningbo Jinjiao Langqiu Investment Partnership (Limited Partnership) and Ningbo Xuri Xinzhu Investment Partnership (Limited Partnership).

(13) The general partner of Chengdu SBCVC Tiantou Venture Capital Center (Limited Partnership) (成都軟銀天投創業投資中心(有限合夥)) is Chongqing SBCVC Investment Management Co., Ltd. (重慶軟銀投資管理有限公司), which was held as to 95% by ZHANG Xu (張旭) as of the Latest Practicable Date.

The general partner of Ningbo SBCVC Stable Growth Investment Partnership (Limited Partnership) (寧波軟銀穩定成長投資合夥企業(有限合夥)) is Shanghai Xinbo Jieyi Private Fund Management Partnership (Limited Partnership) (上海欣博傑益私募基金管理合夥企業(有限合夥)), whose general partner is Shanghai Guanhe Lanzheng Investment Management Co., Ltd (上海觀禾覽正投資管理有限公司), which was held as to 90% by ZHANG Xu as of the Latest Practicable Date.

The general partner of Jiaxing SBCVC Venture Capital Partnership (Limited Partnership) (嘉興軟銀創業投資合夥企業(有限合夥)) is Ningbo Ruanku Investment Co., Ltd. (寧波軟庫投資有限公司), which was held as to 60% by ZHANG Xu as of the Latest Practicable Date.

As such, under the SFO, ZHANG Xu is deemed to be interested in the 9,770,766 Domestic Shares and 12,285,138 H Shares held by Chengdu SBCVC Tiantou Venture Capital Center (Limited Partnership), Ningbo SBCVC Stable Growth Investment Partnership (Limited Partnership) and Jiaxing SBCVC Venture Capital Partnership (Limited Partnership).

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company, see "Further Information about Our Directors, Supervisors and Substantial Shareholders – 1. Disclosure of Interests" in Appendix VI to this prospectus.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

This section presents certain information regarding our share capital prior to and upon the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, the registered share capital of our Company was RMB538,000,000, comprising 538,000,000 Domestic Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital *(%)*
Domestic Shares in issue*(note)*	363,186,467	64.81
H Shares to be converted from Domestic Shares*(note)*	174,813,533	31.19
H Shares to be issued pursuant to the Global Offering	22,416,600	4.00
Total	**560,416,600**	**100.00**

Immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option is fully exercised but the Over-allotment Option is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital *(%)*
Domestic Shares in issue*(note)*	363,186,467	64.42
H Shares to be converted from Domestic Shares*(note)*	174,813,533	31.01
H Shares to be issued pursuant to the Global Offering	25,779,000	4.57
Total	**563,779,000**	**100.00**

Immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option is not exercised but the Over-allotment Option is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital *(%)*
Domestic Shares in issue*(note)*	363,186,467	64.42
H Shares to be converted from Domestic Shares*(note)*	174,813,533	31.01
H Shares to be issued pursuant to the Global Offering	25,779,000	4.57
Total	**563,779,000**	**100.00**

Immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total issued share capital *(%)*
Domestic Shares in issue*(note)*	363,186,467	63.98
H Shares to be converted from Domestic Shares*(note)*	174,813,533	30.80
H Shares to be issued pursuant to the Global Offering	29,645,800	5.22
Total	**567,645,800**	**100.00**

Note: For details of the identities of the Shareholders whose Shares will be converted into H Shares upon Listing, see "History, Development and Corporate Structure — Capitalization of Our Company" in this prospectus.

SHARE CLASSES

Upon completion of the Global Offering and conversion of 174,813,533 Domestic Shares into H Shares, our Shares will consist of Domestic Shares and H Shares. Both Domestic Shares and H Shares are ordinary shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

Domestic Shares and H Shares are regarded as one class of shares under our Articles of Association, and Domestic Shares and H Shares will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus. All dividends in respect of our Shares are to be declared and paid by us in Hong Kong dollars or Renminbi. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

All our Domestic Shares are not listed or traded on any stock exchange. The holders of our Domestic Shares may convert their Shares into H Shares provided that such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and the filing procedure with the CSRC shall have completed. The listing of such converted Shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

Based on the procedures for the conversion of our Domestic Shares into H Shares as disclosed in this section, we can apply for the listing of all or any portion of our Domestic Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our initial listing on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it will not require such prior application for listing at the time of our initial listing in Hong Kong.

No class Shareholder voting is required for the listing and trading of the converted Shares on the Hong Kong Stock Exchange. Any application for listing of the converted Shares on the Hong Kong Stock Exchange after our initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Domestic Shares will be withdrawn from the Domestic Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on our H Share register will be conditional on (a) our H Share Registrar lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Listing Rules, the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO LISTING DATE

Pursuant to the PRC Company Law, our Shares issued prior to the Listing shall not be transferred within one year from the Listing Date.

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register and deposit our Shares that are not listed on the overseas stock exchange with the China Securities Depository and Clearing Corporation Limited within 15 business days upon the Listing and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the offering and listing of our H Shares.

You should read the following discussion and analysis relating to our Group in conjunction with our audited consolidated financial information as of and for the years ended December 31, 2021, 2022, and 2023 included in "Appendix I – Accountant's Report" to this prospectus, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountant's Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. For details, see "Forward-looking Statements" and "Risk Factors" in this prospectus.

OVERVIEW

We are the largest digital solution provider of pharmaceutical and medical device R&D and commercialization in China in terms of revenue in 2023, taking up a market share of 5.9%, according to CIC. We design and provide industry-specific software and digital services to a variety of stakeholders in the pharmaceutical and medical device industry. Leveraging our experience and insights into pharmaceutical and medical device, and through a combination of technologies, we are building an enhanced digital infrastructure that accelerates the R&D and commercialization of pharmaceuticals and medical devices. As of March 31, 2024, we had served over 1,400 pharmaceutical companies and CROs, including 21 out of the top 25 global pharmaceutical companies and 90 of the top 100 Chinese pharmaceutical innovators, making us the most widely adopted digital solution provider for pharmaceutical and medical device R&D and commercialization in China in terms of number of customers, according to CIC.

Leveraging on our digital collaboration platforms, TrialOS and PharmaOS, we primarily provide cloud-based software and digital services to facilitate our customers for their pharmaceutical and medical device R&D and commercialization activities:

Cloud-based Software. Our cloud-based software are applied in various scenarios, primarily including clinical research digitalization, SMO digitalization, independent imaging review, pharmacovigilance, and pharmaceutical and medical device commercialization. They facilitate efficient data interconnectivity and interoperability among different software, which in turn underpin the efficient execution of pharmaceutical and medical device R&D and commercialization. Our in-depth comprehension of industry challenges and experience in the

pharmaceutical and medical device industry enable us to develop both SaaS products based on the subscription model that can be nimbly deployed and customized products tailored to our customers' specific requirements. For the SaaS products, we charge subscription fees on customers and generally recognize the resulting revenue over the contract term since our delivery of products and in accordance with our customers' consumption of products. In addition, approaches for revenue recognition vary with the nature of each product, as we recognize revenue from medical imaging review SaaS products based on the number of imaging review conducted while recognize revenue from some other products based on performance completed to date. For customized products, we recognize the resulting revenue at a point of time when such product is delivered to and accepted by our customers.

Digital Services. Our digital services primarily include IRC services and digital clinical research services. By choosing our services, our service customers can leverage our service personnel who are well-versed in our software to fulfill their needs with consistent quality and no additional staff overhead. Our IRC service primarily helps pharmaceutical and medical device companies conduct independent reading of medical images, and our digital clinical research services facilitate digital SMO business management through offering integrated service related to training, management, and supervision, and offer pharmacovigilance service, and also provide digital clinical trial services primarily through digitally decomposing and streamlining operations of clinical research for quality, transparency, and efficiency, and realize real-time risk alerts and achieves digital project management. We recognize revenue from digital services over contract term since our delivery of services and in accordance with the progress of our service obligation performance.

Others. As a supplement to our mainstream businesses, we provide medical professional services, such as training and meeting arrangement services to customers, and the resulting revenue is recognized at a point of time when the services are delivered and accepted by customers.

Leveraging our diverse products and services portfolio, with our abilities to grow the customer base and improve customer retention, we have achieved continuous development during the Track Record Period. Our business grew continuously during the Track Record Period. We recorded revenue of RMB466.2 million, RMB549.2 million, RMB573.1 million, RMB129.2 million and RMB132.1 million in 2021, 2022, 2023 and the first three months of 2023 and 2024, respectively. We recorded gross profit of RMB164.3 million in 2021, RMB185.4 million in 2022, RMB179.0 million in 2023, RMB38.5 million in the first three months of 2023 and RMB49.5 million in the first three months of 2024. We incurred net losses of RMB479.6 million in 2021, RMB422.6 million in 2022, RMB356.4 million in 2023, RMB107.4 million in the first three months of 2023 and RMB118.2 million in the first three months of 2024. Excluding the effects of share-based payments and listing expenses, we had adjusted net loss (a non-IFRS measure) of RMB345.2 million, RMB333.3 million, RMB317.1 million, RMB109.9 million and RMB19.3 million in 2021, 2022 and 2023 and the first three months of 2023 and 2024, respectively. See "— Description of Selected Components of Consolidated Income Statements — Non-IFRS Measure" in this section for more information.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We operate in the pharmaceutical digitization industry where our operational results and financial conditions are shaped by a series of macroeconomic factors, such as economic growth, evolving pharmaceutical policies and regulations, the sustained penetration and acceptance of pharmaceutical digital solutions, and technological advancements. Furthermore, we believe that our operational results and financial conditions are also impacted by company-specific factors, including but not limited to those outlined below:

Our Ability to Grow our Customer Base

Our ability to attract new customers and expand our customer base is crucial to our operational performance and future growth. Over the past few years, our customer base has grown significantly. In 2021, 2022, 2023 and the three months ended March 31, 2024, we served 908, 1,033, 1,107 and 867 customers, respectively, with our software and digital services, among whom over 70% subscribed to our SaaS products. We consider customers who have contributed a revenue of RMB500,000 or more in the immediately preceding twelve months as our core customers. In 2021, 2022 and 2023, approximately 20.8%, 21.4%, and 21.2% of our customers were core customers who contributed 81.0%, 81.9% and 83.8% of our revenue in each of the respective years.

Our ability to attract new customers is driven by a range of factors, including our ability to deliver high-quality software and digital services tailored to our customers' growing and diverse needs, our ability to tap into various large-scale and rapidly growing industries, and our capabilities in marketing and brand building.

Ongoing growth in our customer base bolsters our brand and elevates our reputation, thereby attracting more pharmaceutical and medical device companies through cost-effective word-of-mouth referrals. Moreover, a continuously growing and substantial customer base supplies us with valuable sources of big data. This allows us to better understand our customers' needs and preferences, amass industry insights, and as a result, refine our suite of products and services, improve the overall customer experience, and sustain long-term growth for our businesses.

Our Ability to Improve Customer Retention and Encourage Customers' Utilization

Our operational performance depends on our ability to retain existing customers and expand their utilization of our products and services over time. In addition to reaching new customers, we endeavor to further increase our customer stickiness, with a customer retention rate of over 77% and a core customer retention rate of over 87% for 2021, 2022 and 2023. We seize cross-selling opportunities and tap into the commercial value of each customer. In 2023, customers purchasing three or more of our products or services contributed more than 77% of our total revenue.

Our ability to encourage existing customers to expand their utilization of our solutions is highly reliant on our continuous focus on customer success and exceptional service quality, as well as our ability to adapt our solutions and services to more business scenarios and meet the changing digital needs of customers in the pharmaceutical industry. We believe that the customer success and satisfaction brought about by our comprehensive solutions and services offer us significant cross-selling opportunities in various digital pharmaceutical solutions, and these opportunities will continue to drive our long-term business growth.

Our Ability to Drive Product and Technological Innovation

We will continue to invest in product and technological innovation to solidify our market position. We aim to improve our existing products, attract more technical talent, and invest in advanced technologies to better meet the escalating and varied digital needs of pharmaceutical companies. Specifically, we will continue to invest in building our TrialOS and PharmaOS platforms to engage more industry participants, cover broader application scenarios, augment the platform potentials, and improve end-to-end service capabilities. During the Track Record Period, we provide over 40 products and services to our customers.

At the same time, leveraging our experience and insights into pharmaceuticals and medical devices, particularly in new drug research and development, we aim to comprehensively boost our technological innovation capabilities by integrating advanced technologies such as artificial intelligence, business intelligence, cloud computing, big data and mobile internet. This approach enables us to provide customers with higher quality cloud-based software and digital services, leading to our long-term sustainable business growth.

Our Ability to Manage Costs and Improve Operational Efficiency

Our financial performance hinges on our ability to manage costs and enhance operational efficiency. As our business continues to expand, we plan to optimize our costs of sales and operational expenses through achieving greater economies of scale and higher cost benefits.

We continue to invest in the brand building and expand our market exposure. As we become more recognized by the participants in the pharmaceutical and medical device industry, including but not limited to pharmaceutical companies, medical device companies and clinical research institutions, the increasing market awareness of our SaaS products and digital services allows us to attract and acquire customers in an increasingly efficient manner. In addition, our ongoing investment in product and technological improvement contributes to our business expansion. However, this expansion process has incurred significant amount of selling expenses, administrative expenses and research and development expenses. In light of the cost and time needed for expanding our marketing and sales network and maintaining our market position, we expect to continue to devote resources to market our cloud-based software and digital services and enhance our technologies. Our ability to control selling expenses, administrative expenses and research and development expenses may significantly affect our profitability. Going forward, we expect to continuously evaluate and monitor the effectiveness and efficiency of our business activities and marketing spending and benefit from the economies of scale.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with applicable IFRS Accounting Standards ("**IFRS**") issued by the International Accounting Standards Board. The historical financial information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each period during the Track Record Period.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our historical financial information are disclosed in Note 4 to the Accountant's Report in Appendix I to this prospectus.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Material Accounting Policies

Revenue Recognition

Our revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if:

- the customer simultaneously receives and consumes the benefits provided by our performance as we performs;
- creates and enhances an asset that the customer controls as we perform; or
- does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, we allocate revenue to each performance obligation based on its relative standalone selling price. We generally determine relative standalone selling prices based on our standard price list, taking into consideration market conditions and our overall pricing strategy.

When either party to a contract has performed, we present the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is our right to consideration in exchange for goods and services that we have transferred to a customer. A receivable is recorded when we have an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

If a customer pays consideration or we have a right to an amount of consideration that is unconditional, before we transfer a good or service to the customer, we present the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is our obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from the customer.

We mainly derive revenue separately or in combination from sales of cloud-based software products, provision of digital services and other services.

SaaS Products

We offer SaaS products and software related services to customers. Under SaaS model, customers are provided with access to one or more of our software products over the contract term. Revenue of independent medical imaging review software product is recognized based on the numbers of imaging review endpoints provided to customers. Revenue of other SaaS software products is recognized ratably over the contract term.

We provide software related services to our customers including system configuration and implementation services. These services are determined to be a separate performance obligation considering, (a) customers' accesses are granted upon purchase and customers can start using the software immediately by following the user manual, (b) these services do not involve the modification or writing of additional software code, but rather involves setting up the software's existing code to function in a particular way for customer's benefits. Revenue is recognized over time since we do not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

Customized Products

We also provide customized products, primarily pharmaceutical marketing software, and related technical support services to pharmaceutical and medical device companies.

Revenue of customized products is recognized at a point in time when customized products are is provided to the customer and accepted by the customer through a confirmation letter or an email of completion.

Related technical support services can be purchased separately from customized products at customers' decision and is determined to be a separate performance obligation. Revenue of related technical support services is recognized over time since the output in the form of services is provided for customers to consume simultaneously over the course of the arrangement during the contract term. Revenue is recognized ratably over the contract term.

Digital Services

We developed a suite of digital services that are primarily built on our software. We provide several separate services as follow:

- Digital clinical research service; and
- Independent reading center ("**IRC**") services

Digital clinical research service primarily consisted of site management organizations ("**SMO**") business management services, clinical research services and data cleaning, analysis and management services. Data cleaning, analysis and management services can be purchased separately at customer's decision. They are clearly separately distinct from any other products and services. Since our IRC services, digital SMO business management services and clinical research services each provide significant integration services and a combined output to customers, each of them is determined as a single performance obligation.

The performance obligation of data cleaning, analysis and management services, digital SMO business management services and clinic research services is satisfied over time as the output in the form of services is delivered for the customer to consume simultaneously over the course of the arrangement during the contract term. The performance obligation of IRC services is satisfied over time since we do not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date. We recognize revenue over time using output method where the progress of the performance obligation is measured by the completion progress of the project.

For digital SMO business management services, we are primarily responsible for fulfilling digital services and has discretion in establishing prices and vender selection. Accordingly, we act as a principal, and the revenue is presented on a gross basis.

Others

We provide conference services to customers separately, which is a single performance obligation for each contract. Revenue is recognized at a point in time when these services are delivered to the customer and accepted by the customer.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Construction in progress mainly represents leasehold improvements under construction, which is stated at actual construction cost less accumulated impairment losses. Construction in progress is transferred to appropriate categories of property and equipment upon the completion of their respective construction and depreciated over their respective estimated useful lives.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Server and electronic equipment	5 years
Furniture and office equipment	5 years
Transportation equipment and vehicles	5 years
Leasehold improvements	shorter of estimated useful lives and remaining lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each period during the Track Record Period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "other gains/(losses) – net" in the consolidated income statements.

Intangible Assets

Goodwill

Goodwill is measured as described in Note 38.1(a) to the Accountant's Report in Appendix I to this prospectus. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("**CGUs**") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU).

Research and Development Expenditure

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Amortization Methods and Periods

We amortize intangible assets with a limited useful life using the straight-line method over the following periods:

Software	2-10 years
Patent	10 years

The estimated useful lives of our software and patent have been determined based on the period during which the software are expected to bring economic benefits to us, or the software's unlimited license period, the period stipulated in the patent which covered be renewed without significant cost.

Impairment of non-financial assets

Non-financial assets other than goodwill and intangible assets that have an indefinite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Except for Taimei Xinghuan and Beijing Nuoming which were separately acquired by us in 2019, our Company and our other subsidiaries operates as a whole to deliver the digital solution to the customers. Therefore our Group assessed the impairment of non-financial assets other than goodwill based on: (1) CGU of Taimei Xinghuan; (2) CGU of Beijing Nuoming and (3) CGU of our Group other than Taimei Xinghuan and Beijing Nuoming. As of December 31, 2021, 2022 and 2023 and March 31, 2024, non-financial assets mainly include leased buildings, property, plant and equipment and intangible assets.

The recoverable amount of these CGUs at the end of reporting period had been determined based on value-in-use calculations, using cash flow projections prepared by our management. Key assumptions applied in preparing the cash flow projections included annual growth rate and pretax discount rate. Based on the results of the assessment, an impairment loss on patent of RMB1,204,000 was recorded during the year ended December 31, 2023 due to our Group's decision of business cease of Beijing Nuoming. Except that, the recoverable amount exceeded the carrying amount with sufficient headroom and no further impairment was recorded during the Track Record Period.

Investments and Other Financial Assets

Classification of Financial Assets at Fair Value Through Profit or Loss

We classify our financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("**OCI**"), or through profit or loss); and

- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether we have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive loss ("**FVOCI**").

We reclassify debt investments when and only when our business model for managing those assets changes.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which we commit to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and we have transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, we measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on our business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which we classify our debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains/(losses) – net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses) – net. Interest income from these financial assets is included in "finance income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) – net" and impairment losses are presented as separate line item in the consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) – net in the period in which it arises.

Impairment

We assess on a forward-looking basis the expected credit losses associated with our debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and notes receivables, we apply the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

For other receivables, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Restricted Cash and Short-term Bank Deposits

Cash restricted for guaranteed deposits for bank borrowings or issuance of notes payables or other purpose were included in the restricted cash on the consolidated balance sheets. Bank deposits with initial terms of over three months but within one year were included in the short-term bank deposits on the consolidated balance sheets.

Cash and Cash Equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Critical Accounting Estimates and Judgements

Impairment of Goodwill and Other Non-financial Assets

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect our financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statements.

Recognition of Share-based Payments to Employees

The fair value of restricted shares granted to certain employees are measured on the respective grant dates based on the fair value of the underlying shares. We only recognize an expense for those restricted shares expected to vest over the vesting period during which the grantees become unconditionally entitled to those share-based awards. Changes in these estimates and assumptions could have a material effect on determination of the fair value of restricted shares and share options and the amount of such share-based awards vested, which may in turn significantly impact the determination of share-based payments.

As a part of those share-based awards are conditional on an initial public offering ("**IPO**"), we have estimated the completion date of our IPO when we calculated share-based payments at each reporting period end.

Fair Value of Financial Assets and Liabilities at FVPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period during the Track Record Period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. For details of the assumptions and estimates in determination of the fair value, see Note 3.3(c) to the Accountant's Report in Appendix I to this prospectus.

Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about the expected loss rates. We use judgment in making these assumptions and selecting the inputs to the impairment calculation, based on our past history, existing market conditions as well as forward looking estimates at the end of each reporting period during the Track Record Period. For details of the key assumptions and inputs used, see Note 3.1(b) to the Accountant's Report in Appendix I to this prospectus. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated income statements.

Income Taxes and Deferred Income Tax

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. We recognizes liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year/period in which such determination is made.

For temporary differences or tax losses which give rise to deferred income tax assets, we assess the likelihood that the deferred income tax assets could be recovered. Deferred income tax assets are recognized based on our estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED INCOME STATEMENTS

The following table sets forth our consolidated income statements for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
							(Unaudited)			
Revenue	466,181	100.0	549,215	100.0	573,137	100.0	129,232	100.0	132,053	100.0
Cost of sales	(301,848)	(64.7)	(363,814)	(66.2)	(394,135)	(68.8)	(90,740)	(70.2)	(82,535)	(62.5)
Gross profit	164,333	35.3	185,401	33.8	179,002	31.2	38,492	29.8	49,518	37.5
Selling expenses	(179,334)	(38.5)	(184,679)	(33.6)	(150,207)	(26.3)	(40,581)	(31.4)	(24,350)	(18.4)
Administrative expenses	(266,894)	(57.3)	(289,115)	(52.6)	(268,913)	(46.9)	(52,696)	(40.8)	(135,294)	(102.5)
Research and development expenses	(190,843)	(40.9)	(208,177)	(37.9)	(169,191)	(29.5)	(52,739)	(40.8)	(27,159)	(20.6)
Net impairment losses on financial and contract assets	(4,230)	(0.9)	(3,292)	(0.6)	(8,402)	(1.5)	(1,994)	(1.5)	(1,051)	(0.8)
Net impairment losses on intangible assets	(54,089)	(11.6)	(22,382)	(4.1)	(9,572)	(1.7)	(9,572)	(7.4)	–	–
Other income	14,277	3.1	20,561	3.7	19,419	3.4	8,910	6.9	9,187	7.0
Other gains/(losses) – net	11,146	2.4	58,899	10.7	11,277	2.0	(6,756)	(5.2)	2,455	1.9

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*	*RMB'000*	*% of Revenue*
							(Unaudited)			
Operating loss	(505,634)	(108.5)	(442,784)	(80.6)	(396,587)	(69.2)	(116,936)	(90.5)	(126,694)	(95.9)
Finance income	28,738	6.2	22,884	4.2	41,654	7.3	10,052	7.8	8,629	6.5
Finance cost	(2,709)	(0.6)	(2,681)	(0.5)	(1,431)	(0.2)	(538)	(0.4)	(157)	(0.1)
Finance income – net	26,029	5.6	20,203	3.7	40,223	7.0	9,514	7.4	8,472	6.4
Loss before income tax	(479,605)	(102.9)	(422,581)	(76.9)	(356,364)	(62.2)	(107,422)	(83.1)	(118,222)	(89.5)
Income tax expenses	(6)	(0.0)	–	–	(15)	(0.0)	–	–	–	–
Loss for the year/period	(479,611)	(102.9)	(422,581)	(76.9)	(356,379)	(62.2)	(107,422)	(83.1)	(118,222)	(89.5)
Loss is attributable to:										
Owners of the Company	(479,611)	(102.9)	(412,907)	(75.2)	(346,778)	(60.5)	(104,044)	(80.5)	(116,276)	(88.1)
Non-controlling interests	–	–	(9,674)	(1.8)	(9,601)	(1.7)	(3,378)	(2.6)	(1,946)	(1.5)
	(479,611)	(102.9)	(422,581)	(76.9)	(356,379)	(62.2)	(107,422)	(83.1)	(118,222)	(89.5)

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net loss as an additional non-IFRS measure, which is not required by, or presented in accordance with, IFRS.

We define "adjusted net loss (a non-IFRS measure)" as loss for the year/period adjusted by adding back share-based payments and listing expenses. Listing expenses are expenses incurred in relation to the Global Offering and the previous listing preparation. Share-based payments are non-cash in nature and do not result in cash outflow. We believe the presentation of this non-IFRS measure provides useful information to investors and management in facilitating a comparison of our operating performance from period to period by eliminating potential impacts of these items. However, our presentation of adjusted net loss may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

The tables below set forth the reconciliation of our non-IFRS measure presented in accordance with IFRS for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loss for the year/period	(479,611)	(422,581)	(356,379)	(107,422)	(118,222)
Adjustment:					
Share-based payments	134,427	89,275	13,292	(14,489)	97,498
– Share-based payments to employees	134,427	89,275	13,292	(14,489)	4,662
– Share-based payments to certain shareholders	–	–	–	–	92,836
Listing expenses	–	–	26,021	12,016	1,409
– Listing expenses in connection with previous listing preparation	–	–	12,016	12,016	–
– Listing expenses in connection with Global Offering	–	–	14,005	–	1,409
Adjusted net loss for the year/period (a non-IFRS measure)	**(345,184)**	**(333,306)**	**(317,066)**	**(109,895)**	**(19,315)**

Revenue

We primarily derive our revenue from (i) the sales of our cloud-based software, including SaaS products and customized products as well as relevant technical support; and (ii) provision of digital services, primarily including digital clinical research services and IRC services. For details, please see "Business — Our Solutions" in this prospectus. In 2021, 2022 and 2023 and the first three months of 2023 and 2024, our revenue was RMB466.2 million, RMB549.2 million, RMB573.1 million, RMB129.2 million and RMB132.1 million, respectively. During the Track Record Period, our revenue from mainland China was RMB464.5 million, RMB545.0 million, RMB567.7 million, RMB128.0 million and RMB130.1 million in 2021, 2022, 2023 and the first three months of 2023 and 2024, respectively, which accounted for approximately 99.6%, 99.2%, 99.0%, 99.1% and 98.5% of our total revenue for the same periods. The following table sets forth a breakdown of our revenue by product and service offerings for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Cloud-based Software										
– SaaS products	119,864	25.7	149,874	27.3	155,740	27.2	37,673	29.2	39,645	30.0
– Customized products	77,188	16.6	61,101	11.1	45,613	8.0	8,955	6.9	5,663	4.3
Subtotal	197,052	42.3	210,975	38.4	201,353	35.2	46,628	36.1	45,308	34.3
Digital Services	268,456	57.6	338,084	61.6	369,931	64.5	82,595	63.9	86,745	65.7
Others	673	0.1	156	0.0	1,853	0.3	9	0.0	–	–
Total	466,181	100.0	549,215	100.0	573,137	100.0	129,232	100.0	132,053	100.0

Cloud-based Software

We provide both SaaS products that can be nimbly deployed and customized products tailored to our customers' specific requirements, so as to support our customers with their pharmaceutical and medical device R&D and commercialization. In 2021, 2022, 2023 and the first three months of 2023 and 2024, we generated revenue of RMB197.1 million, RMB211.0 million, RMB201.4 million, RMB46.6 million and RMB45.3 million, respectively, from sales of our cloud-based software, which accounted for 42.3%, 38.4%, 35.2%, 36.1% and 34.3%, respectively, of our total revenue for each of the corresponding period.

We have witnessed steady increases in revenue generated from our SaaS products from RMB119.9 million in 2021 to RMB149.9 million in 2022 and further increased to RMB155.7 million in 2023, and increased from RMB37.7 million in the first three months of 2023 to RMB39.6 million in the first three months of 2024, demonstrating a solid growth of this business stream. This upward trend aligns with the expansion of our customer base. Due to the ease of adoption and standardization of SaaS products, our SaaS product offerings generally have a larger customer base than customized products. Leveraging our accumulated SaaS product-related experience in pharmaceutical and medical device field, we strategically prioritize enhancing revenue from the sales of our SaaS products. As a result, the overall weight of our customized products decreased during the Track Record Period.

Our software can be generally divided into two categories: (i) the pharmaceutical and medical device R&D software that assists pharmaceutical and medical device companies, clinical research institutions and CROs in conducting compliant and efficient clinical research, and (ii) pharmaceutical and medical device commercialization software that helps pharmaceutical and medical device companies effectively manage their distributors and medical sales personnel, achieving transparent drug channel flow, clear customer insights, visualized sales behavior, and precise sales & marketing. The following table sets forth a breakdown of our revenue generated from software by categories for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Cloud-based Software										
Pharmaceutical and medical device R&D	131,501	66.7	162,688	77.1	159,692	79.3	35,352	75.8	38,115	84.1
Pharmaceutical and medical device commercialization	65,551	33.3	48,287	22.9	41,661	20.7	11,276	24.2	7,193	15.9
Total	197,052	100.0	210,975	100.0	201,353	100.0	46,628	100.0	45,308	100.0

Our revenue generated from the sales of pharmaceutical and medical device R&D software increased from RMB131.5 million in 2021 to RMB162.7 million in 2022, and remained relatively stable at RMB159.7 million in 2023, and increased from RMB35.4 million in the first three months of 2023 to RMB38.1 million in the first three months of 2024. Such changes reflected our continued business expansion and increased SaaS products offerings in relation to clinical researches. During the Track Record Period, our revenue from pharmaceutical and medical device commercialization software saw variations, with RMB65.6 million in 2021, RMB48.3 million in 2022, RMB41.7 million in 2023, RMB11.3 million in the first three months of 2023 and RMB7.2 million in the first three months of 2024. As we mentioned above, we strategically prioritize enhancing revenue from the sales of our SaaS products rather than customized products during the Track Record Period. Given that the majority of our pharmaceutical and medical device commercialization software is customized,

there was a shift in the overall weight of revenue from the sales of pharmaceutical and medical device commercialization software, decreasing progressively from 33.3% in 2021 to 22.9% in 2022 to 20.7% in 2023, and from 24.2% in the first three months of 2023 to 15.9% in the first three months of 2024.

Digital Services

We provide digital services based on our digital collaboration platforms and linked with our software, and our digital services primarily consisted of digital clinical research services and IRC services. In 2021, 2022, 2023 and the first three months of 2023 and 2024, our revenue from provision of digital services amounted to RMB268.5 million, RMB338.1 million, RMB369.9 million, RMB82.6 million and RMB86.7 million, respectively, accounting for 57.6%, 61.6%, 64.5%, 63.9% and 65.7%, respectively, of our total revenue for each of the corresponding period.

Our digital services can be generally divided into two categories: (i) digital clinical research services; and (ii) IRC services. For more details regarding our digital services, please see "Business — Our Solutions — Our Digital Services." The following table sets forth a breakdown of our revenue generated from digital services by categories for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Digital Services										
Digital clinical research services	178,480	66.5	236,998	70.1	280,103	75.7	61,717	74.7	67,864	78.2
IRC services	89,976	33.5	101,086	29.9	89,828	24.3	20,878	25.3	18,881	21.8
Total	268,456	100.0	338,084	100.0	369,931	100.0	82,595	100.0	86,745	100.0

Our revenue generated from digital clinical research service increased from RMB178.5 million in 2021 to RMB237.0 million in 2022, and further increased to RMB280.1 million in 2023, and increased from RMB61.7 million in the first three months of 2023 to RMB67.9 million in the first three months of 2024. On the other hand, Our revenue generated from IRC services increased from RMB90.0 million in 2021 to RMB101.1 million in 2022. Such increases were attributable to the growth in our customer base and customer consumption, driven by (i) the growing reliance of our clients as we consistently managed challenging research projects, and (ii) the expanded offerings of our SaaS products as many customers of our cloud-based software have chosen to utilize our digital services. Despite this overall growth, our revenue from IRC services decreased from RMB101.1 million in 2022 to RMB89.8

million in 2023, and decreased slightly from RMB20.9 million in the first three months of 2023 to RMB18.9 million in the first three months of 2024, primarily caused by fluctuations in the number of late-stage clinical research programs within the pharmaceutical and medical device market, which usually have higher average customer spending.

Others

During the Track Record Period, we also derived revenue from our other business, mainly our medical professional services, including training and meeting arrangement services. In 2021, 2022, 2023 and the first three months of 2023 and 2024, we generated other revenue of RMB0.7 million, RMB0.2 million, RMB1.9 million, RMB9.0 thousand and nil, respectively. As we concentrated on our cloud-based software and digital services and lowered our devotion to non-core operations, we only recorded small amount of revenue relating to our other business.

Cost of Sales

Our cost of sales primarily consists of (i) staff costs, primarily representing wages, benefits and bonuses for our personnel serving clinical researches, SaaS system deployment, customized software development and other business operation. In 2023, because of our streamlining of personnel structure, our personnel serving the above functions decreased by 209 employees; (ii) clinical research-related costs, primarily representing medical imaging review fees, SMO-related costs, and other professional services and consulting fees; (iii) costs of IT infrastructure and data service, primarily including hardware and software licensing fees and data service fees; (iv) office, business development and travelling expenses incurred by our business operation personnel for our software and services; (v) depreciation of properties, plant and equipment as well as right of use and amortization of intangible assets; and (vi) others, which primarily including short-term rental expenses and other miscellaneous expenses. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Staff cost	162,424	53.8	197,206	54.2	183,984	46.7	48,053	53.0	34,196	41.4
Clinical research-related costs	102,600	34.1	125,195	34.4	167,458	42.5	31,158	34.3	37,842	45.8
Costs of IT Infrastructure and data services	15,097	5.0	16,061	4.4	18,471	4.7	4,284	4.7	6,083	7.4
Office, business development and travelling expenses	5,842	1.9	5,907	1.6	6,045	1.5	1,099	1.2	680	0.8

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Depreciation and amortization	7,905	2.6	7,218	2.0	10,388	2.6	2,558	2.8	2,105	2.6
Others	7,980	2.6	12,227	3.4	7,789	2.0	3,588	4.0	1,629	2.0
Total	301,848	100.0	363,814	100.0	394,135	100.0	90,740	100.0	82,535	100.0

The following table sets forth a breakdown of our cost of sales by product and service offerings for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Cloud-based Software										
– SaaS products	29,546	9.8	26,874	7.4	35,861	9.1	10,740	11.8	9,480	11.5
– Customized products	55,622	18.4	42,883	11.8	34,716	8.8	6,785	7.5	4,227	5.1
Subtotal	85,168	28.2	69,757	19.2	70,577	17.9	17,525	19.3	13,707	16.6
Digital Services	216,055	71.6	294,054	80.8	323,161	82.0	73,210	80.7	68,828	83.4
Others	625	0.2	3	0.0	397	0.1	5	0.0	–	–
Total	301,848	100.0	363,814	100.0	394,135	100.0	90,740	100.0	82,535	100.0

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less cost of sales. In 2021, 2022 and 2023 and the first three months of 2023 and 2024, our gross profit was RMB164.3 million, RMB185.4 million, RMB179.0 million, RMB38.5 million and RMB49.5 million, respectively. Gross profit margin represents our gross profit as a percentage of our revenue. In 2021, 2022 and 2023 and the first three months of 2023 and 2024, our gross profit margin was 35.3%, 33.8%, 31.2%, 29.8% and 37.5%, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product and service offerings for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	Gross profit	Profit margin	Gross profit	Profit margin	Gross profit	Profit margin	Gross profit	Profit margin	Gross profit	Profit margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Cloud-based Software										
– SaaS products	90,318	75.4	123,000	82.1	119,878	77.0	26,932	71.5	30,165	76.1
– Customized products	21,566	27.9	18,218	29.8	10,898	23.9	2,171	24.2	1,436	25.4
Subtotal	111,884	56.8	141,218	66.9	130,776	64.9	29,103	62.4	31,601	69.7
Digital Services	52,401	19.5	44,030	13.0	46,770	12.6	9,385	11.4	17,917	20.7
Others	48	7.1	153	98.1	1,456	78.6	4	44.4	–	–
Total	164,333	35.3	185,401	33.8	179,002	31.2	38,492	29.8	49,518	37.5

We experienced slight decreases in our overall gross profit margin from 35.3% in 2021 to 33.8% in 2022, and 31.2% in 2023, primarily due to a decrease of RMB8.4 million in 2022 in the gross profit of our digital services as we incurred increased expenses, mainly clinical research-related costs, while we actively expanded our digital services offerings, and a decrease of RMB7.3 million in 2023 in the gross profit of our customized products primarily because we strategically prioritize the development of our SaaS products and ceased certain part of business in customized products in 2023. From 2021 to 2022, we augmented our workforce to support our business expansion, and our staff costs increased by RMB34.8 million for the same period. During the Track Record Period, we incurred additional clinical research-relate costs of RMB22.6 million in 2022 and RMB42.3 million in 2023 as we engaged more service providers to meet the escalating demands from our clients in clinical research. These investments were important to support our growth and development in the digital service sector, positioning us for long-term success in this promising market. However, given the early-stage nature of our business, we had not yet achieved economies of scale necessary for better cost control, and therefore, there were decreases in our gross profit during the Track Record Period. Our overall gross profit margin increased significantly from 29.8% in the first three months of 2023 to 37.5% in the first three months of 2024, primarily due to (i) increases in the revenue of our digital services and SaaS products in the first three months of 2024, resulting from our continuous business expansion, and (ii) a significant decrease in the staff costs resulting from our streamlining of personnel structure in 2023.

Our gross profit margin of cloud-based software decreased from 66.9% in 2022 to 64.9% in 2023, primarily due to a decrease in the gross profit margin of our SaaS products, which dropped from 82.1% in 2022 to 77.0% in 2023. This decrease was mainly caused by fluctuations in the number of late-stage clinical research programs within the pharmaceutical and medical device market, which usually have higher average customer spending. In addition, the gross profit margin of our customized products decreased from 29.8% in 2022 to 23.9% in 2023, primarily due to our strategic priority to enhance revenue from the sales of our SaaS products rather than customized products, while the relevant cost of sales decreased at a slower pace.

During the Track Record Period, the gross profit margin of our SaaS products was higher than customized products, mainly because (i) SaaS products just need minimal customization development on top of standardized products, resulting in lower development costs, compared with customized products; and (ii) it is relatively easier to achieve economies of scale for the sales of SaaS products than that of customized products, and therefore, SaaS product offerings generally have a larger customer base than customized products and bring us more revenue with relatively stable costs.

Selling Expenses

Our selling expenses primarily consist of (i) staff costs, primarily representing wages, benefits and bonuses for our in-house sales and marketing team; (ii) share-based payment we made to our sales and marketing team contributing to our Group; (iii) office, business development and travelling expenses, primarily including expenses incurred by our in-house sales and marketing team as well as service fees we paid to the third-party marketing service providers for promotion of our brand and products; (iv) costs of IT infrastructure and data service primarily including hardware and software licensing fees and data service fees incurred for our operation and maintenance of customer management systems; (v) depreciation of properties, plant and equipment as well as right of use and amortization of intangible assets; and (vi) others, primarily including short-term rental expenses and other miscellaneous expenses. The following table sets forth a breakdown of our selling expenses for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Staff cost	122,460	68.3	140,576	76.1	100,720	67.1	29,099	71.7	17,707	72.7
Share-based payments	19,387	10.8	11,323	6.1	979	0.7	–	–	303	1.2
Office, business development and travelling expenses	31,674	17.7	24,043	13.0	38,383	25.6	8,446	20.8	5,012	20.6
Costs of IT Infrastructure and data service	1,037	0.6	1,983	1.1	5,211	3.5	1,729	4.3	258	1.1
Depreciation and amortization	1,356	0.8	3,425	1.9	3,377	2.2	922	2.3	771	3.2
Others	3,420	1.8	3,329	1.8	1,536	1.0	385	0.9	300	1.2
Total	179,334	100.0	184,679	100.0	150,207	100.0	40,581	100.0	24,350	100.0

Administrative Expenses

Our administrative expenses consist of (i) share-based payments we made to our certain directors, senior management and employees contributing to our Group; (ii) staff costs, primarily representing wages, benefits and bonuses for our administrative personnel; (iii) depreciation of properties, plant and equipment as well as right of use and amortization of intangible assets; (iv) listing expenses in relation to Global Offering; (v) consulting and professional service fees incurred in relation to audit services, legal services, IT and back office management system; (vi) office, business development and travelling expenses; (vii) costs of IT infrastructure and data service, primarily including hardware and software licensing fees and data service fees incurred in relation to our office operation and administrative management systems; and (viii) others, primarily including short-term rental expenses, property management fees and other miscellaneous expenses. The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Share-based payments	106,864	40.0	73,199	25.3	12,304	4.6	(14,490)	(27.5)	97,012	71.7
Staff cost	90,322	33.8	131,502	45.5	162,032	60.3	39,771	75.5	22,163	16.4
Depreciation and amortization	23,166	8.7	37,659	13.0	30,857	11.5	7,745	14.7	9,041	6.7
Listing expenses in relation to Global Offering	–	–	–	–	14,005	5.2	–	–	1,409	1.0
Consulting and professional service fees	18,421	6.9	23,283	8.1	23,618	8.8	14,275	27.1	1,175	0.8
Office, business development and travelling expenses	4,780	1.8	3,079	1.1	4,703	1.7	1,196	2.3	823	0.6
Costs of IT Infrastructure and data service	2,701	1.0	4,093	1.4	6,915	2.6	1,155	2.2	597	0.4
Others	20,640	7.7	16,300	5.6	14,479	5.4	3,044	5.8	3,073	2.3
Total	266,894	100.0	289,115	100.0	268,913	100.0	52,696	100.0	135,294	100.0

Research and Development Expenses

Our research and development expenses primarily consist of (i) staff costs, primarily representing wages, benefits and bonuses for our R&D personnel; (ii) costs of IT infrastructure and data service, primarily including data service fees and hardware and software licensing fees relation to the upgrading of platforms and systems; (iii) share-based payments we made to our R&D personnel contributing to our Group; (iv) depreciation of properties, plant and equipment as well as right of use and amortization of intangible assets; (v) consulting and professional service fees incurred in relation to our system upgrades and developments; (vi) office, business development and travelling expenses of R&D personnel; and (vii) others, primarily including short-term rental expenses and other miscellaneous expenses. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year Ended December 31,						Three Months Ended March 31,			
	2021		2022		2023		2023		2024	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Staff cost	160,496	84.1	181,072	87.0	148,436	87.7	46,529	88.2	23,236	85.6
Costs of IT Infrastructure and data service	6,420	3.4	10,292	4.9	6,899	4.1	2,123	4.0	1,457	5.4
Share-based payments	8,176	4.3	4,753	2.3	9	0.0	–	–	183	0.7
Depreciation and amortization	4,079	2.1	7,223	3.5	7,340	4.3	2,012	3.8	1,204	4.4
Consulting and professional service fees	4,377	2.3	1,047	0.5	4,030	2.4	1,312	2.5	732	2.7
Office, business development and travelling expenses	1,923	1.0	559	0.3	645	0.4	224	0.4	60	0.2
Others	5,372	2.8	3,231	1.6	1,832	1.1	539	1.0	287	1.1
Total	190,843	100.0	208,177	100.0	169,191	100.0	52,739	100.0	27,159	100.0

Net Impairment Losses on Financial and Contract Assets

We recorded financial assets and contract assets during the Track Record Period. For details, see "Financial Assets at FVPL" and "Contract Assets" in "— Discussion of Certain Selected Items from the Consolidated Balance Sheets" in this section. As a result, we recorded net impairment losses on financial and contract assets of RMB4.2 million, RMB3.3 million, RMB8.4 million, RMB2.0 million and RMB1.1 million, respectively, in 2021, 2022, 2023 and the first three months of 2023 and 2024.

Net Impairment Losses on Intangible Assets

Our impairment losses on intangible assets primarily represent the impairment allowance we recorded for our goodwill. In 2021, 2022, 2023 and the first three months of 2023 and 2024, we recorded net impairment losses on intangible assets of RMB54.1 million, RMB22.4 million, RMB9.6 million, RMB9.6 million and nil, respectively. For details of impairment assessment on our goodwill, see "— Discussion of Certain Selected Items from the Consolidated Balance Sheets — Intangible Assets" in this section.

Other Income

Our other income was primarily government grants which consist of (i) financial subsidies granted to innovative businesses or local businesses and rental subsidies issued by local governments; (ii) additional deductible input value-added tax ("**VAT**") granted by local governments for taxpayers according to applicable policies. From April 1, 2019 to December 31, 2022, according to the tax policies, taxpayers who provide in modern services could deduct an extra 10% of the input VAT from their payable taxes. From January 1, 2023 to December 31, 2023, they could deduct an additional 5%. For more details, please see Note 9 to the Accountant's Report in Appendix I to this prospectus; and (iii) others, mainly representing tax refund for the individual income tax. The following table sets forth a breakdown of our other income for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Government grants	11,907	16,781	16,273	7,392	8,034
Additional deductible input VAT	1,918	3,012	1,980	356	–
Others	452	768	1,166	1,162	1,153
Total	14,277	20,561	19,419	8,910	9,187

Other Gains/(Losses) – Net

During the Track Record Period, our other gains consisted of (i) the fair value gains on our financial assets at FVPL, for details of which, see "— Discussion of Certain Selected Items from the Consolidated Balance Sheets — Financial Assets at FVPL" in this section; and (ii) net foreign exchange gains. Such other gains were partially offset by net foreign exchange losses, donations, losses on disposal of property, plant and equipment and termination of leasing contracts and fair value losses of warrant liabilities. Donations primarily included our

scholarship program in a local school and donations to charity organizations. For more details regarding warrant liabilities, please see "— Indebtedness — Warrant Liabilities" in this section. The following table sets forth a breakdown of our other gains for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Fair value gains on financial assets at FVPL	19,800	9,791	5,842	2,454	3,782
Net foreign exchange (losses)/gains	(7,958)	54,030	8,649	(8,478)	2,558
Fair value losses of warrant liabilities	–	(3,436)	(1,503)	(378)	(460)
Gains/(losses) on disposal of property, plant and equipment	17	(467)	–	–	–
Gains/(losses) on termination of leasing contracts	–	418	(105)	(105)	–
Donations	(225)	–	(270)	(250)	–
Others	(488)	(1,437)	(1,336)	1	(3,425)
	11,146	58,899	11,277	(6,756)	2,455

Finance Income – Net

During the Track Record Period, our net finance income consisted of interest income derived from our bank deposits, partially offset by interest charges on lease liabilities as well as interest expenses on bank borrowings. The following table sets forth a breakdown of our net finance income for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Interest income	28,738	22,884	41,654	10,052	8,629
Interest expenses on bank borrowings	(105)	–	–	–	–
Interest charges on lease liabilities	(2,604)	(2,681)	(1,431)	(538)	(157)
	26,029	20,203	40,223	9,514	8,472

Income Tax Expenses

We recorded income tax expenses of RMB6.0 thousand, nil, RMB15.0 thousand, nil and nil, in 2021, 2022, 2023 and the first three months of 2023 and 2024, respectively. During the Track Record Period, our income tax expenses fluctuated with tax effects primarily in relation to (i) super deduction for research and development expenses; (ii) share-based payment expenses not deductible for tax purpose; (iii) expenses not deductible for tax purpose; (iv) tax losses for which no deferred income tax asset was recognized; and (v) other temporary differences. During the Track Record Period, since we was loss-making, no effective tax rate was calculated. See Note 13 to the Accountant's Report in Appendix I to this prospectus for more details.

Our principal applicable taxes and tax rates are set forth as follows:

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective legislation, interpretations and practices, our income tax provision in respect of our operations in mainland China was subject to statutory tax rate of 25% on the assessable profits for the Track Record Period. In addition, during the Track Record Period, our Company, Taimei Xinghuan and Taimei Xingcheng were qualified as "High and New Technology Enterprises" ("**HNTEs**") and therefore were entitled to a preferential income tax rate of 15%. In 2023, Shanghai Shengfang was qualified as "High and New Technology Enterprises." This status requires companies to reapply every three years. Taimei Xinghuan's qualification as HNTEs expired on December 31, 2023, while Taimei Xingcheng's qualification as HNTEs will expire on December 31, 2024. Additionally, our Company and Shanghai Shengfang's qualifications as HNTEs will expire on December 31, 2025. Certain of our PRC subsidiaries that qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC enjoyed a preferential income tax rate of 20%.

Other Jurisdiction

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Singapore income tax rate is 17%. No Singapore profits tax was provided for as there was no estimated assessable profit that was subject to Singapore profits tax during the Track Record Period.

The United States income tax rate divided into federal tax and state tax. The Federal Corporate Income Tax ("**CIT**") is 21%. And the State CITs range from 1% to 12%. No the Unite States profits tax was provided for as there was no estimated assessable profit that was subject to the Unite States profits tax during the Track Record Period.

France income tax rate is 25%. No France profits tax was provided for as there was no estimated assessable profit that was subject to France profits tax during the Track Record Period.

As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any tax investigation, enquiries, penalties or surcharges.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2024 Compared with Three Months Ended March 31, 2023

Revenue

Our revenue increased by 2.2% from RMB129.2 million in the first three months of 2023 to RMB132.1 million in the first three months of 2024, primarily due to the growth in our revenue from the provision of digital services and the sales of SaaS products resulting from the business expansion.

Cloud-based Software. Our revenue from sales of cloud-based software decreased by 2.8% from RMB46.6 million in the first three months of 2023 to RMB45.3 million in the first three months of 2024, which was primarily attributable to the decrease in sales of customized products from RMB9.0 million in the first three months of 2023 to RMB5.7 million in the first three months of 2024, primarily due to our strategical priority of the sales of our SaaS products in our business. During the same period, our revenue from SaaS products increased from RMB37.7 million in the first three months of 2023 to RMB39.6 million in the first three months of 2024. The growth trend was primarily attributable to the increasing averaging customer spending for SaaS products, from RMB54.9 thousand in the first three months of 2023 to RMB58.2 thousand in the first three months of 2024.

Digital services. Our revenue from digital services increased by 5.0% from RMB82.6 million in 2022 to RMB86.7 million in 2023, primarily attributable to the increase in revenue from our digital clinical research service, benefiting from the broader recognition, which was in line with the increases in the average customer spending. Our average customer spending for our digital services increased from RMB157.6 thousand in the first three months of 2023 to RMB181.9 thousand in the first three months of 2024.

Cost of Sales

Our cost of sales decreased by 9.0% from RMB90.7 million in the first three months of 2023 to RMB82.5 million in the first three months of 2024, primarily attributable to a decrease of RMB13.9 million in staff cost resulting from our streamlining of personnel structure in 2023.

Gross Profit and Gross Profit Margin

Our gross profit increased by 28.6% from RMB38.5 million in the first three months of 2023 to RMB49.5 million in the first three months of 2024. Our gross profit margin increased from 29.8% in the first three months of 2023 to 37.5% in the first three months of 2024, primarily due to a significant decrease in the staff costs resulting from our streamlining of personnel structure in 2023.

Cloud-based Software. Our gross profit from sales of cloud-based software increased by 8.6% from RMB29.1 million in the first three months of 2023 to RMB31.6 million in the first three months of 2024. The respective gross profit margin increased from 62.4% in the first three months of 2023 to 69.7% in the first three months of 2024. Both increases were primarily caused by a decreases in our staff costs resulting from our streamlining of personnel structure in 2023.

Digital services. Our gross profit from provision of digital services increased by 90.9% from RMB9.4 million in the first three months of 2023 to RMB17.9 million in the first three months of 2024. The respective gross profit margin also increased from 11.4% in the first three months of 2023 to 20.7% in the first three months of 2024. Both increases were primarily caused by a decreases in our staff costs resulting from our streamlining of personnel structure in 2023.

Selling Expenses

Our selling expenses decreased by 40.1% from RMB40.6 million in the first three months of 2023 to RMB24.3 million in the first three months of 2024, primarily due to (i) a decrease of RMB11.4 million in staff costs; and (ii) a decrease of RMB3.4 million in the office, business development and travelling expenses, both primarily resulting from our streamlining of personnel structure in 2023.

Administrative Expenses

Our administrative expenses increased significantly from RMB52.7 million in the first three months of 2023 to RMB135.3 million in the first three months of 2024, primarily due to a significant increase of RMB111.6 million in our share-based payments primarily related to the acquisition of certain indirect equity interests in Shanghai Shengfang by certain Shareholders in January 2024. For more details regarding such acquisition, please see "History, Development and Corporate Structure — The Pre-IPO Investments — (2) Principal terms of the Pre-IPO Investments." Such increase was partially offset by a decrease of RMB17.6 million in staff costs caused by our streamlining of personnel structure in 2023.

Research and Development Expenses

Our research and development expenses decreased by 48.4% from RMB52.7 million in the first three months of 2023 to RMB27.2 million in the first three months of 2024, primarily due to a decrease of RMB23.3 million in staff costs mainly because we streamlined our R&D personnel structure in 2023.

Net Impairment Losses on Financial and Contract Assets

We recorded net impairment losses on financial and contract assets of RMB2.0 million in the first three months of 2023 and RMB1.1 million in the first three months of 2024. Such change was primarily due to a decrease in contract assets as we completed certain projects.

Net Impairment Losses on Intangible Assets

Our net impairment losses on intangible assets decreased from RMB9.6 million in the first three months of 2023 to nil in the first three months of 2024. For details of our impairment assessment on our goodwill, see "— Discussion of Certain Selected Items from the Consolidated Balance Sheets — Intangible Assets" in this section.

Other Income

Our other income remained relatively stable at RMB8.9 million and RMB9.2 million in the first three months of 2023 and 2024, respectively.

Other Gains/(Losses) – Net

We recorded net other gains of RMB2.5 million in the first three months of 2024, compared with net other losses of RMB6.8 million in the first three months of 2023. This change was primarily because we recorded net foreign exchange gains of RMB2.6 million, compared with net foreign exchange losses of RMB8.5 million in the first three months of 2023, which was primarily resulting from the fluctuations in the US$ to RMB exchange rate.

Finance Income – Net

Our net finance income remained relatively stable at RMB9.5 million in the first three months of 2023 and RMB8.5 million in the first three months of 2024.

Loss for the Period

As a result of the above, we recorded loss for the period of RMB118.2 million in the first three months of 2024, compared the loss for the period of RMB107.4 million in the first three months of 2023.

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue increased by 4.4% from RMB549.2 million in 2022 to RMB573.1 million in 2023, primarily due to the growth in our revenue from the provision of digital services and the sales of SaaS products resulting from the business expansion.

Cloud-based Software. Our revenue from sales of cloud-based software decreased by 4.5% from RMB211.0 million in 2022 to RMB201.4 million in 2023, which was primarily attributable to the decrease in sales of customized products from RMB61.1 million in 2022 to RMB45.6 million in 2023, primarily due to our strategical priority of the sales of our SaaS products in our business. During the same period, our revenue from SaaS products increased from RMB149.9 million in 2022 to RMB155.7 million in 2023. The growth trend was attributable to increases in the customer base, benefiting from the development in our cloud-based software which could be applied in more scenarios. In 2022 and 2023, we provided cloud-based software to 866 and 899 customers, respectively.

Digital services. Our revenue from digital services increased by 9.4% from RMB338.1 million in 2022 to RMB369.9 million in 2023, primarily attributable to the increase in revenue from our digital clinical research service, benefiting from the broader recognition, which was in line with the increases in the customer base. In 2022 and 2023, we provided digital services to 603 and 657 customers, respectively.

Cost of Sales

Our cost of sales increased by 8.3% from RMB363.8 million in 2022 to RMB394.1 million in 2023, primarily attributable to an increase of RMB42.3 million in clinical research-related costs related to the business expansion in our digital service sector as we engaged more service providers to support the development of our digital clinical research services.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 3.5% from RMB185.4 million in 2022 to RMB179.0 million in 2023. Our gross profit margin decreased from 33.8% in 2022 to 31.2% in 2023, primarily due to (i) a change in product and service mix as there was an increased weight of revenues from digital services which had relatively lower profit margins compared to software, and (ii) decreases in our gross profit margin of our digital services.

Cloud-based Software. Our gross profit from sales of cloud-based software decreased by 7.4% from RMB141.2 million in 2022 to RMB130.8 million in 2023. The respective gross profit margin decreased from 66.9% in 2022 to 64.9% in 2023. Both decreases were primarily caused by decreases in our gross profit and gross profit margin of sales of SaaS products, which was mainly caused by fluctuations in the number of late-stage clinical research programs within the pharmaceutical and medical device market, which usually have higher average customer spending.

Digital services. Our gross profit from provision of digital services remained relatively stable at RMB44.0 million in 2022 and RMB46.8 million in 2023. The respective gross profit margin also remained relatively stable at 13.0% in 2022 and 12.6% in 2023.

Selling Expenses

Our selling expenses decreased by 18.7% from RMB184.7 million in 2022 to RMB150.2 million in 2023, primarily due to (i) a decrease of RMB39.9 million in staff costs mainly because we streamlined our sales personnel structure in 2023 and our sales personnel decreased by 82 employees in 2023; and (ii) a decrease of RMB10.3 million in share-based payment primarily reflecting the changes in the estimated completion date of our IPO, partially offset by an increase of RMB14.3 million in the office, business development and travelling expenses as there were more sales and marketing activities in 2023 without the impact of the COVID-19.

Administrative Expenses

Our administrative expenses decreased by 7.0% from RMB289.1 million in 2022 to RMB268.9 million in 2023, primarily due to a significant decrease of RMB60.9 million in our share-based payments primarily reflecting the changes in the estimated completion date of our IPO, partially offset by (i) an increase of RMB30.5 million in our staff costs as we incurred termination allowance of RMB60.5 million, which was related to the streamlining of our personnel in 2023, partially offset by a decrease in staff costs caused by this streamlining. In 2023, our administrative personnel decreased by 60 employees; and (ii) listing expenses in relation to Global Offering of RMB14.0 million.

Research and Development Expenses

Our research and development expenses decreased by 18.7% from RMB208.2 million in 2022 to RMB169.2 million in 2023, primarily due to (i) a decrease of RMB32.6 million in staff costs mainly because we streamlined our R&D personnel structure in 2023 and our R&D personnel decreased by 200 employees in 2023; and (ii) a decrease of RMB4.7 million in share-based payment primarily reflecting the changes in the estimated completion date of our IPO.

Net Impairment Losses on Financial and Contract Assets

We recorded net impairment losses on financial and contract assets of RMB3.3 million in 2022 and RMB8.4 million in 2023. Such change was primarily due to an increase in our trade and notes receivables, which was in line with our business expansion.

Net Impairment Losses on Intangible Assets

Our net impairment losses on intangible assets decreased from RMB22.4 million in 2022 to RMB9.6 million in 2023. For details of our impairment assessment on our goodwill, see "— Discussion of Certain Selected Items from the Consolidated Balance Sheets — Intangible Assets" in this section.

Other Income

Our other income remained relatively stable at RMB20.6 million and RMB19.4 million in 2022 and 2023, respectively.

Other Gains – Net

Our net other gains decreased by 80.8% from RMB58.9 million in 2022 to RMB11.3 million in 2023, primarily due to a decrease of RMB45.4 million in our net foreign exchange gains, resulting from the fluctuations in the US$ to RMB exchange rate.

Finance Income – Net

Our net finance income increased significantly from RMB20.2 million in 2022 to RMB40.2 million in 2023, primarily due to an increase of RMB18.8 million in our interest income mainly caused by the increasing interest rates for our bank deposits denominated in US$ in 2023.

Loss for the Year

As a result of the above, our loss for the year decreased by 15.7% from RMB422.6 million in 2022 to RMB356.4 million in 2023.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021

Revenue

Our revenue increased by 17.8% from RMB466.2 million in 2021 to RMB549.2 million in 2022, primarily attributable to an increase in our revenue from the provision of digital services and the sales of SaaS products in 2022 resulted from the business expansion.

Cloud-based Software. Our revenue from sales of cloud-based software increased by 7.0% from RMB197.1 million in 2021 to RMB211.0 million in 2022, which was primarily attributable to the increase in sales of the SaaS products from RMB119.9 million in 2021 to RMB149.9 million in 2022. The growth trend was in line with the expansion of our customer base. On the other hand, our revenue from the customized products decreased from RMB77.2 million in 2021 to RMB61.1 million in 2022, primarily because we strategically exerted more efforts into expanding our SaaS product offerings, which in turn initiatively reduced the sales of customized products. In 2021 and 2022, we provided cloud-based software to 772 and 866 customers, respectively.

Digital services. Our revenue from digital services increased by 25.9% from RMB268.5 million in 2021 to RMB338.1 million in 2022, primarily due to the increase in revenue from our digital clinical research service, benefiting from the broader recognition, which was in line with the increases in the customer base and average customer spending. In 2021 and 2022, we provided digital services to 563 and 603 customers, respectively. In addition, the average customer spending for our digital services increased from RMB478.0 thousand in 2021 to RMB560.9 thousand in 2022.

Cost of Sales

Our cost of sales increased by 20.5% from RMB301.8 million in 2021 to RMB363.8 million in 2022, primarily due to (i) an increase of RMB34.8 million in staff costs as a result of increases in salary and employee headcount for our business operation and expansion; and (ii) an increase of RMB22.6 million in clinical research-related costs, primarily because we engaged more service providers to support the development of our digital clinical research services.

Gross Profit and Gross Profit Margin

Our gross profit increased by 12.8% from RMB164.3 million in 2021 to RMB185.4 million in 2022; our gross profit margin slightly decreased from 35.3% in 2021 to 33.8% in 2022. The increase in our overall gross profit primarily reflected our growth in both sales of software and digital services. However, there was a slight decrease in our gross profit margin, primarily caused by (i) a change in product and service mix as there was an increased weight of revenues from digital services which had relatively lower profit margins compared to software, and (ii) the decrease in the gross profit margin of our digital services.

Cloud-based Software. Our gross profit from sales of cloud-based software increased by 26.2% from RMB111.9 million in 2021 to RMB141.2 million in 2022, and the gross profit margin increased from 56.8% in 2021 to 66.9% in 2022, primarily because our revenue from the sales of cloud-based software increased, coupled with relatively stable costs of sales.

Digital services. Our gross profit from provision of digital services decreased by 16.0% from RMB52.4 million in 2021 to RMB44.0 million in 2022, and consequently, the respective gross profit margin decreased from 19.5% in 2021 to 13.0% in 2022, primarily due to our increasing investments in developing our new businesses in digital service sector, such as hiring more talented employees and engaging more service providers while our revenue growth was lower than our cost growth as we did not achieve economics of scale at this early-stage.

Selling Expenses

Our selling expenses increased by 3.0% from RMB179.3 million in 2021 to RMB184.7 million in 2022, primarily due to an increase of RMB18.1 million in the staff costs as we continuously put our efforts in market penetration and customer base expansion, partially offset by a decrease of RMB7.6 million in office, business development and travelling expenses due to reduced sales and marketing activities in 2022, influenced by the resurgence of the COVID-19 in 2022.

Administrative Expenses

Our administrative expenses increased by 8.3% from RMB266.9 million in 2021 to RMB289.1 million in 2022, primarily attributable to an increase of RMB41.2 million in staff costs resulted from increases in salary and employee headcount in relation to our business expansion, partially offset by a decrease of RMB33.7 million in share-based payments primarily reflecting the changes in the estimated completion date of our IPO.

Research and Development Expenses

Our R&D expenses increased by 9.1% from RMB190.8 million in 2021 to RMB208.2 million in 2022, primarily due to an increase of RMB20.6 million in the staff costs for our R&D team primarily as a result of our ongoing efforts to upgrade our platforms and existing software products, partially offset by (i) a decrease of RMB3.4 million in share-based payments primarily reflecting the changes in the estimated completion date of our IPO, and (ii) a decrease of RMB3.3 million in consulting and professional service fees as we proactively reduced our external costs in relation to system upgrades and development due to our increased in-house R&D capabilities in 2022.

Net Impairment Losses on Financial and Contract Assets

Our net impairment losses on financial and contract assets decreased by 21.4% from RMB4.2 million in 2021 to RMB3.3 million in 2022, primarily due to the increase in the settlement of our trade receivables as we enhanced our collection for trade receivables.

Net Impairment Losses on Intangible Assets

Our net impairment losses on goodwill decreased by 58.6% from RMB54.1 million in 2021 to RMB22.4 million in 2022. For details of our impairment assessment on our goodwill, see "— Discussion of Certain Selected Items from the Consolidated Balance Sheets" in this section.

Other Income

Our other income increased by 44.1% from RMB14.3 million in 2021 to RMB20.6 million in 2022, primarily due to an increase of RMB4.9 million in financial subsidies granted by the local government to us in support of local enterprises and the industry development.

Other Gain – Net

Our net other gains increased significantly from RMB11.1 million in 2021 to RMB58.9 million in 2022, primarily due to an increase of RMB62.0 million in net foreign exchange gains, which was caused by the fluctuations in the US$ to RMB exchange rate, partially offset by a decrease of RMB10.0 million in fair value gains on financial assets at FVPL primarily due to the settlement of a one-off performance compensation from our investment in accordance with its investment agreement in 2021, but not in 2022.

Finance Income – Net

Our net finance income decreased by 22.3% from RMB26.0 million in 2021 to RMB20.2 million in 2022, primarily attributable to a decrease of RMB5.8 million in the interest income as a result of a decrease in our short-term bank deposits.

Loss for the Year

As a result of the above, our loss for the year decreased by 11.9% from RMB479.6 million in 2021 to RMB422.6 million in 2022.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The table below sets forth our consolidated balance sheets as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
ASSETS				
Non-current assets				
Property, plant and equipment	32,293	37,382	21,942	17,141
Right-of-use assets	77,595	47,500	19,347	12,508
Intangible assets	103,177	80,701	72,191	71,137
Other non-current assets	115	12	–	–
Restricted cash	–	–	5,000	–
	213,180	165,595	118,480	100,786
Current assets				
Contract fulfilment cost	6,060	8,204	14,024	17,590
Contract assets	21,937	33,531	21,419	22,153
Trade and notes receivables	101,240	129,723	146,257	146,261
Other receivables and prepayments	62,129	78,936	74,998	69,234
Financial assets at fair value through profit or loss	270,736	439,907	280,826	266,312
Restricted cash	611	1,490	1,511	7,010
Short-term bank deposits	449,564	301,173	269,233	13,534
Cash and cash equivalents	679,313	666,742	517,924	698,858
	1,591,590	1,659,706	1,326,192	1,241,042
Total assets	1,804,770	1,825,301	1,444,672	1,341,828

	As of December 31,			As of March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
EQUITY				
Equity attributable to owners of the Company				
Share capital	538,000	538,000	538,000	538,000
Other reserves	1,601,806	1,909,354	1,922,646	2,004,330
Currency translation reserves	–	4,273	6,149	4,452
Accumulated losses	(728,783)	(1,141,690)	(1,488,468)	(1,604,744)
	1,411,023	1,309,937	978,327	942,038
Non-controlling interests	–	73,397	63,786	77,664
Total equity	1,411,023	1,383,334	1,042,113	1,019,702
LIABILITIES				
Non-current liabilities				
Lease liabilities	40,847	14,146	2,781	2,086
Deferred revenue	3,278	4,157	8,174	7,402
Warrant liabilities	–	32,232	33,735	34,195
	44,125	50,535	44,690	43,683
Current liabilities				
Trade and other payables	185,519	223,186	208,176	152,003
Lease liabilities	36,597	31,714	12,308	11,621
Contract liabilities	127,500	136,532	137,385	114,819
Current income tax liabilities	6	–	–	–
	349,622	391,432	357,869	278,443
Total liabilities	393,747	441,967	402,559	322,126

Property, Plant and Equipment

Our property, plant and equipment primarily consist of server and electronic equipment, furniture and office equipment, transportation equipment and vehicles, leasehold improvements and construction in progress. Our property, plant and equipment increased from RMB32.3 million as of December 31, 2021 to RMB37.4 million as of December 31, 2022 primarily due to the renovation of our office building, lease improvements and procurement of additional equipment and furniture. Our property, plant and equipment then decreased to RMB21.9 million as of December 31, 2023 and further to RMB17.1 million as of March 31, 2024, mainly due to the depreciation of our computers and amortization of our decoration of our office premises.

Right-of-Use Assets

During the Track Record Period, our right-of-use assets were primarily related to our leased building and other spaces used in our operations. Our right-of-use assets decreased from RMB77.6 million as of December 31, 2021 to RMB47.5 million as of December 31, 2022 and further decreased to RMB19.3 million as of December 31, 2023 and to RMB12.5 million as of March 31, 2024, primarily due to the depreciation charge in relation to our leased properties.

Intangible Assets

Our intangible assets included software, patent and goodwill. Our net book amount of our intangible assets decreased from RMB103.2 million as of December 31, 2021 to RMB80.7 million as of December 31, 2022, and then to RMB72.2 million as of December 31, 2023. Our intangible assets remained relatively stable at RMB71.1 million as of March 31, 2024. The table below sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Software	3,369	6,265	10,222	9,868
Patent	22,255	19,265	15,166	14,466
Goodwill	77,553	55,171	46,803	46,803
	103,177	80,701	72,191	71,137

Software and Patent

Our software had an estimated useful life of two to ten years, and our patents had a useful life of ten years. The net book amount of our software increased from RMB3.4 million as of December 31, 2021 to RMB6.3 million as of December 31, 2022, and further to RMB10.2 million as of December 31, 2023, which was primarily attributable to our purchase of software. The net book amount of our software then remained relatively stable at RMB9.9 million as of March 31, 2024. The net book amount of our patents decreased from RMB22.3 million as of December 31, 2021 to RMB19.3 million as of December 31, 2022, and further to RMB15.2 million as of December 31, 2023 and further to RMB14.5 million as of March 31, 2024, primarily due to the straight-line amortization charged and impairment losses against our patent value.

Goodwill

We allocate our goodwill to two CGUs, Taimei Xinghuan and Beijing Nuoming. Our net book value of goodwill decreased from RMB77.6 million as of December 31, 2021 to RMB55.2 million as of December 31, 2022, and further decreased to RMB46.8 million as of December 31, 2023 as we incurred impairment losses. Our goodwill remained stable at RMB46.8 million as of March 31, 2024. The following table sets forth a summary of goodwill allocation for CGUs:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost				
Taimei Xinghuan	139,646	139,646	139,646	139,646
Beijing Nuoming	21,480	21,480	21,480	21,480
	161,126	161,126	161,126	161,126
Accumulated Impairment				
Taimei Xinghuan	(83,573)	(92,843)	(92,843)	(92,843)
Beijing Nuoming	–	(13,112)	(21,480)	(21,480)
	(83,573)	(105,955)	(114,323)	(114,323)
	77,553	55,171	46,803	46,803

We carry out our impairment test on goodwill by comparing the recoverable amounts of CGUs to the carrying amount. Goodwill arising from the acquisition of Taimei Xinghuan and Beijing Nuoming was monitored separately and assessed as separate CGUs for the purpose of impairment testing.

The impairment reviews of the goodwill arising from the acquisition of Taimei Xinghuan in June 2019 and the acquisition of Beijing Nuoming in November 2019 have been conducted by our management at the end of each period during the Track Record Period. For the purposes of the impairment review, the recoverable amount of the CGU of Taimei Xinghuan and Beijing Nuoming is determined based on value-in-use calculations by using the discounted cash flow method.

CGU of Taimei Xinghuan

The key assumptions used in the value-in-use calculations of CGU of Taimei Xinghuan are as follows:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
Annual growth rate	9.0%-35.0%	9.0%-55.0%	10.0%-42.9%	8.0%-40.0%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rate	15.5%	15.5%	15.4%	15.4%

Affected by the macroeconomic condition, the estimated recoverable amount of the CGU of Taimei Xinghuan was below its carrying amount and therefore provision for impairment of RMB54.1 million and RMB9.3 million was recorded for the years ended December 31, 2021 and 2022, respectively.

The estimated recoverable amount of the CGU of Taimei Xinghuan exceeded its carrying amount by approximately RMB1.4 million and RMB1.3 million as of December 31, 2023 and March 31, 2024, respectively, and our management therefore concluded that the goodwill has impaired, but no further provision is required in 2024.

We performed the sensitivity analysis based on the assumption that annual growth rate, terminal growth rate and pre-tax discount rate have been changed. The following table sets out the impact of variants in each of the key assumptions for goodwill impairment testing. Had these estimated key assumptions been changed as below, the recoverable amounts would have increased or deceased as follows:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Annual growth rate increased by 1%	20,723	19,156	15,035	13,678
Annual growth rate decreased by 1%	(20,105)	(18,610)	(14,612)	(13,283)
Terminal growth rate increased by 0.5%	4,977	5,140	3,971	3,391
Terminal growth rate decreased by 0.5%	(4,621)	(4,773)	(3,686)	(3,148)
Pre-tax discount rate increased by 1%	(14,717)	(14,374)	(10,802)	(9,215)
Pre-tax discount rate decreased by 1%	17,314	16,999	12,748	10,836

If the revenue annual growth rate used in the value in use calculation had been 1% lower than our management's estimations as of December 31, 2023 and March 31, 2024, we would have had to recognize an additional impairment provision of goodwill of RMB13.2 million and RMB12.0 million, respectively.

If the terminal growth rate used in the value in use calculation had been 0.5% lower than our management's estimations as of December 31, 2023 and March 31, 2024, we would have had to recognize an additional impairment provision of goodwill of RMB2.2 million and RMB1.8 million, respectively.

If the pre-tax discount rate used in the value in use calculation had been 1% higher than our management's estimations as of December 31, 2023 and March 31, 2024, we would have had to recognize an additional impairment provision of goodwill of RMB9.4 million and RMB7.9 million, respectively.

CGU of Beijing Nuoming

The key assumptions used in the value-in-use calculations of CGU of Beijing Nuoming are as follows:

	As of December 31,			As of March 31,
	2021	2022	2023	2024
Annual growth rate	13.4%-30.0%	5.0%-19.0%	N/A	N/A
Terminal growth rate	2.0%	2.0%	N/A	N/A
Pre-tax discount rate	15.4%	15.4%	N/A	N/A

The estimated recoverable amount of the CGU of Beijing Nuoming exceeded its carrying amount by approximately RMB3.7 million and our management therefore concluded such goodwill was not impaired as of December 31, 2021.

Affected by the macroeconomic condition, the estimated recoverable amount of the CGU of Beijing Nuoming were below its carrying amount and therefore provision for impairment of RMB13.1 million was recorded for the year ended December 31, 2022.

In April 2023, we reassessed the business performance of Beijing Nuoming and decided to cease its business in order to improve operating efficiency. Beijing Nuoming primarily focuses on the sales of customized products for hospitals and clinical research institutions. Since we strategically prioritizes enhancing its revenue from sales of SaaS products and plan to consolidate resource and allocate more to the development of new products, we ceased the operation of Beijing Nuoming. Beijing Nuoming has made provision for impairment of goodwill and patent for RMB8.4 million and RMB1.2 million, respectively, in 2023.

We performed the sensitivity analysis based on the assumption that annual growth rate, terminal growth rate and pre-tax discount rate have been changed. The following table sets out the impact of variants in each of the key assumptions for goodwill impairment testing. Had these estimated key assumptions been changed as below, the recoverable amounts would have increased or deceased as follows:

	As of December 31,			As of March 31,
	2021	2022	2023[(1)]	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Annual growth rate increased by 1%	3,331	2,751	N/A	N/A
Annual growth rate decreased by 1%	(3,239)	(2,671)	N/A	N/A

	As of December 31,			As of March 31,
	2021	2022	2023[1]	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Terminal growth rate increased by 0.5%	958	524	N/A	N/A
Terminal growth rate decreased by 0.5%	(890)	(486)	N/A	N/A
Pre-tax discount rate increased by 1%	(2,588)	(1,678)	N/A	N/A
Pre-tax discount rate decreased by 1%	3,026	1,967	N/A	N/A

Note:

(1) Key assumption and sensitivity analysis for CGU of Beijing Nuoming is not applicable as of December 31, 2023 and March 31, 2024, since the goodwill of Beijing Nuoming has been fully impaired.

Based on the headroom of the impairment assessment as of December 31, 2021, our Directors believe that any reasonably possible change in any of the key assumptions would not result in an impairment provision of goodwill.

Contract Fulfilment Cost

We recognized contract fulfilment cost from the costs incurred to fulfill contracts of customized products, which will be recognized to cost of sales mainly within 2 to 6 months when our related performance obligations are satisfied and hence the related revenue is recognized. We recognized contract fulfilment cost of RMB6.1 million, RMB8.2 million, RMB14.0 million and RMB17.6 million as of December 31, 2021 and 2022 and 2023 and March 31, 2024. The significant increase in our contract fulfilment cost in 2023 and the first three months of 2024 was primarily due to our engagement in a customized product contract with foreign clients. This contract has a longer term and a greater volume of work in the comparison to the fulfillment of our domestic contracts, resulting in an increase in our contract fulfilment cost.

Contract Assets

Our contract assets represent our right to consideration in exchange for the products and services which we have already provided. Such contract assets are reclassified to trade receivables when our right to the considerations becomes unconditional. Our contract assets increased from RMB21.9 million as of December 31, 2021 to RMB33.5 million as of December 31, 2022. Such increase in contract assets were in line with our customer expansion. Our contract assets then decreased to RMB21.4 million as of December 31, 2023, primarily due to the settlement of payments for our certain completed projects during the year. Our contract assets remained relatively stable at RMB22.2 million as of March 31, 2024.

As of July 31, 2024, approximately RMB13.1 million, or 59.3% of our contract assets as of March 31, 2024, had been subsequently reclassified to trade receivables.

Trade and Notes Receivables

During the Track Record Period, our trade and notes receivables primarily included outstanding amounts due from our customers for purchase of our cloud-based software and/or provision of digital services. The following table sets forth the details of our trade receivables and notes receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Notes receivables	420	653	512	635
Trade receivables	108,520	139,140	162,909	164,104
Less: provision for impairment	(7,700)	(10,070)	(17,164)	(18,478)
	100,820	129,070	145,745	145,626
Total trade and notes receivables	101,240	129,723	146,257	146,261

Our trade and notes receivables increased from RMB101.2 million as of December 31, 2021 to RMB129.7 million as of December 31, 2022, primarily due to our increased revenue and the prolonged payment cycle of our customers mainly caused by the COVID-19. Our trade and notes receivables then increased to RMB146.3 million as of December 31, 2023, primarily due to our increased revenue and the prolonged payment cycle of our customers mainly affected by the market condition. Our trade and notes receivables remained stable at RMB146.3 million as of March 31, 2024.

The following table sets for our trade and notes receivables turnover days for the period indicated:

	Year Ended December 31,			Three Months Ended March 31,
	2021	**2022**	**2023**	**2024**
Trade and notes receivables turnover days*	64.2	76.7	87.9	99.7

Note:

* Trade and notes receivables turnover days was calculated based on the average of opening and closing balance of trade and notes receivables less allowance for impairment for the relevant year, divided by the revenue for the same year and multiplied by 365 days for 2021, 2022, and 2023 and 90 days for the three months ended March 31, 2024.

Our trade and notes receivables turnover days increased from 64.2 days in 2021 to 76.7 days in 2022, primarily due to the prolonged payment cycle of our customers mainly caused by the COVID-19. Our trade and notes receivables turnover days then increased from 76.7 days in 2022 to 87.9 days in 2023, and further to 99.7 days in the first three months of 2024, primarily due to the prolonged payment cycle of our customers affected by the market condition.

The following table sets for our contract assets and trade and notes receivables turnover days for the period indicated:

	Year Ended December 31,			Three Months Ended March 31,
	2021	**2022**	**2023**	**2024**
Contract assets and trade and notes receivables turnover days*	78.2	95.2	105.4	114.5

Note:

* Contract assets and trade and notes receivables turnover days was calculated based on the average of opening and closing balance of contract assets and trade and notes receivables less allowance for impairment for the relevant year, divided by the revenue for the same year and multiplied by 365 days for 2021, 2022, and 2023 and 90 days for the three months ended March 31, 2024.

Our contract assets and trade and notes receivables turnover days increased from 78.2 days in 2021 to 95.2 days in 2022, primarily due to the prolonged payment cycle of our customers mainly caused by the COVID-19. Our contract assets and trade and notes receivables turnover days then increased from 95.2 days in 2022 to 105.4 days in 2023, and further to 114.5 days in the first three months of 2024, primarily due to the prolonged payment cycle of our customers affected by the market condition.

The credit terms granted to customers are determined case by case with normal credit period of around 30 to 120 days. The aging of notes receivables is within 180 days. The following table sets forth an aging analysis of trade receivables as of the dates indicated presented based on date of revenue recognition:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	63,099	70,155	75,749	56,597
3 to 6 months	23,121	29,026	32,072	48,465
6 months to 1 year	14,845	23,511	30,773	27,747
1 to 2 years	5,896	12,405	19,500	25,159

	As of December 31,			As of March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2 to 3 years	800	3,395	3,566	4,772
More than 3 years	759	648	1,249	1,364
	108,520	139,140	162,909	164,104

As of July 31, 2024, approximately RMB63.3 million, or 43.3% of our trade and notes receivables as of March 31, 2024, had been settled.

Our Directors consider that there is no recoverability issue with respect to outstanding accounts receivables as of March 31, 2024 for the following reasons: (i) more than half of the trade and notes receivables as of March 31, 2024 are within an aging of less than six months. With reference to the past cooperation relationship with these customers, our Directors conclude that this part of trade and notes receivables are recoverable and the risk of impairment is low; (ii) for the trade and notes receivables with an aging of over 6 months, because of the prolonged payment cycle of our customers mainly caused by the COVID-19 or their extended approval process for payment, the settlement of our trade and notes receivables with an aging of over 6 months was relatively low. According to CIC, because of the market condition in 2023, many pharmaceutical companies delayed clinical trial process for some of their drug candidates, which further affected their payment cycle. However, since most of our customers are international or renowned pharmaceutical companies with a generally good credit history, and our actual loss rates for trade and notes receivables with an aging over 6 months during the Track Record Period were less than 4.7%, our Directors believe that our trade and notes receivables aged over six months are recoverable. Our Directors made adequate provision for our trade and notes receivables after considering the payment pattern of our customers with similar risk profiles and the corresponding historical credit loss experienced; (iii) we have taken various measures to enhance collection efforts for trade and notes receivables, which include establishing management policies for receivables, reviewing receivables regularly by finance personnel, actively communicating on settlement with our customers, and issuing collection letters. Additionally, after project delivery, we have intensified customer follow-ups to ensure timely payments and have established a dedicated collection team, consisting of our legal affairs and financial personnel, to continuously monitors payment progress. This team, together with our business development personnel, communicates with customers regarding payment collection through WeChat, phone calls or emails. In order to further improve our collection situation, since early 2024, we have established an internal credit record for our customers based on their business scale, cash flow situation and past cooperation history with us. For customers that did not respond to our second collection letter, or have significant overdue payments, they will be classified as high-risk customers, and stricter policies will be

implemented to ensure the collection of relevant payments, such as sending a service termination warning and taking legal actions if necessary. As of March 31, 2024, adequate provision was made for our trade and notes receivables.

Other Receivables and Prepayments

During the Track Record Period, our other receivables and prepayments primarily consisted of (i) refundable deposits for securing our leased properties; (ii) other receivables, primarily including petty cash advanced to our various internal corporate functions. Our prepayments were primarily payments made to SMOs, clinical institutions and cloud services providers to secure services for our business operations. The following table sets forth the details of our other receivables and prepayments as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables				
– Refundable deposits	16,587	11,668	12,589	13,311
– Others	502	632	2,034	1,894
Less: provision for impairment	(1,832)	(567)	(641)	(645)
	15,257	11,733	13,982	14,560
Prepayments	24,465	31,338	24,953	25,584
Listing expenses in relation to Global Offering to be capitalized	–	–	9,107	10,050
Prepaid listing expenses in relation to previous listing preparation	4,464	12,016	–	–
Deductible input VAT	17,943	23,849	26,956	19,130
	62,129	78,936	74,998	69,324

Our other receivables and prepayments increased from RMB62.1 million as of December 31, 2021 to RMB78.9 million as of December 31, 2022, primarily due to an increase of RMB14.4 million in prepayments as a result of our business expansion in relation to the development of our digital clinical research services.

Our other receivables and prepayments then decreased from RMB78.9 million as of December 31, 2022 to RMB75.0 million as of December 31, 2023, primarily due to a decrease of RMB12.0 million in prepaid listing expenses mainly because our prepaid listing expenses in relation to our previous A-share listing preparation had been expensed in 2023.

Our other receivables and prepayments then decreased from RMB75.0 million as of December 31, 2023 to RMB69.3 million as of March 31, 2024, primarily due to a decrease of RMB7.8 million in deductible input VAT in relation to our input VAT deduction in 2024.

As of July 31, 2024, approximately RMB14.4 million, or 20.8% of our other receivables and prepayments as of March 31, 2024, had been settled.

Financial Assets at FVPL

During the Track Record Period, our financial assets at FVPL primarily represented (i) short-term investments measured at fair value, representing short-term and low-risk wealth management products we purchased, and (ii) contingent consideration in relation to our acquisition of Taimei Xinghuan. As of December 31, 2021, 2022, and 2023 and March 31, 2024, our financial assets at FVPL was RMB270.7 million, RMB439.9 million, RMB280.8 million and RMB266.3 million, respectively. The following table sets forth the details of our financial assets at FVPL as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Short-term investments measured at FVPL	266,580	435,751	278,769	264,260
Contingent consideration	4,156	4,156	2,057	2,052
	270,736	439,907	280,826	266,312

We recorded the contingent consideration of RMB4.2 million as of December 31, 2021, and 2022 and RMB2.1 million as of December 31, 2023 and March 31, 2024. The contingent consideration was related to our acquisition of Taimei Xinghuan prior to the Track Record Period in 2019 and its calculation was based on the business performance of this company in the year of 2019, 2020 and 2021. The major assumption used in the valuation is the discount rate of cash flow from contingent consideration for year ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, respectively.

Our short-term investments measured at FVPL represented short-term and low-risk wealth management products issued by reputable banks and financial institutions in China. The expected rate of return ranged from 2.00% to 6.00% per annum with a general maturity term of less than one year, and some of our wealth management products can be redeemed on demand at any time. As of December 31, 2021, 2022 and 2023 and March 31, 2024, our short-term investments measured at FVPL was RMB266.6 million, RMB435.8 million, RMB278.8 million and RMB264.3 million, respectively. The fluctuation of our financial assets at FVPL at the end of each period was primarily due to (i) the different maturity of the various wealth management products we invested in; and (ii) the timing and amount we redeemed the wealth management products during each corresponding period.

As of July 31, 2024, we had wealth management products of approximately RMB223.0 million with a maturity term of less than one year. We have implemented a series of internal control policies and rules regarding investment in wealth management products historically to ensure that the purpose of investment is to preserve capital and liquidity until free cash is used in our primary business and operation. Prior to making an investment, we ensure that there remains sufficient working capital for our business needs, operating activities, research and development and capital expenditures even after purchasing such wealth management products. We adopt a prudent approach in selecting financial products. Our investment decisions are made on a case-by-case basis and after due and careful consideration of a number of factors, such as duration of the investment and the expected returns.

All wealth management products we purchased during the Track Record Period were approved by our senior management team. Our senior management team and the finance department, are mainly responsible for making, implementing and supervising our investment decisions. We have implemented the following treasury policies and internal authorization controls:

- We have formulated Funds Management Polices (《資金管理制度》) to control our process of investment in wealth management products;

- Our Shareholders' meeting reviews and approves the annual cap of our investment in wealth management products;

- Our senior management team, some with over 20 years of finance expertise and possessing fund and securities qualification certificates, is authorized to make investment decisions;

- Our finance department are responsible for the analysis and research of investment in wealth management products, as well as the long-term routine management of such investment;

- Our independent non-executive Directors and Supervisors will also monitor the status of our wealth management products and can report any issues they find to our Board; and

- Investments in wealth management products could be made when we have surplus cash that is not required for our short-term working capital purposes and in no event beyond the amount authorized.

To control our risk exposure, we have in the past sought, and may continue in the future to seek other low-risk financial products with short maturity term. Additionally, we mainly invest in financial products offered by reputable commercial banks or reputable financial institutions. After making an investment, we closely monitor its performance and fair value on a regular basis. We will continue to apply the same approach and keep our risk exposure low while utilizing our temporarily unused cash. Our investment in these assets will be subject to compliance with Chapter 14 of the Listing Rules after the Listing.

Short-Term Bank Deposits

Our short-term bank deposits represent our deposits with initial terms of over three months. As of December 31, 2021, 2022 and 2023 and March 31, 2024, our short-term bank deposits amounted to RMB449.6 million, RMB301.2 million, RMB269.2 million and RMB13.5 million, respectively.

Cash and Cash Equivalents

Our cash and cash equivalents represent our cash in hand. As of December 31, 2021, 2022 and 2023 and March 31, 2024, our cash and cash equivalents amounted to RMB679.3 million, RMB666.7 million, and RMB517.9 million and RMB698.9 million, respectively.

Trade and Other Payables

During the Track Record Period, our trade payables primarily consisted of payments we owed to suppliers for property service, cloud server service, SMO service, independent imaging review and clinical research-related services. Our other payables primarily consist of (i) staff salaries and welfare payables, which represented salaries and bonuses to be paid to our employees; (ii) other payables to third parties, mainly payables for staff reimbursement and employees' social insurance; (iii) payables for listing expenses in relation to Global Offering; and (iv) accrual expenses for property management fees and services fees; (v) taxes payables, which represented the VAT payables and other accrued taxes; and (vi) provision for outstanding litigations. For more details, please see "Business — Legal Proceedings and Regulatory Compliance" in this prospectus. The following table sets forth the details of our trade and other payables and accruals as of the dates indicated:

	As of December 31,			As of March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables – third parties	42,750	48,122	70,720	73,220
Other payables – third parties	7,028	5,822	7,219	5,492
Staff salaries and welfare payables	116,531	139,368	100,261	48,753
Payables for listing expenses in relation to Global Offering	–	–	5,484	1,297
VAT payables related to contract liabilities	7,851	8,997	8,896	7,646

	As of December 31,			As of March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Accrued taxes other than income tax	7,678	16,019	10,434	6,442
Provision for outstanding litigations	–	–	1,000	4,357
Others	3,681	4,858	4,162	4,796
	185,519	223,186	208,176	152,003

Our trade and other payables increased from RMB185.5 million as of December 31, 2021 to RMB223.2 million as of December 31, 2022, primarily due to an increase of RMB22.8 million in staff salaries and welfare payables resulted from the increase in salary and the increased employee headcount in 2022.

Our trade and other payables then decreased from RMB223.2 million as of December 31, 2022 to RMB208.2 million as of December 31, 2023, primarily due to a decrease of RMB39.1 million in staff salaries and welfare payables, mainly due to our streamlining of personnel structure in 2023, partially offset by an increase of RMB22.6 million in our trade payables primarily attributable to the increase in the payments we owed to suppliers in relation to the business expansion of our digital clinical research services.

Our trade and other payables then further decreased from RMB208.2 million as of December 31, 2023 to RMB152.0 million as of March 31, 2024, primarily due to a significant decrease of RMB51.5 million in staff salaries and welfare payables, mainly due to our streamlining of personnel structure in 2023 and the payment of bonuses in 2024.

We are generally granted with a credit term of 30 days by our suppliers. The following table sets forth an aging analysis of our trade payables as of the dates indicated based on the purchase date:

	As of December 31,			As of March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	39,589	29,118	50,340	30,145
3 months to 6 months	1,285	10,562	8,757	26,639
6 months to 1 year	1,876	5,811	10,445	10,583
1 to 2 years	–	2,631	1,178	5,547
	42,750	48,122	70,720	73,220

The following table sets forth the number of our trade payables turnover days for the years indicated:

	Year Ended December 31,			Three Months Ended March 31,
	2021	2022	2023	2024
Trade payables turnover days*	37.7	45.6	55.6	78.5

Note:

* Trade payables turnover days was calculated based on the average of opening and closing balance of trade payables for the relevant year, divided by the cost of sales and services for the same year, and multiplied by 365 days for 2021, 2022, and 2023 and 90 days for the three months ended March 31, 2024.

Our trade payables turnover days increased from 37.7 days in 2021 to 45.6 days in 2022, and further to 55.6 days in 2023, and further to 78.5 days in the first three months of 2024. This upward trend is primarily because our suppliers had extended our credit terms after taking into account our good track record of creditworthiness and continued growth in purchasing volume, aligning with our business expansion during the Track Record Period.

As of July 31, 2024, approximately RMB57.1 million, or 40.0% of our trade and other payables as of March 31, 2024, had been settled.

Contract Liabilities

Depending on the needs of our customers and types of services they received from us, our customers may make advances before receiving our products and/or services in full. Our customers may choose to pay before each service session or purchase prepaid package in respect of multiple service sessions and multiple types of platform or digital services. For details, see "Business — Our Solutions" in this prospectus. Our contract liabilities represent advances from our customers while the underlying services or products have not been provided, which are subsequently recognized as revenue upon rendering of the relevant services. Our contract liabilities increased from RMB127.5 million as of December 31, 2021 to RMB136.5 million as of December 31, 2022, and further to RMB137.4 million as of December 31, 2023, primarily due to our continuous business growth during the Track Record Period. Our contract liabilities then decreased to RMB114.8 million as of March 31, 2024, primarily due to the completion of our contract obligations for sales of products and provision of services in the first three months of 2024.

As of July 31, 2024, approximately RMB57.0 million or 50.0%, of our contract liabilities as of March 31, 2024 had been recognized as revenue.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal use of cash during the Track Record Period was for working capital purposes. Our main source of liquidity has been generated from proceeds from our business operations and capital injection from shareholders. After the Global Offering, we intend to finance our future capital requirements through proceeds from our business operations, bank borrowings and the net proceeds from the Global Offering. We do not anticipate any changes to the availability of financing to fund our operations in the future. As of March 31, 2024, we had cash and cash equivalents of RMB698.9 million. As of July 31, 2024, we had no bank facility.

Working Capital Sufficiency

Taking into account the financial resources available to our Group, including our cash and cash equivalents, short-term bank deposits, short-term investments measured at fair value through profit or loss and the net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

Our Directors are of the opinion that we will have adequate working capital and sufficient cash balance to support our business growth until we achieve a net operating cash inflow position, without taking account of the estimated proceeds from the Global Offering, on the following grounds: (i) we had cash and cash equivalents of RMB698.9 million, short-term bank deposits of RMB13.5 million and short-term investments measured at fair value through profit or loss of RMB264.3 million, which are all highly liquid assets, as of March 31, 2024. For more details regarding short-term investments measured at FVPL, please see "— Discussion of Certain Selected Items from the Consolidated Balance Sheets — Financial Assets at FVPL" in this section; (ii) we have implemented and will in the future continue to implement a wide array of initiatives to upgrade our digital solutions, expand our customer bases, increase customers' use of our solutions and increase operational leverages, all of which are expected to help us generate continued cash flows from our operations; (iii) we will continue to enhance our operating efficiencies. For example, benefiting from the streamlining of our personnel structure in 2023, we will be able to better control our staff costs in the foreseeable future. In addition, by leveraging economies of scale, we anticipate gaining stronger bargaining power, further enhancing our ability to secure favorable terms in our business and generate more gross profit; and (iv) we may seek additional funding through public or private offerings, debt financing, or other sources, if needed.

Having taken into account the factors above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt on the reasonableness of the Directors' view that the Group has sufficient working capital to meet its present requirements and for at least the next 12 months from the date of this prospectus in any material aspects.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Operating cash flow before movements in operating assets and liabilities	(288,591)	(326,009)	(330,179)	(107,325)	(34,100)
Changes in operating assets and liabilities	71,059	(3,205)	(20,970)	(51,100)	(78,455)
Income tax paid	–	(6)	(15)	–	–
Net cash flows used in operating activities	(217,532)	(329,220)	(351,164)	(158,425)	(112,555)
Net cash flows (used in)/generated from investing activities	(379,348)	(5,883)	237,688	166,811	297,633
Net cash flows (used in)/generated from financing activities	(40,078)	285,586	(39,281)	(8,886)	(4,419)
Net (decrease)/increase in cash and cash equivalents	(636,958)	(49,517)	(152,757)	(500)	180,659
Cash and cash equivalents at beginning of the year/period	1,323,879	679,313	666,742	666,742	517,924
Effect of foreign exchange rate changes	(7,608)	36,946	3,939	1,880	275
Cash and cash equivalents at end of the year/period	679,313	666,742	517,924	668,122	698,858

Net Cash Flows Used in Operating Activities

For the three months ended March 31, 2024, net cash used in our operating activities was RMB112.6 million while our loss before tax was RMB118.2 million. The difference between our loss before tax and our net cash used on operating activities was primarily the results of adding back non-cash items including share-based compensation to certain shareholders of RMB92.8 million, partially offset by (i) net foreign exchange gains of RMB15.8 million, (ii) finance income of RMB8.6 million, and (iii) fair value gains on financial assets at FVPL of RMB3.8 million. An additional RMB78.5 million was used as working capital, primarily including (i) a decrease in trade and other payables of RMB57.8 million and (ii) a decrease in contract liabilities of RMB22.6 million.

In 2023, net cash used in our operating activities was RMB351.2 million while our loss before tax was RMB356.4 million. The difference between our loss before tax and our net cash used in operating activities was primarily the results of adding back non-cash items including (i) depreciation of right-of-use assets of RMB28.1 million, (ii) depreciation of property, plant and equipment of RMB19.8 million, and (iii) share-based payments of RMB13.3 million, partially offset by (i) finance income of RMB41.7 million, and (ii) net foreign exchange gains of RMB12.6 million. An additional RMB21.0 million was used as working capital, primarily including an increase in trade and other receivables of RMB20.9 million, partially offset by a decrease in contract assets of RMB12.0 million.

In 2022, net cash used in our operating activities was RMB329.2 million while our loss before tax was RMB422.6 million. The difference between our loss before tax and our net cash used in operating activities was primarily the results of adding back non-cash items including (i) share-based payments of RMB89.3 million and (ii) depreciation of right-of-use assets of RMB32.6 million, partially offset by (i) net foreign exchange gains of RMB47.4 million and (ii) finance income of RMB22.9 million. An additional RMB3.2 million was used as working capital, primarily including (i) an increase in trade and other receivables of RMB41.4 million, and (ii) an increase in contract assets of RMB11.8 million, partially offset by an increase in trade and other payables of RMB43.1 million.

In 2021, net cash used in our operating activities was RMB217.5 million while our loss before tax was RMB479.6 million. The difference between our loss before tax and our net cash used in operating activities was primarily the results of adding back non-cash items including (i) share-based payments of RMB134.4 million, (ii) provision for impairment of intangible assets of RMB54.1 million, and (iii) depreciation of right-of-use assets of RMB25.2 million, partially offset by finance income of RMB28.7 million. In addition, RMB71.1 million was released working capital, including (i) an increase in trade and other payables of RMB80.1 million, and (ii) an increase in contract liabilities of RMB46.6 million, partially offset by an increase in trade and other receivables of RMB72.4 million.

During the Track Record Period, we had operating cash outflow of RMB217.5 million, RMB329.2 million, RMB351.2 million and RMB112.6 million. We expect to improve such net cash outflow primarily by (i) enhancing our cross-selling and upselling capabilities across our solution matrix to increase the average spending per customer, leading to an increase in revenue. We aim to deliver more comprehensive and convenient solutions to improve the service quality and provide our customers easier access to our broader range of solutions, increasing the number of solutions each customer purchases and average spending; (ii) implementing a wide array of initiatives continuously to upgrade our digital solutions, expand our customer bases, and increase operational leverages, all of which are expected to help us generate continued cash flows from our operations; and (iii) we will continue to enhance our operating efficiencies. For example, benefiting from the streamlining of our personnel structure in 2023, we will be able to better control our staff costs in the foreseeable future. In addition, by leveraging economies of scale, we anticipate gaining stronger bargaining power, further enhancing our ability to secure favorable terms in our business and generate more gross profit.

Net Cash Flows Used in/Generated From Investing Activities

For the three months ended March 31, 2024, net cash generated from investing activities was RMB297.6 million, primarily the result of (i) redemption of short-term bank deposits of RMB259.8 million, (ii) proceeds from disposal of short-term investments measured at FVPL of RMB118.3 million, and (iii) interest income of RMB28.5 million, partially offset by purchase of short-term investments measured at FVPL of RMB100.0 million.

In 2023, net cash generated from investing activities was RMB237.7 million, primarily the result of (i) proceeds from disposal of short-term investments measured at FVPL of RMB527.4 million, and (ii) redemption of short-term bank deposits of RMB407.3 million, partially offset by (i) purchase of short-term investments measured at FVPL of RMB362.5 million, and (ii) placement of short-term bank deposits of RMB345.4 million.

In 2022, net cash used in investing activities was RMB5.9 million, primarily the result of (i) purchase of short-term investments measured at FVPL of RMB1,506.7 million, and (ii) placement of short-term bank deposits of RMB778.1 million, partially offset by (i) proceeds from disposal of short-term investments measured at FVPL of RMB1,349.0 million, and (ii) redemption of short-term bank deposits of RMB935.3 million.

In 2021, net cash used in investing activities was RMB379.3 million, primarily the result of (i) placement of short-term bank deposits of RMB1,584.6 million, and (ii) purchase of short-term investments measured at FVPL of RMB892.6 million, partially offset by (i) redemption of short-term bank deposits of RMB1,268.3 million, and (ii) proceeds from disposal of short-term investments measured at FVPL of RMB781.6 million.

Net Cash Flows Used in/Generated From Financing Activities

For the three months ended March 31, 2024, net cash used in financing activities was RMB4.4 million, primarily the result of (i) the payment of listing expenses in relation to the Global Offering of RMB2.9 million, and (ii) principal elements of lease payments of RMB1.4 million.

In 2023, net cash used in financing activities was RMB39.3 million, primarily the result of principal elements of lease payments of RMB30.8 million.

In 2022, net cash generated from financing activities was RMB285.6 million, primarily attributable to capital injection from non-controlling interests of a subsidiary of RMB330.1 million, partially offset by principal elements of lease payments of RMB33.6 million.

In 2021, net cash used in financing activities was RMB40.1 million, primarily the result of (i) the principal elements of lease payments of RMB24.7 million and (ii) the repayment of borrowings of RMB19.9 million, partially offset by capital injection from shareholders of RMB11.4 million.

Net Current Assets

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2021	**2022**	**2023**	**2024**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current assets					
Contract fulfilment cost	6,060	8,204	14,024	17,590	19,845
Contract assets	21,937	33,531	21,419	22,153	19,818
Trade and notes receivables	101,240	129,723	146,257	146,261	154,165
Other receivables and prepayments	62,129	78,936	74,998	69,234	73,837
Financial assets at FVPL	270,736	439,907	280,826	266,312	229,698
Restricted cash	611	1,490	1,511	7,010	5,070
Short-term bank deposits	449,564	301,173	269,233	13,534	582,162
Cash and cash equivalents	679,313	666,742	517,924	698,858	135,564
Total current assets	1,591,590	1,659,706	1,326,192	1,241,042	1,220,159

	As of December 31,			As of March 31,	As of July 31,
	2021	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current liabilities					
Trade and other payables	185,519	223,186	208,176	152,003	178,452
Lease liabilities	36,597	31,714	12,308	11,621	7,783
Contract liabilities	127,500	136,532	137,385	114,819	105,971
Current income tax liabilities	6	–	–	–	–
Total current liabilities	349,622	391,432	357,869	278,443	292,206
Net current assets	1,241,968	1,268,274	968,323	962,599	927,953

INDEBTEDNESS

During the Track Record Period, our indebtedness included warrant liabilities and lease liabilities. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of July 31, 2024. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since July 31, 2024 and up to the Latest Practicable Date. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of July 31,
	2021	2022	2023	2024	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Warrant liabilities					
Non-current:	–	32,232	33,735	34,195	34,811
Lease liabilities					
Current:	36,597	31,714	12,308	11,621	7,783
Non-current:	40,847	14,146	2,781	2,086	18,186
Total	77,444	78,092	48,824	47,902	60,780

Our Directors have confirmed that we had no outstanding debt, and therefore, there was no material covenant on any of outstanding debt and there was no breach of any covenants during the Track Record Period and up to July 31, 2024. During the Track Record Period and up to July 31, 2024, to the best knowledge of our Directors, we did not experience any difficulty in obtaining bank loans. Given our credit history and our current credit status, we believe that we will not encounter any major difficulties in obtaining bank borrowings in the future.

Warrant Liabilities

In 2022, one of our subsidiaries entered into an agreement with three independent third parties, pursuant to which the three independent third parties subscribed for 21.49% of the equity interest in the subsidiary by capital injection for an aggregate amount of USD50.0 million (equivalent to RMB330.1 million), and our subsidiary issued a warrant granting them the right to subscribe new shares (an aggregate amount of subscription price being less than USD20.0 million) in the subsequent round equity financing with an 80% financing price of any other investors in such round. Proceeds received from the three independent third parties were recorded in the capital reserve, the non-controlling interests and warrant liabilities. Since our Directors believe that our subsidiary will not start the subsequent round of equity financing before March 31, 2025, the warrant liabilities are classified as non-current liabilities with maturity of over 1 year. Warrant liabilities were initially recognized at fair value of RMB28.8 million and subsequently re-measured to their fair value at December 31, 2021, 2022 and 2023 and March 31, 2024. The changes of its fair value were recorded in "other gains — net." For details, see Note 29 to the Accountant's Report in Appendix I to this prospectus. As of December 31, 2021, 2022 and 2023 and March 31, 2024 and July 31, 2024, we recorded warrant liabilities of nil, RMB32.2 million, RMB33.7 million, RMB34.2 million and RMB34.8 million, respectively.

Lease Liabilities

Our lease liabilities amounted to RMB77.4 million, RMB45.9 million, RMB15.1 million, RMB13.7 million and RMB26.0 million as of December 31, 2021, 2022, and 2023, March 31, 2024 and July 31, 2024, respectively, which were primarily in relation to the properties we leased for our office premises.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to expand our operations, upgrade our facilities, enhance our development capabilities and increase our operating efficiency. Our capital expenditures primarily consisted of purchases of server and electronic equipment, furniture and office equipment, transportation equipment and vehicles, leasehold improvement as well as intangible assets during the Track Record Period. In 2021, 2022 and 2023 and the first three months of 2023 and 2024, we incurred capital expenditure of RMB32.4 million, RMB28.2 million, RMB9.5 million, RMB2.9 million and RMB0.5 million, respectively. The following table sets forth our capital expenditures for the years indicated:

	Year Ended December 31,			Three Months Ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Purchases of property, plant and equipment	30,095	24,399	4,359	1,397	471
Purchase of intangible assets	2,308	3,826	5,117	1,478	–
	32,403	28,225	9,476	2,875	471

We expect to incur additional capital expenditures in 2024 primarily for purchase of other intangible assets. We expect to finance such capital expenditures through operating cash flows. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CONTRACTUAL OBLIGATIONS

Capital Commitments

As of December 31, 2021, 2022 and 2023 and March 31, 2024, we did not have any significant capital commitments.

CONTINGENT LIABILITIES

As of December 31, 2021, 2022 and 2023 and March 31, 2024, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios of our Group for the periods or as of the dates indicated:

	As of/For the Year Ended December 31,			As of/For Three Months Ended March 31,
	2021	2022	2023	2024
Current ratio[(1)]	4.55	4.24	3.71	4.46
Gross profit margin[(2)]	35.3%	33.8%	31.2%	37.5%

Notes:

(1) Current ratio equals current assets divided by current liabilities as of the same date.

(2) Gross profit margin equals gross profit for the period divided by revenues for the period and multiplied by 100%.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our Group granted loans to related parties for the general business operations. These loans were repayable on demand. All the outstanding balances have been settled as of December 31, 2021. For details, see Note 34 to the Accountant's Report in Appendix I to this prospectus. Our Directors are of the view that each of the related party transactions set out in Note 34 to the Accountant's Report in Appendix I to this prospectus was conducted in the ordinary course of business with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

MARKET RISK DISCLOSURE

We are exposed to a variety of financial risks, including foreign exchange risk, cash flow and fair value interest rate risk and price risk, credit risk and liquidity risk. Our overall risk management program is carried out by our senior management and focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. For details, see Note 3.1(a) to Appendix I in this prospectus.

Foreign Currency Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the group entities' functional currency. Our functional currency is Renminbi ("**RMB**"). Our subsidiaries were incorporated in mainland China, United States, Singapore and France, and these subsidiaries considered RMB, US dollars ("**US$**"), Singapore dollars ("**SDG**") and European dollars ("**EUR**") as their functional currency, respectively.

We operate mainly in mainland China with most of the transactions settled in RMB. Our management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities denominated in the currencies other than the respective functional currencies of our entities.

Cash Flow And Fair Value Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for cash and cash equivalents, restricted cash, short-term bank deposits and financial assets at fair value through profit or loss. Our management considers that we did not expose to any significant cash flow and fair value interest rate risk as there were no significant borrowings obtained.

Credit Risk

Credit risk arises from cash and cash equivalents, restricted cash, short-term bank deposits, financial assets at FVPL, as well as trade and notes receivables, contract assets and other receivables. The carrying amount of each class of the above financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage risks arising from cash and cash equivalents, restricted cash, short-term bank deposits and short-term investments measured at FVPL, we only trade with reputable commercial banks that are qualified as high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term.

To manage risk arising from trade receivables, we have implemented policy that credit terms are only granted to counterparties with sound credit history and our management will perform ongoing credit evaluations on the counterparties. The credit period granted to our customers is usually around 30 to 120 days.

For other financial assets carried at amortized cost (excluding input VAT to be deducted and prepayments), our management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Our objective is to maintain adequate committed credit lines to ensure sufficient and flexible funding is available to us. For more details, see Note 3.1 to the Accountant's Report in Appendix I to this prospectus.

DIVIDEND

No dividend has been paid or declared by us during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and currently do not have any dividend policy to declare or pay any dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our board of directors and subject to our Articles of Association and the PRC Company Law, and will depend on a number of factors, including our financial performance and business operation, capital requirements and contractual restrictions. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of March 31, 2024, we did not have any distributable reserves.

LISTING EXPENSES

Listing expenses in relation to the Global Offering are estimated to be approximately RMB65.4 million (HK$72.1 million) (including underwriting commission), at the Offer Price of HK$11.5 per Share, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. These listing expenses are mainly comprised of underwriting commissions of approximately RMB10.5 million (HK$11.6 million), and non-underwriting related expenses of approximately RMB54.9 million (HK$60.5 million), which are comprised of (i) accountant and legal adviser fees and expenses of approximately RMB32.2 million (HK$35.5 million) and (ii) printing and other fees and expenses of approximately RMB22.7 million (HK$25.1 million). The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

As of March 31, 2024, we incurred a total of RMB25.5 million (HK$28.1 million) in listing expenses, among which RMB15.4 million were recognized in our consolidated income statement for year ended December 31, 2023 and the three months ended March 31, 2024, and RMB10.1 million were recognized in the consolidated balance sheet as of December 31, 2023 to be accounted for as a deduction from equity upon Listing.

We estimate that additional listing expenses of approximately RMB39.9 million (HK$44.0 million) (including underwriting commissions, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on the Offer Price of HK$11.5 per Offer Share) will be incurred by our Company, approximately RMB31.4 million (HK$34.6 million) of which is expected to be charged to our consolidated income statements for period after the Track Record Period, and approximately RMB8.5 million (HK$9.5 million) of which is attributable to the issue of shares and will be deducted from equity upon Listing. Our listing expenses as a percentage of gross proceeds is 28.0%, at an Offer Price of HK$11.5 per Share, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible assets which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if it had taken place on March 31, 2024 and based on the consolidated net tangible assets attributable to the owners of the Company as of March 31, 2024 as shown in the Accountant's Report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

This unaudited pro forma adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of March 31, 2024 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as of March 31, 2024	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of our Company as of March 31, 2024**	**Unaudited pro forma adjusted consolidated net tangible assets per share**	
	RMB'000 (Note 1)	*RMB'000 (Note 2)*	*RMB'000*	*RMB (Note 3)*	*HK$ (Note 4)*
Based on an Offer Price of HK$10.0 per Share	871,023	154,608	1,025,631	1.83	2.02
Based on an Offer Price of HK$13.0 per Share	871,023	212,825	1,083,848	1.93	2.13

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at March 31, 2024 is extracted from the Accountant's Report set forth in Appendix I to this prospectus, which is based on the audited consolidated net assets attributable to the owners of the Company as at March 31, 2024 of approximately RMB942,038,000 with an adjustment for the intangible assets attributable to the owners of the Company as of March 31, 2024 of approximately RMB71,015,000.

(2) The estimated net proceeds from the Global Offering are based on 22,416,600 Offer Shares and the indicative Offer Price of HK$10.0 and HK$13.0 per Offer Share, respectively, after deduction of the estimated underwriting fees and other related expenses payable by the Company (excluding listing expenses of approximately RMB15,414,000, which were already incurred and charged to the consolidated income statements for the year ended December 31, 2023 and the three months ended March 31, 2024), and takes no account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share are determined after the adjustments as described in preceding paragraphs and on the basis that 560,416,600 Shares are in issue, assuming the Global had been completed on March 31, 2024 but takes no account any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the balance stated in Renminbi is converted into Hong Kong dollars at a rate of HK$1.00 to RMB0.90655. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2024.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this prospectus, there had been no material adverse change in our financial, operational or prospects since March 31, 2024, being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND PROSPECTS

See "Business — Our Growth Strategies" in this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK$185.7 million, after deducting underwriting fees and commissions, and estimated expenses payable by us in connection with the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on an Offer Price of HK$11.5 per Share, which is the mid-point of the indicative Offer Price range stated in this prospectus. We intend to use the net proceeds we will receive from the Global Offering for the following purposes, subject to changes in light of our evolving business needs and changing market conditions:

➢ approximately 35%, or HK$65.0 million, will be used to improve and upgrade our TrialOS Platform and PharmaOS Platform and their respective cloud-based software and digital services, among which:

- approximately 20%, or approximately HK$37.1 million, will be used to upgrade our TrialOS Platform and the respective pharmaceutical and medical device R&D software and digital services. Specifically, we plan to (a) enhance the TrialOS Platform by expanding its capabilities, refining its features and functions, and improving the user interface, so as to better address the evolving needs of the pharmaceutical and medical device industry and eventually form a comprehensive one-stop solution for our customers; and (b) upgrade our pharmaceutical and medical device R&D software and digital services, primarily including eCooperate/CTMS, eArchives/eTMF, eCollect/EDC, eBalance/IWRS, eImage/IRC and eSafety/PVS, as well as digital clinical research services, and IRC services. For details of our pharmaceutical and medical device R&D software and digital services, see "Business — Our Solutions" in this prospectus;

- approximately 5%, or approximately HK$9.3 million, will be used to upgrade our PharmaOS Platform and the respective pharmaceutical and medical device commercialization software and digital services. Specifically, we plan to (a) enhance and refine the PharmaOS Platform by optimizing the platform interface to enhance user experience, diversifying development tools and expanding application scenarios; and (b) develop pharmaceutical and medical device commercialization software and digital services, including ONECEM-SCRM, ONECEM-SFE, ONECEM-Event and ONECEM-Engagement, to improve our service efficiency; and

- approximately 10%, or approximately HK$18.6 million, will be used to improve our overseas strategic layout and expand our overseas market, mainly the U.S. and Singapore. We plan to develop functions and features tailoring to the needs of overseas customers, and take into account the demand of overseas market when

iterating our cloud-based software and digital services. As of the Latest Practicable Date, to the best knowledge of the Directors, our expected expansion into the markets of the U.S. and Singapore does not necessitate additional licenses and qualifications.

We intend to strategically optimize our resources and enhance our operational performance without compromising on the quality of our product and services. This involves reallocating our current R&D personnel to focus on two key areas: (i) updating our platform and the respective software and digital services to ensure they remain at the forefront of industry and (ii) developing functions and features tailoring to the needs of overseas customers. Given many of our products or services have reached a relatively mature stage, requiring only regular updates in their day-to-day operations, we believe it is prudent and efficient to utilize our current employees for these tasks. We also plan to hire new talents to support the upgrade of our platforms and the expansion of our overseas markets. To support these initiatives, we intend to allocate a portion of the proceeds from the Global Offering, along with funds from our business operations, to cover the salaries of these employees. The estimated average annual salary for these employees is about RMB500.0 thousand to RMB650.0 thousand.

The table below sets forth the details for our future allocation plan and estimated number of staff to be hired.

Allocation of the Estimated Use of Proceeds	**Areas**	**Estimated No. of Staff to be Hired***
Approximately 20% or HK$37.1 million	Update TrialOS Platform and the respective pharmaceutical and medical device R&D software and digital services	FY2024-2026: around 2 FY2027-2029: around 5
Approximately 5% or HK$9.3 million	Upgrade our PharmaOS Platform and the respective pharmaceutical and medical device commercialization software and digital services	FY2024-2026: around 2 FY2027-2029: around 2
Approximately 10% or HK$18.6 million	Improve our overseas strategic layout and expand our overseas market	FY2024-2026: around 2 FY2027-2029: around 5

* Such size does not include our planned addition of new R&D personnel hired for the purpose of advancing AI, big data and low-code development as elaborated below.

➢ approximately 30%, or approximately HK$55.7 million, will be used to improve our core technology and R&D capabilities, among which:

- approximately 15%, or HK$27.9 million, will be used to develop AI and big data technologies that support the iteration of our cloud-based software and digital services and upgrade our service quality and efficiency. Specifically, we plan to (a) strengthen our capabilities of intelligent medical text processing, including the automate clinical data collection and verification, automatic parsing of patient narratives, automatic duplicates checking and proofreading of clinical research files; (b) improve our capabilities of intelligent medical image reading, including automatic and precise analysis and examination; and (c) develop intelligent question-answering capabilities relating to the pharmaceutical and medical device industry by combining large language models with our industry knowledge bases;

- approximately 15%, or HK$27.9 million, will be invested in our IT infrastructure and low-code development. Specifically, we plan to improve visual modeling, visual page design, logic engine design, workflow design, and other low-code development technologies to reduce hand-coding, and further enhance our productivity.

  In connection with our plan to invest in our IT infrastructure and low-code development, the following table sets forth our expected IT infrastructure to be purchased:

Name	Amount	Specifications and features
Cloud Services	Around RMB0.7 million to RMB0.9 million per annum	Services of the storage, network, servers, and virtualization
Graphics Processing Unit (GPU)	Around RMB0.8 million to RMB2.3 million per annum	GPUs with different features to addressing different application scenarios

  In order to support our plan to improve our core technology and R&D capabilities, while we will reallocate some of our existing personnel to support the development of AI, big data technologies and low-code development, we also intend to hire new R&D personnel with expertise in artificial intelligence, such as deep learning, machine learning, natural language processing, and related algorithms, within the next six years. The average annual salary for them is expected to be about RMB550.0 thousand to RMB950.0 thousand. To support this initiative, we intend to allocate a portion of the proceeds from the Global Offering to cover the salaries of these employees.

The table below sets forth the details for our future allocation plan and estimated number of staff to be hired.

Allocation of the Estimated Use of Proceeds	Areas	Estimated No. of Staff to be Hired
Approximately 15.0% or HK$27.9 million	Develop AI and big data technologies	FY2024-2026: around 2 FY2027-2029: around 5
Approximately 5.0% or HK$9.3 million	Support our IT infrastructure and low-code development	FY2024-2026: around 2 FY2027-2029: around 2

➢ approximately 10%, or HK$18.6 million, will be used to strengthen our sales and marketing capabilities, among which:

- approximately 5%, or HK$9.3 million, will be used to sponsor, host and participate in industry-specific events, such as academic conferences, industry forums, as well as marketing campaigns to showcase our products and services and promote our brand awareness; and

- approximately 5%, or HK$9.3 million, will be used to strengthen our sales power and incentivize sales talents to enhance our service capabilities. Considering the development plan of our new products and services, as well as future trend in the pharmaceutical and medical device R&D and commercialization digital solutions market, we will still need to strengthen our sales power and incentivize sales talents for future development. According to CIC, the pharmaceutical and medical device R&D and commercialization digital solution market size is expected to increase with a CAGR of 20.2% from RMB9.7 billion in 2023 to RMB24.3 billion in 2028. In light of the future market potential and the advancements in our offerings, we intend to leverage our existing sales and marketing team to support our business expansion, enhance our market coverage, and increase our penetration rate. We plan to utilize the proceeds from the Global Offering, along with funds from our business operations, to cover their salaries and benefits, ensuring that our skilled team continues to contribute to our growth. In addition, we may adjust flexible compensation package according to the market conditions in the future to retain top sales and marketing talents while aligning their compensation with individual preferences and performance. Additionally, we aim to further develop our sales and marketing training system, providing comprehensive training sessions for all sales and marketing personnel to facilitate their ongoing professional growth and career advancement.

- approximately 15%, or HK$27.9 million, will be used to selectively pursue strategic investments and acquisitions that we believe will allow us to expand our existing product and service offerings, expand our customer base and enhance our technology capabilities. We plan to prudently evaluate and consider a wide array of potential investments in emerging businesses that are complementary to our business. Specifically, we will consider relevant criteria including: (i) business with technologies that are complementary to our existing product suite; (ii) business with industry know-how in the verticals that we intend to increase the penetration in the future; (iii) business with high quality of products and strong monetization opportunities; (iv) business with good track record, and experienced and insightful management team, and (v) business with a revenue of less than RMB200.0 million in the latest year. Our Directors believe that there is sufficient number of potential targets we could choose from. According to CIC, there are more than 100 potential acquisition and investment targets in pharmaceutical and medical device industry that provide digital solutions for pharmaceutical and medical device R&D and commercialization in China in 2023, which could be the targets of potential acquisitions and investments for us. As of the Latest Practicable Date, we did not identify any investment or acquisition target in this regard. The primary focus and core of our development strategy revolve leveraging our strengths, deepening our presence in the pharmaceutical and medical device industry, continuously expanding our market penetration, and increasing our average customer spending. We plan to focus on providing digital solutions for pharmaceutical and medical device R&D and commercialization to the pharmaceutical and medical device industry in the foreseeable future.

- approximately 10%, or HK$18.6 million, will be used for our working capital and general corporate purposes.

In the event of the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the net proceeds that we will receive will be HK$265.0 million, assuming an Offer Price of HK$11.5 per Share (being the mid-point of the indicative Offer Price range). We intend to apply the additional net proceeds to the above purposes in the proportions stated above.

The above allocation of the net proceeds from the Global Offering will be adjusted in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range stated in this prospectus. If the Offer Price is set at HK$13.0 per Share, which is the high end of the indicative Offer Price range, the net proceeds from the Global Offering will (i) increase to HK$217.8 million, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised; or (ii) increased to HK$307.5 million, assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full. In such circumstances, we currently intend to use the additional proceeds to increase the net proceeds applied for the same purposes as set out above on a *pro rata* basis. If the Offer Price is set at HK$10.0 per Share, which is the low end of the indicative Offer Price range, the net proceeds from the Global Offering will (i) decrease to HK$153.5 million, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised; or (ii) decrease to HK$222.6 million, assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full. In such circumstances, we currently intend to reduce the net proceeds applied for the same purposes as set out above on a *pro rata* basis.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, so long as it is deemed to be in the best interests of the Company, we will only deposit those net proceeds (which are not immediately applied) into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in the relevant jurisdiction). We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds. In addition, each of our future plans has taken into account the regulatory requirements, and we will continue to monitor the development of the regulatory requirements regarding our future plans.

HONG KONG UNDERWRITERS

Morgan Stanley Asia Limited
China International Capital Corporation Hong Kong Securities Limited
Huatai Financial Holdings (Hong Kong) Limited
CMB International Capital Limited
CCB International Capital Limited
Futu Securities International (Hong Kong) Limited
Tiger Brokers (HK) Global Limited
Valuable Capital Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The Company expects the International Offering to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 2,241,800 Hong Kong Offer Shares and the International Offering of initially 20,174,800 International Offer Shares, subject, in each case, to reallocation on the basis as described in "Structure of the Global Offering" in this prospectus as well as to the Offer Size Adjustment Option and to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (i) the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), on the Main Board of the Stock Exchange and such approval not having been withdrawn and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to

procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) in their sole and absolute discretion may, by giving notice to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect:

(i) there develops, occurs, exists or comes into force:

(a) any event/circumstance, or series of events/circumstances, in the nature of force majeure (including, without limitation, any acts of government, declaration of a local, national, regional or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation, mutation or aggravation of diseases (including, without limitation, COVID-19 and Severe Acute Respiratory Syndrome (SARS), MERS, H5N1, H1N1, H7N9, swine or avian influenza, Ebola virus or Middle East respiratory syndrome), strikes, labour disputes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, civil commotion, riots, rebellion, civil commotion, calamity, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed), paralysis in government operations, severe interruptions in transportation) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, Japan, Singapore, the European Union (or any member thereof) or any other jurisdiction relevant to the Group (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**");

(b) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions;

(c) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Tokyo Stock Exchange;

(d) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent Authority (as defined in the Hong Kong Underwriting Agreement)), New York (imposed at the U.S. Federal or New York State level or by any other competent Authority), London, the PRC, the European Union (or any member thereof) or any of the other Relevant Jurisdictions (declared by the relevant authorities) or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in or affecting any of the Relevant Jurisdictions;

(e) any new Law (as defined in the Hong Kong Underwriting Agreement) or any change or any development involving a prospective change in existing Laws and regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or any competent Authority in or affecting any of the Relevant Jurisdictions;

(f) the imposition of economic sanctions, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions;

(g) any change or development involving a prospective change or amendment in or affecting Taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or affecting an investment in the Offer Shares;

(h) other than with the prior written consent of the Joint Sponsors and the Overall Coordinators, the issue or requirement to issue by the Company of a supplement or amendment to this prospectus, the Final Offering Circular (as defined in the Hong Kong Underwriting Agreement) or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or upon any requirement or request of the Stock Exchange, the CSRC and/or the SFC;

(i) a valid demand by any creditor for repayment or payment of any of the Group's indebtedness in respect of which the Company or any member of the Group is liable prior to its stated maturity;

(j) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Director;

(k) any contravention by any member of the Group or any Director of any applicable Laws and regulations or the Listing Rules;

(l) any non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules or any other applicable Laws and regulations;

(m) any change or prospective change or development, or a materialization of, any of the risks set out in section headed "Risk Factors" in this prospectus;

(n) any executive Director vacating his/her office; or

(o) any executive Director or member of senior management of the Company is being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or there is the commencement by any governmental, political or regulatory body or organization of any investigation or other action against any executive Director or member of senior management of the Company in his/her capacity as such or any member of the Group or an announcement by any such governmental, political or regulatory body or organization that it intends to commence any such investigation or take any such action,

which, individually or in the aggregate, in the sole and absolute opinion of the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(a) has or will or may have a material adverse change, or any development that could result in a material adverse change, in or affecting the position or condition (financial, trading or otherwise), profits, losses, assets, liabilities (actual or contingent), general affairs, business, management, performance, prospects, shareholders' equity and results of operations of the Group taken as a whole (a "**Material Adverse Change**");

(b) has or will have or may have a material adverse effect on the success or marketability of the Global Offering or the level of applications or the distribution of the Offer Shares under the Hong Kong Public Offering or the level of interest under the International Offering;

(c) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for the Hong Kong Public Offering and/or the International Offering to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or

(d) has or will or may have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(ii) there has come to the notice of the Joint Sponsors and/or the Overall Coordinators that:

(a) any statement contained in this prospectus and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto but excluding information relating to the Underwriters) was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;

(b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from, or misstatement in, any of the Offering Documents;

(c) there is a breach of, or any event or circumstance rendering untrue, incorrect, incomplete or misleading in any respect, any of the warranties given by the Company or any of the Controlling Shareholders in the Hong Kong Underwriting Agreement, the International Underwriting Agreement (including any supplement or amendment thereto);

(d) there is a material breach of any of the obligations imposed upon the Company or any of the Controlling Shareholders under the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(e) there is an event, act or omission which gives or is likely to give rise to any liability of the Company or any of the Controlling Shareholders pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement, as applicable;

(f) there is any Material Adverse Change;

(g) the approval by the Stock Exchange of listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including the Offer Size Adjustment Option Shares and the Option Shares) is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

(h) any person (other than any of the Joint Sponsors) has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;

(i) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;

(j) there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the H Shares (including the Offer Size Adjustment Option Shares and the Option Shares) pursuant to the terms of the Global Offering;

(k) there is any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(l) a material portion of the orders placed or confirmed in the bookbuilding process have been withdrawn, terminated or cancelled.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by the Company

In accordance with Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued or sold or transferred out of treasury or form the subject of any agreement to such an issue, or sale or transfer out of treasury within six months from the date on which securities of the Company first commence dealing on the Stock Exchange (whether or not such issue of shares or securities, or sale or transfer of treasury shares will be completed within six months from the commencement of dealing), except for the issue of shares or securities pursuant to the Global Offering (including the exercise of the Offer Size Adjustment Option and the Over-allotment Option) or for circumstances permitted under Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Company and the Stock Exchange that, save as disclosed in this prospectus and except pursuant to the Global Offering (including the exercise of the Offer Size Adjustment Option and the Over-allotment Option, she, he or it shall not):

(i) in the period commencing on the date by reference to which disclosure of her, his or its shareholding in the Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which she, he or it is shown by this prospectus to be the beneficial owner; or

(ii) in the period of six months commencing on the date on which the period referred to in the above paragraph (i) expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (i) above, if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, she, he or it would cease to be a Controlling Shareholder,

provided that the above shall not prevent us from using securities of the Company beneficially owned by us as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the laws of Hong Kong)) for a bona fide commercial loan.

In addition, in accordance with Note 3 to Rule 10.07 of the Listing Rules, each of the Controlling Shareholders has undertaken to the Company and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of her, his or its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, she, he or it will:

(i) when she, he or it pledges or charges any Shares beneficially owned by her, him or it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, she, he or it will immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) when she, he or it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of, she, he or it will immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as it has been informed of the matters referred to in paragraphs (i) and (ii) above (if any) by any of the Controlling Shareholders and, subject to the then requirements of the Listing Rules, disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to the Joint Sponsors, the Overall Coordinators, the Joint Sponsor-Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters and each of them not to (save for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering, including pursuant to any exercise of the Offer Size Adjustment Option and the Over-allotment Option), without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the last date of the six months after the Listing Date (the "**First Six-Month Period**"):

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, assign, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in the share capital or any other securities of the

Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of the Company, as applicable), or deposit any share capital or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company, as applicable); or

(iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or

(iv) offer to or contract to or agree to announce, or publicly disclose any intention to effect any transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any such transaction described in paragraphs (i), (ii) or (iii) above is to be settled by delivery of share capital or such other securities of the Company, in cash or otherwise, in cash or otherwise (whether or not the issue of such share capital or other securities of the Company will be completed within the First Six-Month Period), provided that the foregoing restrictions shall not apply to the issue of the H Shares by the Company pursuant to the Global Offering.

In the event that, at any time during the period of six months immediately following the expiration of the First Six-Month Period (the "**Second Six-Month Period**"), the Company enters into any of the transactions specified above or offers or agrees or contracts to, or announces, or publicly discloses, any intention to, enter into any such transactions, the Company will take all reasonable steps to ensure that it will not create a disorderly or false market in the Shares or other securities of the Company. Each of the Controlling Shareholders hereby undertakes to each of the Joint Sponsors, the Joint Overall Coordinators, the Joint Sponsor-Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters to procure the Company to comply with the undertakings.

Undertakings by the Controlling Shareholders

Each of the Controlling Shareholders has hereby jointly and severally undertaken to the Company, the Joint Sponsors, the Overall Coordinators, the Joint Sponsor-Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except as pursuant to the Global Offering (including pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) or otherwise in compliance with the Listing Rules, without the prior written consent of the Joint Sponsors and the Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(i) during the First Six-Month Period, none of them will, and each of them will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/her/it will not:

(a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable) beneficially owned by him/her/it as at the Listing Date (the "**Locked-up Securities**"), or deposit any Locked-up Securities with a depositary in connection with the issue of depositary receipts; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities; or

(c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or

(d) offer to or contract to or agree to or announce that any of the Controlling Shareholders will or may enter into any transaction described in paragraphs (a), (b) or (c) above,

in each case, whether any such transaction described in paragraphs (i)(a), (i)(b) or (i)(c) above is to be settled by delivery of such Shares or other securities of the Company, in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities will be completed within the First Six-Month Period);

(ii) during the Second Six-Month Period, none of the Controlling Shareholders will enter into any transaction described in paragraphs (i)(a), (i)(b) or (i)(c) above or offer, agree or contract to or announce any intention to enter into any such transaction if, immediately following such transaction, any of them will cease to be a controlling shareholder (as defined in the Listing Rules) of the Company;

(iii) during the First Six-Month Period and Second Six-Month Period, each of the Controlling Shareholders will:

(a) if and when any of them or the relevant registered holder(s) pledges or charges any Locked-up Securities, immediately inform the Company, the Joint Sponsors and the Overall Coordinators in writing of such pledge or charge together with the number of Locked-up Securities so pledged or charged;

(b) if and when he/she/it or the relevant registered holder(s) receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Locked-up Securities will be disposed of, immediately inform the Company, the Joint Sponsors and the Overall Coordinators in writing of such indications; and

(iv) until the expiry of the Second Six-Month Period, in the event that he/she/it enters into any of the transactions specified in paragraphs (i)(a), (i)(b) or (i)(c) above or offers to or agrees to or announces any intention to effect any such transaction, he/she/it will take all reasonable steps to ensure that he/she/it will not create a disorderly or false market in the securities of the Company.

The Company hereby undertakes to the Joint Sponsors, the Overall Coordinators, the Joint Sponsor-Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that upon receiving such information in writing from any of the Controlling Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

For the avoidance of doubt, the restrictions above do not apply to (i) any additional Shares or other securities of the Company or any interest therein acquired by any of the Controlling Shareholders after the Listing; or (ii) any pledge or charge of any Shares or other equity securities of the Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other equity securities of the Company) after the Global Offering in favor of an authorized institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan.

Hong Kong Underwriters' Interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as at the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any H Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any H Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, the Company expects to enter into the International Underwriting Agreement with, among others, the International Underwriters on or around the Price Determination Date. Under the International Underwriting Agreement and subject to the Offer Size Adjustment Option and the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares initially being offered pursuant to the International Offering. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Offering."

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Overall Coordinators on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 3,362,400 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 3,866,800 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) at the Offer Price, to cover over-allocations in the International Offering, if any. See "Structure of the Global Offering – Over-allotment Option."

Commissions and Expenses

An aggregate of the fees of up to 4.5% of gross proceeds to be raised from the subscription tranche and the placing tranche (including proceeds from any H Shares issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option) of the Global Offering is payable by the Company to all syndicate members participating in the Global Offering, among which the syndicate members (i) will receive an underwriting commission which is equal to 3.2% of the aggregate gross proceeds to be raised from the Global Offering (including proceeds from any H Shares issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option) (the "Underwriting Commission"), and (ii) may receive a discretionary incentive fee of up to 1.3% of the aggregate gross proceeds to be raised from the Global Offering (including proceeds from any H shares issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option) (the "Incentive Fee").

As of the date of this prospectus, the allocation of a portion of the Underwriting Commission remains subject to the Company's discretion. Accordingly, the unallocated portion of the Underwriting Commission will be regarded as discretionary fees for the purpose of the Listing Rules. The ratio of the fixed fee and discretionary fee (as classified under and for the purpose of Rule 3A.34 of the Listing Rules) payable by the Company to all syndicate members (both before and after the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option, if any) is expected to be approximately 2.24%:2.26%, or approximately 50:50 (assuming the Incentive Fee will be paid in full).

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the Underwriting Commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Offering, to the relevant International Underwriters.

The Underwriting Commission and Incentive Fee together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be up to approximately HK$73.88 million (assuming an indicative offer price of HK$11.5 per Offer Share (which is the mid-point of the Offer Price range as stated in this prospectus) and the exercise of the Offer Size Adjustment Option and the Over-allotment Option in full) and will be paid by the Company.

Indemnity

Each of the Company and the Controlling Shareholders has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any material breach by the Company of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the "Syndicate Members") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to our assets, securities and/or instruments and/or persons and entities with relationships with us and may also include swaps and other financial instruments entered into for hedging purposes in connection with our loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (which financing may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering." Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(i) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(ii) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to us and certain of our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of the Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Morgan Stanley Asia Limited and China International Capital Corporation Hong Kong Securities Limited are the Overall Coordinators of the Global Offering.

The listing of the H Shares on the Main Board of the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued or sold pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option).

22,416,600 Offer Shares will initially be made available under the Global Offering comprising:

- the Hong Kong Public Offering of 2,241,800 H Shares (subject to reallocation and the Offer Size Adjustment Option) in Hong Kong as described in "– The Hong Kong Public Offering" below; and

- the International Offering of 20,174,800 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in "– The International Offering" below.

Investors may either (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or (ii) apply for or indicate an interest for International Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 4.00% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. If the Offer Size Adjustment Option and the Over-allotment Option are both exercised in full, the Offer Shares (including H Shares issued pursuant to the full exercise of the Offer Size Adjustment Option and the Over-allotment Option) will represent approximately 5.22% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering and the issue of Offer Shares pursuant to the Offer Size Adjustment Option and the Over-allotment Option.

References in this prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

The Company is initially offering 2,241,800 Offer Shares (subject to reallocation and the Offer Size Adjustment Option) for subscription by the public in Hong Kong at the Offer Price, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 0.40% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in "– Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B (with any odd lots being allocated to pool A). The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 1,120,800 Hong Kong Offer Shares (being approximately 50% of the 2,241,800 Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached.

(i) In the event that the International Offer Shares are fully subscribed or oversubscribed under the International Offering:

(a) if the Hong Kong Offer Shares are undersubscribed, the Overall Coordinators (for themselves and on behalf of the Underwriters), at their sole and absolute discretion (but shall not be under any obligation), may reallocate all or any of the unsubscribed H Shares from the Hong Kong Public Offering to the International Offering;

(b) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then up to 4,483,200 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will increase to up to 6,725,000 Offer Shares, representing approximately 30% of the Offer Shares initially available under the Global Offering;

(c) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then up to 6,725,000 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number

of Offer Shares available under the Hong Kong Public Offering will increase to up to 8,966,800 Offer Shares, representing approximately 40% of the Offer Shares initially available under the Global Offering; and

(d) if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then up to 8,966,600 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will increase to up to 11,208,400 Offer Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering.

(ii) In the event that (a) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering **provided that** the Offer Price would be set at the bottom end of the indicative Offer Price range, being HK$10.0, up to 2,241,800 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to 4,483,600 Offer Shares, representing twice of the number of the Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Offer Size Adjustment Option and the Over-allotment Option), in accordance with Chapter 4.14 of the Guide for New Listing Applicants.

(iii) In the event that the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. If either the Hong Kong Public Offering or the International Offering is not fully subscribed for, the Overall Coordinators have the authority to reallocate all or any unsubscribed Offer Shares from such offering to the other, in such proportion as the Overall Coordinators deem appropriate.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the allotment results announcement, which is expected to be published on Monday, October 7, 2024.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her that he/she and any person(s) for whose benefit he/she is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he/she has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the maximum Offer Price in addition to the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$2,626.22 for one board lot of 200 Offer Shares. If the Offer Price, as finally determined in the manner described in "– Pricing and Allocation" below, is less than the maximum Offer Price, appropriate refund payments (including the brokerage, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. See "How to Apply for Hong Kong Offer Shares – D. Dispatch/Collection of H Share Certificates and Refund of Application Monies."

THE INTERNATIONAL OFFERING

Number of Offer Shares Offered

The International Offering will consist of 20,174,800 Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option), representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering, will represent approximately 3.60% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in "– Pricing and Allocation" below and based on

a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement described in "– The Hong Kong Public Offering – Reallocation" above, the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OFFER SIZE ADJUSTMENT OPTION

In connection with the Global Offering, the Company has an Offer Size Adjustment Option under the Hong Kong Underwriting Agreement, which provides flexibility to increase the number of Offer Shares available for purchase under the Global Offering to cover additional market demand, if any. The Offer Size Adjustment Option may be exercised by the Company after consultation with the Overall Coordinators (for themselves and on behalf of the Underwriters) on or before the Price Determination Date and will expire upon execution of the Price Determination Agreement.

Under the Offer Size Adjustment Option, the Company may issue any number of H Shares up to an aggregate of 3,362,400 additional Offer Shares at the Offer Price. These Offer Size Adjustment Option Shares, if any, will be allocated in such manner as closely as practicable to maintain the proportionality between the Hong Kong Public Offering and the International Offering following the application of the reallocation arrangement described in "– Reallocation" in this section and the Overall Coordinators shall allocate additional H Shares to be offered by the Company pursuant to the International Offering to the Hong Kong Public Offering in order to maintain such proportionality and the relevant number of Offer Size Adjustment Option Shares shall be allocated to the International Offering to maintain such proportionality.

If the Offer Size Adjustment Option is exercised in full, the Offer Size Adjustment Option Shares to be issued pursuant thereto will represent approximately 0.60% of our issued share capital immediately following the completion of the Global Offering (assuming the Overallotment Option is not exercised) and the exercise of the Offer Size Adjustment Option.

The table below sets forth the dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised):

Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option ("Original Subscribers")	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option
22,416,600	4.00%	25,779,000	3.98%

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilization) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

The Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised by the Price Determination Date, it will lapse and cannot be exercised on any future date.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Overall Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Overall Coordinators (on behalf of the International Underwriters) at any time from the date of the International Underwriting Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require us to issue up to an aggregate of 3,362,400 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 3,866,800 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) at the Offer Price, to cover over-allocations in the International Offering, if any.

If the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.60% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. If the Offer Size Adjustment Option and the Over-allotment Option are both exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.68% of the enlarged issued share capital of the Company immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may make purchases, over-allocate or effect transactions in the market or otherwise take such stabilizing action(s) with a view to supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (i) will be conducted at the sole and absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company, (ii) may be discontinued at any time and (iii) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (ii) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the H Shares, (iii) purchasing, or agreeing to purchase, the H Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of the H Shares for the sole purpose of preventing or minimizing any reduction in the market price of the H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases and (vi) offering or attempting to do anything as described in clauses (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on Saturday, November 2, 2024, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

In effecting stabilization actions, the Stabilizing Manager (or any person acting for it) may arrange cover up to an aggregate of 3,362,400 additional H Shares (representing not more than 15% of the Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised at all) or up to an aggregate of 3,866,800 additional H Shares (representing not more than 15% of the Offer Shares being offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full), through delayed delivery arrangements with investors who have been offered Offer Shares under the International Offering. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether sufficient number of H Shares will be made available under delayed delivery arrangements. There will be no stabilization actions and no exercise of the Over-allotment Option should no investors be willing to enter into such delayed delivery arrangements.

The Company will ensure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of the H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, among other methods, exercising the Over-allotment Option in full or in part, using the H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price or a combination of these means.

OFFER SIZE

The allocation and the total number of Offer Shares under the Global Offering will be determined in the following manner:

The allocation of Offer Shares between the International Offering and the Hong Kong Public Offering will be subject to a reallocation adjustment depending on the number of Offer Shares validly applied for under the Hong Kong Public Offering. See "– The Hong Kong Public Offering – Reallocation."

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares made available as a result, representing approximately 15% of the number of Offer Shares initially being offered under the Global Offering, will be allocated so as to maintain the proportionality between the Hong Kong Public Offering and the International Offering on a post-reallocation basis. The Offer Size Adjustment Option will lapse if it is not exercised by the Price Determination Date. See "– Offer Size Adjustment Option."

The number of Offer Shares to be made available under the International Offering may be further increased if the Over-allotment Option is exercised. The maximum number of additional International Offer Shares to be offered pursuant to the exercise of the Over-allotment Option will represent approximately 15% of the number of Offer Shares being offered under the Global Offering (including the Offer Size Adjustment Option Shares, if any). See "– Over-allotment Option."

The table below sets forth a summary of the total number of Hong Kong Offer Shares and International Offer Shares being offered in the Global Offering under different scenarios, depending on (a) whether a reallocation pursuant to the clawback arrangement described in "– The Hong Kong Public Offering – Reallocation" above occurs and (b) whether either of the Offer Size Adjustment Option or the Over-allotment Option is exercised at all or exercised in full, or both are exercised in full.

	No clawback reallocation	**30% clawback reallocation**	**40% clawback reallocation**	**50% clawback reallocation**
Total number of Offer Shares before the exercise of the Offer Size Adjustment Option and the Over-allotment Option	2,241,800 Hong Kong Offer Shares	6,725,000 Hong Kong Offer Shares	8,966,800 Hong Kong Offer Shares	11,208,400 Hong Kong Offer Shares
	20,174,800 International Offer Shares	15,691,600 International Offer Shares	13,449,800 International Offer Shares	11,208,200 International Offer Shares
Total number of Offer Shares following the exercise in full of the Offer Size Adjustment Option only (assuming the Over-allotment Option is not exercised)	2,578,000 Hong Kong Offer Shares	7,733,800 Hong Kong Offer Shares	10,311,600 Hong Kong Offer Shares	12,889,600 Hong Kong Offer Shares
	23,201,000 International Offer Shares	18,045,200 International Offer Shares	15,467,400 International Offer Shares	12,889,400 International Offer Shares
Total number of Offer Shares following the exercise in full of the Overallotment Option only (assuming the Offer Size Adjustment Option is not exercised)	2,241,800 Hong Kong Offer Shares	6,725,000 Hong Kong Offer Shares	8,966,800 Hong Kong Offer Shares	11,208,400 Hong Kong Offer Shares
	23,537,200 International Offer Shares	19,054,000 International Offer Shares	16,812,200 International Offer Shares	14,570,600 International Offer Shares
Total number of Offer Shares following the full exercise of the Offer Size Adjustment Option and the Over-allotment Option	2,578,000 Hong Kong Offer Shares	7,733,800 Hong Kong Offer Shares	10,311,600 Hong Kong Offer Shares	12,889,600 Hong Kong Offer Shares
	27,067,800 International Offer Shares	21,912,000 International Offer Shares	19,334,200 International Offer Shares	16,756,200 International Offer Shares

PRICING AND ALLOCATION

Determining the Pricing of the Offer Shares

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be determined on the Price Determination Date, which is expected to be on or before Friday, October 4, 2024 and, in any event, no later than 12:00 noon on Friday, October 4, 2024, by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$13.0 per Offer Share and is expected to be not less than HK$10.0 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, (subject to application channel) the maximum Offer Price plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$2,626.22 for one board lot of 200 Offer Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus**.

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Offering, and with the consent of the Company, reduce the number of Offer Shares offered below and/or the Offer Price range as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the websites of the Company and the Stock Exchange at **www.taimei.com** and **www.hkexnews.hk**, respectively, notices of the reduction. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Upon the issue of such a notice and supplemental prospectus, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price range.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price range as stated in this prospectus.

Announcement of Final Pricing of the Offer Shares

The final pricing of the Offer Shares, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares – B. Publication of Results."

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in "Underwriting."

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including any additional H Shares that may be issued pursuant to the Offer Size Adjustment Option and the exercise of the Over-allotment Option), on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

- the pricing of the Offer Shares having been agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company;

- the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and

- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and the Company by 12:00 noon on Friday, October 4, 2024, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the websites of the Company and the Stock Exchange at **www.taimei.com** and **www.hkexnews.hk**, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares – D. Dispatch/Collection of H Share Certificates and Refund of Application Monies." In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

H Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on Tuesday, October 8, 2024, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, October 8, 2024, it is expected that dealings in the H Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, October 8, 2024.

The H Shares will be traded in board lots of 200 H Shares each and the stock code of the H Shares will be 2576.

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.taimei.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the **White Form eIPO** service only)*.

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or a Supervisor, or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Friday, September 27, 2024 and end at 12:00 noon on Thursday, October 3, 2024 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	Website: **www.eipo.com.hk**	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Friday, September 27, 2024 to 11:30 a.m. on Thursday, October 3, 2024, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Thursday, October 3, 2024, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit **electronic application instructions** on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction

For Individual/Joint Applicants

- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a Hong Kong ID number, you must confirm that you do not hold a Hong Kong ID card.

2. The applicant's full name as shown on their identity document must be used. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid Hong Kong ID card, the Hong Kong ID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agents, have discretion to consider whether to accept it on any conditions we or they think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	200 H Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The maximum Offer Price is HK$13.0 per Offer Share. If you are applying through the **HKSCC EIPO** channel, you are required to prefund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

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

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application *HK$*
200	2,626.22	4,000	52,524.42	60,000	787,866.30	450,000	5,908,997.26
400	5,252.44	5,000	65,655.53	70,000	919,177.36	500,000	6,565,552.50
600	7,878.66	6,000	78,786.64	80,000	1,050,488.40	600,000	7,878,663.00
800	10,504.89	7,000	91,917.74	90,000	1,181,799.46	700,000	9,191,773.50
1,000	13,131.10	8,000	105,048.85	100,000	1,313,110.50	800,000	10,504,884.00
1,200	15,757.32	9,000	118,179.95	150,000	1,969,665.76	900,000	11,817,994.50
1,400	18,383.55	10,000	131,311.06	200,000	2,626,221.00	1,000,000	13,131,105.00
1,600	21,009.77	20,000	262,622.10	250,000	3,282,776.26	1,120,800[1]	14,717,342.49
1,800	23,635.99	30,000	393,933.16	300,000	3,939,331.50		
2,000	26,262.21	40,000	525,244.20	350,000	4,595,886.76		
3,000	39,393.31	50,000	656,555.26	400,000	5,252,442.00		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

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

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "– A. Applications for Hong Kong Offer Shares – 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators (or their agents or nominees), as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on the Global Offering set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Underwriters, their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering (the "Relevant Persons"), the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "– G. Personal Data – 3. Purposes" and "– G. Personal Data – 4. Transfer of Personal Data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "– B. Publication of Results" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "– C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the Directors, Supervisors, chief executives of the Company, substantial Shareholder(s) or existing Shareholder(s) or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the Directors, Supervisors, chief executives of the Company, substantial Shareholder(s) or existing Shareholder(s) or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the H Share Registrar or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC; and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Monday, October 7, 2024 to 12:00 midnight on Sunday, October 13, 2024 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.taimei.com** which will provide links to the abovementioned websites of the H Share Registrar.	No later than 11:00 p.m. on Monday, October 7, 2024 (Hong Kong time).
Telephone	+852 2862 8555 – the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., on Tuesday, October 8, 2024, Wednesday, October 9, 2024, Thursday, October 10, 2024, and Monday, October 14, 2024 (Hong Kong time)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Friday, October 4, 2024 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Friday, October 4, 2024 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.taimei.com** by no later than 11:00 p.m. on Monday, October 7, 2024 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "– A. Application for Hong Kong Offer Shares – 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted H Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DISPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Tuesday, October 8, 2024 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	**HKSCC EIPO channel**
Despatch/collection of H Share certificate[1]		
For physical share certificates of equal or over 1,000,000 Hong Kong Offer Shares issued under your own name	Collection in person at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **Time:** 9:00 a.m. to 1:00 p.m. on Tuesday, October 8, 2024 (Hong Kong time) If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account No action by you is required

	White Form eIPO service	HKSCC EIPO channel
	Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. *Note:* If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk Time: Monday, October 7, 2024	

Refund mechanism for surplus application monies paid by you

Date	Tuesday, October 8, 2024	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	**White Form** e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement Application monies paid between you and it

	White Form eIPO service	HKSCC EIPO channel
Application monies paid between you and it through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

[1] Except in the event of a No. 8 typhoon warning signal or above, a black rainstorm warning signal and/or an "extreme conditions" as announced by the Hong Kong Government in the morning on Monday, October 7, 2024 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "– E. Severe Weather Arrangements" in this section.

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Thursday, October 3, 2024 if, there is/are:

- a No. 8 typhoon warning signal or above;
- a black rainstorm warning signal; and/or
- **Extreme Conditions**

(collectively, "**Bad Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, October 3, 2024.

Instead they will open between 11:45 a.m. and 12:00 noon and close at 12:00 noon on the next business day which does not have Bad Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.taimei.com** of the revised timetable.

If a Bad Weather Signal is hoisted on Monday, October 7, 2024, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Tuesday, October 8, 2024.

If a Bad Weather Signal is hoisted on Tuesday, October 8, 2024, for physical H Share Certificates of equal or over 1,000,000 Offer Shares issued under your own name, you may collect any refund cheque (where applicable) and/or share certificates in person from the H Share Registrar's office after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Tuesday, October 8, 2024 or on Wednesday, October 9, 2024).

If a Bad Weather Signal is hoisted on Monday, October 7, 2024, for physical H Share Certificates of less than 1,000,000 of Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Bad Weather Signal is lowered or cancelled (e.g. in the afternoon of Monday, October 7, 2024 or on Tuesday, October 8, 2024).

Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;

- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG TAIMEI MEDICAL TECHNOLOGY CO., LTD. (浙江太美醫療科技股份有限公司), MORGAN STANLEY ASIA LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-94, which comprises the consolidated balance sheets as at December 31, 2021, 2022 and 2023 and March 31, 2024, the company balance sheets as at December 31, 2021, 2022 and 2023 and March 31, 2024, and the consolidated income statements, the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31,2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-94 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated September 27, 2024 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2021, 2022 and 2023 and March 31, 2024 and the consolidated financial position of the Group as at December 31, 2021, 2022 and 2023 and March 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated income statement, the consolidated statement of comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months ended March 31, 2023 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which states that no dividends have been paid by Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司) in respect of the Track Record Period.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
September 27, 2024

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the IAASB ("Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

A. CONSOLIDATED INCOME STATEMENTS

	Note	Year ended December 31, 2021 RMB'000	2022 RMB'000	2023 RMB'000	Three months ended March 31, 2023 RMB'000 (Unaudited)	2024 RMB'000
Revenue	6	466,181	549,215	573,137	129,232	132,053
Cost of sales	7	(301,848)	(363,814)	(394,135)	(90,740)	(82,535)
Gross profit		164,333	185,401	179,002	38,492	49,518
Selling expenses	7	(179,334)	(184,679)	(150,207)	(40,581)	(24,350)
Administrative expenses	7	(266,894)	(289,115)	(268,913)	(52,696)	(135,294)
Research and development expenses	7	(190,843)	(208,177)	(169,191)	(52,739)	(27,159)
Net impairment losses on financial and contract assets	3.1(b)	(4,230)	(3,292)	(8,402)	(1,994)	(1,051)
Net impairment losses on intangible assets	18	(54,089)	(22,382)	(9,572)	(9,572)	–
Other income	9	14,277	20,561	19,419	8,910	9,187
Other gains/(losses) – net	10	11,146	58,899	11,277	(6,756)	2,455
Operating loss		(505,634)	(442,784)	(396,587)	(116,936)	(126,694)
Finance income		28,738	22,884	41,654	10,052	8,629
Finance cost		(2,709)	(2,681)	(1,431)	(538)	(157)
Finance income – net	11	26,029	20,203	40,223	9,514	8,472
Loss before income tax		(479,605)	(422,581)	(356,364)	(107,422)	(118,222)
Income tax expenses	13	(6)	–	(15)	–	–
Loss for the year/period		(479,611)	(422,581)	(356,379)	(107,422)	(118,222)
Loss attributable to:						
Owners of the Company		(479,611)	(412,907)	(346,778)	(104,044)	(116,276)
Non-controlling interests	12	–	(9,674)	(9,601)	(3,378)	(1,946)
		(479,611)	(422,581)	(356,379)	(107,422)	(118,222)
Loss per share for loss attributable to owners of the Company						
Basic and diluted loss per share (RMB)	14	(0.89)	(0.77)	(0.64)	(0.19)	(0.22)

B. CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Loss for the year/period	(479,611)	(422,581)	(356,379)	(107,422)	(118,222)
Other comprehensive income/(losses)					
Item that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	–	4,273	1,866	189	(1,687)
Other comprehensive income/(losses) for the year/period, net of taxes	–	4,273	1,866	189	(1,687)
Total comprehensive loss for the year/period	(479,611)	(418,308)	(354,513)	(107,233)	(119,909)
Total comprehensive loss for the year/period attributable to:					
Owners of the Company	(479,611)	(408,634)	(344,902)	(103,855)	(117,973)
Non-controlling interests	–	(9,674)	(9,611)	(3,378)	(1,936)
	(479,611)	(418,308)	(354,513)	(107,233)	(119,909)

C. CONSOLIDATED BALANCE SHEETS

	Note	As at December 31, 2021	2022	2023	As at March 31, 2024
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property, plant and equipment	*16*	32,293	37,382	21,942	17,141
Right-of-use assets	*17*	77,595	47,500	19,347	12,508
Intangible assets	*18*	103,177	80,701	72,191	71,137
Restricted cash	*26*	–	–	5,000	–
Other non-current assets	*19*	115	12	–	–
		213,180	165,595	118,480	100,786
Current assets					
Contract fulfilment cost	*21*	6,060	8,204	14,024	17,590
Contract assets	*6(a)*	21,937	33,531	21,419	22,153
Trade and notes receivables	*23*	101,240	129,723	146,257	146,261
Other receivables and prepayments	*24*	62,129	78,936	74,998	69,324
Financial assets at fair value through profit or loss	*25*	270,736	439,907	280,826	266,312
Restricted cash	*26*	611	1,490	1,511	7,010
Short-term bank deposits	*26*	449,564	301,173	269,233	13,534
Cash and cash equivalents	*26*	679,313	666,742	517,924	698,858
		1,591,590	1,659,706	1,326,192	1,241,042
Total assets		1,804,770	1,825,301	1,444,672	1,341,828
Equity					
Equity attributable to owners of the Company					
Share capital	*27*	538,000	538,000	538,000	538,000
Other reserves	*28*	1,601,806	1,909,354	1,922,646	2,004,330
Currency translation reserves		–	4,273	6,149	4,452
Accumulated losses		(728,783)	(1,141,690)	(1,488,468)	(1,604,744)
		1,411,023	1,309,937	978,327	942,038
Non-controlling interests		–	73,397	63,786	77,664
Total equity		1,411,023	1,383,334	1,042,113	1,019,702

	Note	As at December 31, 2021	2022	2023	As at March 31, 2024
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities					
Non-current liabilities					
Lease liabilities	*17*	40,847	14,146	2,781	2,086
Deferred revenue	*32*	3,278	4,157	8,174	7,402
Warrant liabilities	*29*	–	32,232	33,735	34,195
		44,125	50,535	44,690	43,683
Current liabilities					
Trade and other payables	*31*	185,519	223,186	208,176	152,003
Lease liabilities	*17*	36,597	31,714	12,308	11,621
Contract liabilities	*6(b)*	127,500	136,532	137,385	114,819
Current income tax liabilities		6	–	–	–
		349,622	391,432	357,869	278,443
Total liabilities		**393,747**	**441,967**	**402,559**	**322,126**
Total equity and liabilities		**1,804,770**	**1,825,301**	**1,444,672**	**1,341,828**
Net current assets		**1,241,968**	**1,268,274**	**968,323**	**962,599**
Total assets less current liabilities		**1,455,148**	**1,433,869**	**1,086,803**	**1,063,385**

D. THE COMPANY BALANCE SHEETS

	Note	As at December 31, 2021	2022	2023	As at March 31, 2024
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets					
Non-current assets					
Property, plant and equipment	*16*	8,078	8,613	6,846	6,228
Right-of-use assets	*17*	3,482	1,933	–	–
Intangible assets	*18*	2,857	5,656	8,503	8,207
Investments in subsidiaries	*12*	187,246	370,580	359,236	355,266
Restricted cash	*26*	–	–	5,000	–
Other non-current assets	*19*	115	–	–	–
		201,778	386,782	379,585	369,701
Current assets					
Contract fulfilment cost	*21*	–	1,410	10,986	13,360
Contract assets	*6(a)*	16,471	26,132	8,502	11,696
Trade and notes receivables	*23*	60,627	86,391	91,769	96,436
Other receivables and prepayments	*24*	188,390	206,332	288,022	291,213
Financial assets at fair value through profit or loss	*25*	208,736	349,157	280,826	266,312
Short-term bank deposits	*26*	419,564	43,482	18,352	13,534
Restricted cash	*26*	140	1,120	1,140	7,010
Cash and cash equivalents	*26*	654,318	496,129	419,494	389,959
		1,548,246	1,210,153	1,119,091	1,089,520
Total assets		1,750,024	1,596,935	1,498,676	1,459,221
Equity					
Share capital	*27*	538,000	538,000	538,000	538,000
Other reserves	*28*	1,601,733	1,688,460	1,702,929	1,707,318
Accumulated losses		(653,360)	(979,504)	(1,186,448)	(1,200,842)
Total equity		1,486,373	1,246,956	1,054,481	1,044,476

	Note	As at December 31, 2021	2022	2023	As at March 31, 2024
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities					
Non-current liabilities					
Lease liabilities	*17*	1,814	–	–	–
Deferred revenue	*32*	278	70	–	–
		2,092	70	–	–
Current liabilities					
Trade and other payables	*31*	158,369	239,838	338,044	324,560
Lease liabilities	*17*	1,703	1,814	–	–
Contract liabilities	*6(b)*	101,487	108,257	106,151	90,185
		261,559	349,909	444,195	414,745
Total liabilities		263,651	349,979	444,195	414,745
Total equity and liabilities		1,750,024	1,596,935	1,498,676	1,459,221

E. CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Equity attributable to owners of the Company						
	Note	**Share capital** *RMB'000*	**Other reserves** *RMB'000*	**Currency translation reserves** *RMB'000*	**Accumulated losses** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total equity** *RMB'000*
As at January 1, 2021		538,000	1,467,379	–	(249,172)	1,756,207	–	1,756,207
Comprehensive loss								
Loss for the year		–	–	–	(479,611)	(479,611)	–	(479,611)
Total comprehensive loss		–	–	–	(479,611)	(479,611)	–	(479,611)
Transactions with owners								
Repurchase of ordinary shares	*29(a)*	–	(11,439)	–	–	(11,439)	–	(11,439)
Capital injection from shareholders	*28*	–	11,439	–	–	11,439	–	11,439
Share-based payments	*7, 30*	–	134,427	–	–	134,427	–	134,427
Total transactions with owners		–	134,427	–	–	134,427	–	134,427
As at December 31, 2021		538,000	1,601,806	–	(728,783)	1,411,023	–	1,411,023
As at January 1, 2022		538,000	1,601,806	–	(728,783)	1,411,023	–	1,411,023
Comprehensive income/(loss)								
Loss for the year		–	–	–	(412,907)	(412,907)	(9,674)	(422,581)
Exchange differences on translation of foreign operations		–	–	4,273	–	4,273	–	4,273
Total comprehensive income/(loss)		–	–	4,273	(412,907)	(408,634)	(9,674)	(418,308)
Transactions with owners								
Capital injection from non-controlling interests of a subsidiary	*28*	–	218,273	–	–	218,273	83,071	301,344
Share-based payments	*7, 30*	–	89,275	–	–	89,275	–	89,275
Total transactions with owners		–	307,548	–	–	307,548	83,071	390,619
As at December 31, 2022		538,000	1,909,354	4,273	(1,141,690)	1,309,937	73,397	1,383,334
As at January 1, 2023		538,000	1,909,354	4,273	(1,141,690)	1,309,937	73,397	1,383,334
Comprehensive income/(loss)								
Loss for the year		–	–	–	(346,778)	(346,778)	(9,601)	(356,379)
Exchange differences on translation of foreign operations		–	–	1,876	–	1,876	(10)	1,866
Total comprehensive income/(loss)		–	–	1,876	(346,778)	(344,902)	(9,611)	(354,513)
Transactions with owners								
Share-based payments	*7, 30*	–	13,292	–	–	13,292	–	13,292
Total transactions with owners		–	13,292	–	–	13,292	–	13,292
As at December 31, 2023		538,000	1,922,646	6,149	(1,488,468)	978,327	63,786	1,042,113

	Note	Equity attributable to owners of the Company						
		Share capital RMB'000	Other reserves RMB'000	Currency translation reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at January 1,2024		538,000	1,922,646	6,149	(1,488,468)	978,327	63,786	1,042,113
Comprehensive income/(loss)								
Loss for the period		–	–	–	(116,276)	(116,276)	(1,946)	(118,222)
Exchange differences on translation of foreign operations		–	–	(1,697)	–	(1,697)	10	(1,697)
Total comprehensive loss		–	–	(1,697)	(116,276)	(117,973)	(1,936)	(119,909)
Transactions with owners								
Share-based payments	*7, 30*	–	4,662	–	–	4,662	–	4,662
Transactions with non-controlling interests	*7,28(vi), 12(iii)(d)*	–	77,022	–	–	77,022	15,814	92,836
Total transactions with owners		–	81,684	–	–	81,684	15,814	97,498
As at March 31, 2024		538,000	2,004,330	4,452	(1,604,744)	942,038	77,664	1,019,702
(Unaudited)								
As at January 1, 2023		538,000	1,909,354	4,273	(1,141,690)	1,309,937	73,397	1,383,334
Comprehensive income/(loss)								
Loss for the period		–	–	–	(104,044)	(104,044)	(3,378)	(107,422)
Exchange differences on translation of foreign operations		–	–	189	–	189	–	189
Total comprehensive income/(loss)		–	–	189	(104,044)	(103,855)	(3,378)	(107,233)
Transactions with owners								
Share-based payments	*7, 30*	–	(14,489)	–	–	(14,489)	–	(14,489)
Total transactions with owners		–	(14,489)	–	–	(14,489)	–	(14,489)
As at March 31, 2023		538,000	1,894,865	4,462	(1,245,734)	1,191,593	70,019	1,261,612

F. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31, 2021	2022	2023	Three months ended March 31, 2023	2024
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Cash flows from operating activities						
Cash used in operations	*33*	(217,532)	(329,214)	(351,149)	(158,425)	(112,555)
Income tax paid		–	(6)	(15)	–	–
Net cash used in operating activities		(217,532)	(329,220)	(351,164)	(158,425)	(112,555)
Cash flows from investing activities						
Purchase of property, plant and equipment		(30,095)	(24,399)	(4,359)	(1,397)	(471)
Purchase of intangible assets		(2,308)	(3,826)	(5,117)	(1,478)	–
Proceeds from disposal of property, plant and equipment		121	–	–	–	–
Placement of short-term bank deposits		(1,584,564)	(778,129)	(345,415)	(280,936)	(8,526)
Redemption of short-term bank deposits		1,268,262	935,348	407,340	261,173	259,838
Interest income		28,738	22,884	20,316	9,535	28,496
Purchase of short-term investments measured at fair value through profit or loss	*25(i)(a)*	(892,580)	(1,506,733)	(362,500)	(110,500)	(100,000)
Proceeds from disposal of short-term investments measured at fair value through profit or loss	*25(i)(a)*	781,613	1,348,972	527,423	290,414	118,296
Repayment from related parties	*34(b)(i)*	509	–	–	–	–
Proceeds from third parties borrowings		956	–	–	–	–
Contingent consideration received from former owners of an acquired subsidiary	*25(i)(b)*	50,000	–	–	–	–
Net cash (used in)/generated from investing activities		(379,348)	(5,883)	237,688	166,811	297,633

	Note	Year ended December 31, 2021 RMB'000	2022 RMB'000	2023 RMB'000	Three months ended March 31, 2023 RMB'000 (Unaudited)	2024 RMB'000
Cash flows from financing activities						
Repayments of borrowings	*33(b)*	(19,895)	–	–	–	–
Interest expenses paid	*11*	(105)	–	–	–	–
Proceeds from borrowings from a third party		793	–	–	–	–
Repayment of borrowings from a third party		–	(1,234)	–	–	–
Principal elements of lease payments		(24,690)	(33,639)	(30,781)	(8,348)	(1,382)
Interests elements of lease payments		(2,604)	(2,681)	(1,431)	(538)	(157)
Payment of listing expense in relation to global offering		–	–	(7,069)	–	(2,880)
Payment of listing expense in relation to previous listing preparation		(5,016)	(7,000)	–	–	–
Capital injection from shareholders	*28*	11,439	–	–	–	–
Capital injection from non-controlling interests of a subsidiary	*12(d)*	–	330,140	–	–	–
Net cash (used in)/generated from financing activities		(40,078)	285,586	(39,281)	(8,886)	(4,419)
Net (decrease)/increase in cash and cash equivalents		(636,958)	(49,517)	(152,757)	(500)	180,659
Cash and cash equivalents at beginning of year/period		1,323,879	679,313	666,742	666,742	517,924
Effect of foreign exchange rates changes		(7,608)	36,946	3,939	1,880	275
Cash and cash equivalents at end of year/period		679,313	666,742	517,924	668,122	698,858

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司) (the "Company") was established under its former name, Jiaxing Taimei Medical Technology Co., Ltd. (嘉興太美醫療科技有限公司), as a limited liability company in the People's Republic of China (the "PRC") on June 6, 2013. The Company completed its conversion into a joint stock limited company on September 11, 2020.

The Company and its subsidiaries (together, the "Group") are primarily engaged in providing digital solutions for pharmaceutical and medical device R&D and commercialisation mainly in the PRC and certain overseas countries and regions during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

The ultimate controlling shareholder of the Group is Mr. Zhao Lu (趙璐先生).

As at the date of this report, the Company's subsidiaries as at December 31, 2021, 2022 and 2023 and March 31, 2024 are set out in Note 12.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The preparation of the Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information, are disclosed in Note 4.

The Historical Financial Information has been prepared under the historical cost convention, except that certain financial assets/liabilities (including derivative instruments) are carried at fair value.

All relevant standards, amendments to standards and interpretations that are effective during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 have been adopted by the Group consistently throughout the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

Amendments to existing standards have not yet been adopted

The followings are amendments to existing standards that have been issued but are not effective for years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, and have not been early adopted by the Group. The Group plans to adopt these amendments to standards when they become effective:

Standards and amendments	Effective for accounting periods beginning on or after
IAS 21 (Amendment) – Lack of exchangeability	January 1, 2025
IFRS 7 and IFRS 9 – Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual improvements to IFRS Accounting Standards	January 1, 2026
IFRS 19 – Subsidiaries without public accountability: disclosures	January 1, 2027
IFRS 18 – Presentation and disclosure in financial statements	January 1, 2027
Amendment to IFRS 10 and IAS 28 regarding sales or contribution assets between an investor and its associate or joint venture	To be determined

According to the assessment made by the directors of the Company, these amendments to existing standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the group entities' functional currency. The Company's functional currency is Renminbi ("RMB"). The Company's subsidiaries were incorporated in mainland China, the United States, Singapore and France and these subsidiaries considered RMB, US dollars ("USD"), Singapore dollars ("SGD") and European dollars ("EUR") as their functional currency, respectively.

The Group is primarily exposed to changes in RMB/USD exchange rates. As at December 31, 2021, 2022 and 2023 and March 31, 2024, if USD had strengthened/weakened by 10% against RMB with all other variables held constant, the Group's loss before income tax for the year/period would have been RMB32,686,000, RMB62,797,000, RMB60,528,000 and RMB57,547,000 lower/higher respectively as a result of foreign exchange gains/losses on translation of USD denominated cash and cash equivalents, short-term bank deposits, trade receivables and other receivables.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash, short-term bank deposits (Note 26) and financial assets at fair value through profit or loss (Note 25).

Borrowings obtained at variable rates expose the Group to cash flow interest-rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest-rate risk. Management considers that the Group did not expose to any significant cash flow and fair value interest rate risk as there were no significant borrowings obtained.

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, short-term bank deposits, financial assets at fair value through profit or loss as well as trade and notes receivables, contract assets and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

Risk Management

To manage this risk, cash and cash equivalents, restricted cash, short-term bank deposits and short-term investments measured at fair value through profit or loss are mainly placed with reputable commercial banks which are all high-credit-quality financial institutions all over the world.

To manage risk arising from trade and notes receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. The credit period granted to the customers is usually around 30 to 120 days.

For other financial assets carried at amortised cost (excluding input value-added tax ("VAT") to be deducted and prepayments), management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

Impairment of financial assets and contract assets

The Group has three types of financial assets that are subject to the expected credit loss model ("ECL model"):

- cash and cash equivalents, restricted cash and short-term bank deposits;
- trade and notes receivables and contract assets; and
- other receivables.

(i) Cash and cash equivalents, restricted cash and short-term bank deposits

To manage risk arising from cash and cash equivalents, restricted cash and short-term bank deposits, the Group only transacts reputable financial institutions in mainland China and reputable international financial institutions outside of mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents, restricted cash and short-term bank deposits are also subject to the impairment requirements of IFRS 9, while the identified impairment loss was immaterial.

(ii) Trade and notes receivables and contract assets

For trade and notes receivables and contract assets, the Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables and contract assets. To measure the expected credit losses, trade and notes receivables and contract assets have been grouped based on shared credit risk characteristics and aging, while the identified impairment loss of notes receivables was immaterial.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") and Output Price Index ("OPI") to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The main exposure to credit risk at each of the reporting dates is the carrying value of the Group's trade receivables and contract assets. On that basis, the loss allowance as at December 31, 2021, 2022 and 2023 and March 31, 2024 was determined as follows for both trade receivables and contract assets:

At December 31, 2021	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Over 4 years	Individual	Total
Expected credit loss rate	5.00%	5.00%	5.00%	10.00%	30.00%	50.00%	–	100.00%	N.A.
Gross carrying amount – trade receivables (RMB'000)	63,061	23,121	14,502	5,253	611	29	–	1,943	108,520
Gross carrying amount – contract assets (RMB'000)	14,464	5,303	3,325	–	–	–	–	–	23,092
Loss allowance (RMB'000)	(3,878)	(1,421)	(891)	(525)	(183)	(14)	–	(1,943)	(8,855)

At December 31, 2022	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Over 4 years	Individual	Total
Expected credit loss rate	1.88%	3.72%	7.80%	22.55%	64.27%	82.95%	100.00%	100.00%	N.A.
Gross carrying amount – trade receivables (RMB'000)	70,154	29,026	23,511	12,291	3,395	528	120	115	139,140
Gross carrying amount – contract assets (RMB'000)	18,827	7,789	6,309	1,975	–	–	–	–	34,900
Loss allowance (RMB'000)	(1,671)	(1,371)	(2,325)	(3,217)	(2,182)	(438)	(120)	(115)	(11,439)

At December 31, 2023	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Over 4 years	Individual	Total
Expected credit loss rate	3.07%	5.96%	10.86%	29.40%	73.57%	94.00%	100.00%	43.76%	N.A.
Gross carrying amount – trade receivables (RMB'000)	75,749	32,068	30,763	17,640	2,796	1,100	149	2,644	162,909
Gross carrying amount – contract assets (RMB'000)	12,488	1,065	9,326	–	–	–	–	–	22,879
Loss allowance (RMB'000)	(2,713)	(1,976)	(4,352)	(5,186)	(2,057)	(1,034)	(149)	(1,157)	(18,624)

At March 31, 2024	Up to 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Over 4 years	Individual	Total
Expected credit loss rate	2.76%	5.24%	9.60%	24.50%	62.66%	89.36%	100.00%	100.00%	N.A.
Gross carrying amount – trade receivables (RMB'000)	56,597	48,465	27,703	23,924	3,878	1,062	302	2,173	164,104
Gross carrying amount – contract assets (RMB'000)	20,374	83	1,016	1,780	–	–	–	–	23,253
Loss allowance (RMB'000)	(2,122)	(2,546)	(2,758)	(6,298)	(2,430)	(949)	(302)	(2,173)	(19,578)

(iii) Other receivables

Other receivables mainly include refundable deposits and others. The Group applies a three stage approach to measure ECL of other receivables prescribed by IFRS 9. Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences incorporating forward-looking information. Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses. ECL model for other receivables, as summarised below:

- Other receivables that is not credit-impaired on initial recognition is classified in Stage 1 and has its credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis;
- If a significant increase in credit risk (as defined below) since initial recognition is identified, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis; and
- If the financial instrument is credit-impaired (as defined below), the financial instrument is then moved to Stage 3. The expected credit loss is measured on lifetime basis.

As there has been no significant increase in credit risk since initial recognition, all of the Group's other receivables as at December 31, 2021, 2022 and 2023 and March 31, 2024 were classified in Stage 1 and their expected credit losses were measured on a 12-month basis.

Trade and notes receivables and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The movement of loss allowance for trade and notes receivables, contract assets and other receivables during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 are as below:

	Trade and notes receivables	Contract assets	Other receivables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening loss allowance as at January 1, 2021	(4,540)	(904)	(1,013)	(6,457)
Increase in loss allowance recognised in profit or loss during the year	(3,160)	(251)	(819)	(4,230)
As at December 31, 2021 and January 1, 2022	(7,700)	(1,155)	(1,832)	(10,687)
(Increase)/decrease in loss allowance recognised in profit or loss during the year	(4,344)	(214)	1,266	(3,292)
Receivables written off during the year as uncollectable	1,974	–	–	1,974
Currency translation differences	–	–	(1)	(1)
As at December 31, 2022 and January 1, 2023	(10,070)	(1,369)	(567)	(12,006)
Increase in loss allowance recognised in profit or loss during the year	(8,238)	(91)	(73)	(8,402)
Receivables written off during the year as uncollectable	1,145	–	–	1,145
Currency translation differences	(1)	–	(1)	(2)
As at December 31, 2023	(17,164)	(1,460)	(641)	(19,265)
As at December 31, 2023 and January 1, 2024	(17,164)	(1,460)	(641)	(19,265)
(Increase)/decrease in loss allowance recognised in profit or loss during the period	(1,407)	360	(4)	(1,051)
Receivables written off during the period as uncollectable	91	–	–	91
Currency translation differences	2	–	–	2
As at March 31, 2024	(18,478)	(1,100)	(645)	(20,223)
(Unaudited)				
As at December 31, 2022 and January 1, 2023	(10,070)	(1,369)	(567)	(12,006)
Increase in loss allowance recognised in profit or loss during the period	(1,850)	(69)	(75)	(1,994)
As at March 31, 2023	(11,920)	(1,438)	(642)	(14,000)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
At December 31, 2021					
Lease liabilities	37,566	33,912	8,278	–	79,756
Trade and other payables (excluding staff salaries and welfare payables, taxes payables and others)	49,778	–	–	–	49,778
	87,344	33,912	8,278	–	129,534
At December 31, 2022					
Lease liabilities	32,924	12,446	2,266	–	47,636
Trade and other payables (excluding staff salaries and welfare payables, taxes payables and others)	53,944	–	–	–	53,944
	86,868	12,446	2,266	–	101,580
At December 31, 2023					
Lease liabilities	12,669	2,403	446	–	15,518
Trade and other payables (excluding staff salaries and welfare payables, taxes payables and others)	83,423	–	–	–	83,423
	96,092	2,403	446	–	98,941
At March 31, 2024					
Lease liabilities	11,914	1,966	162	–	14,042
Trade and other payables (excluding staff salaries and welfare payables, taxes payables and others)	80,009	–	–	–	80,009
	91,923	1,966	162	–	94,051

The Group recognises the warrant liabilities issued to investors of a subsidiary at fair value through profit or loss (Note 29). Accordingly, the warrant liabilities issued to investors are managed on a fair value basis rather than by maturing dates.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital (including share capital and other reserves) by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

The group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratio as at December 31, 2021, 2022 and 2023 and March 31, 2024 were as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total liabilities	393,747	441,967	402,559	317,869
Total assets	1,804,770	1,825,301	1,444,672	1,341,828
Gearing ratio	21.82%	24.21%	27.87%	23.69%

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at December 31, 2021				
Assets:				
– Financial assets at FVPL	–	–	270,736	270,736
As at December 31, 2022				
Assets:				
– Financial assets at FVPL	–	–	439,907	439,907
Liabilities:				
– Warrant liabilities	–	–	32,232	32,232
As at December 31, 2023				
Assets:				
– Financial assets at FVPL	–	–	280,826	280,826
Liabilities:				
– Warrant liabilities	–	–	33,735	33,735
As at March 31, 2024				
Assets:				
– Financial assets at FVPL	–	–	266,312	266,312
Liabilities:				
– Warrant liabilities	–	–	34,195	34,195

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year/period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted debt and equity investment.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no changes in valuation techniques during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

The fair value of trade and notes receivables, other receivables, short-term bank deposits, restricted cash, and cash and cash equivalents approximated to their carrying amounts.

The fair value of trade and other payables approximated to their carrying amounts.

(c) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 items including financial assets and liabilities at fair value through profit or loss for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024:

	Short-term investment measured at fair value through profit and loss (Note 25(a)) *RMB'000*	**Contingent consideration (Note 25(b))** *RMB'000*	**Warrant liabilities (Note 29)** *RMB'000*	**Total** *RMB'000*
At January 1, 2021	148,610	52,798	–	201,408
Additions	892,580	–	–	892,580
Disposals	(781,613)	(61,439)	–	(843,052)
Fair value changes	7,003	12,797	–	19,800
At December 31, 2021	266,580	4,156	–	270,736

	Short-term investment measured at fair value through profit and loss (Note 25(a)) *RMB'000*	Contingent consideration (Note 25(b)) *RMB'000*	Warrant liabilities (Note 29) *RMB'000*	Total *RMB'000*
At January 1, 2022	266,580	4,156	–	270,736
Additions	1,506,733	–	(28,796)	1,477,937
Disposals	(1,348,972)	–	–	(1,348,972)
Fair value changes	9,791	–	(3,436)	6,355
Currency translation difference	1,619	–	–	1,619
At December 31, 2022	435,751	4,156	(32,232)	407,675
At January 1, 2023	435,751	4,156	(32,232)	407,675
Additions	362,500	–	–	362,500
Disposals	(527,423)	–	–	(527,423)
Fair value changes	7,941	(2,099)	(1,503)	4,339
At December 31, 2023	278,769	2,057	(33,735)	247,091
At January 1, 2024	278,769	2,057	(33,735)	247,091
Additions	100,000	–	–	100,000
Disposals	(118,296)	–	–	(118,296)
Fair value changes	3,787	(5)	(460)	3,322
At March 31, 2024	264,260	2,052	(34,195)	232,117
(Unaudited)				
At January 1, 2023	435,751	4,156	(32,232)	407,675
Additions	110,500	–	–	110,500
Disposals	(290,414)	–	–	(290,414)
Fair value changes	2,454	–	(378)	2,076
At March 31, 2023	258,291	4,156	(32,610)	229,837

The following table summarises the quantitative information about the significant unobservable inputs used in short-term investment measured at fair value through profit and loss of Level 3 fair value measurements.

At December 31, 2021

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	Expected rate of return	3.05%-4.19%	The higher the expected rate of return, the higher the fair value
Contingent consideration	Discount rate	2.46%	The higher the discount rate, the lower the fair value

At December 31, 2022

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	Expected rate of return	2.00%-3.80%	The higher the expected rate of return, the higher the fair value
Contingent consideration	Discount rate	2.04%	The higher the discount rate, the lower the fair value
Warrant liabilities	Discount rate	2.29%-2.38%	The higher the discount rate, the lower the fair value

At December 31, 2023

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	Expected rate of return	2.13%-6.00%	The higher the expected rate of return, the higher the fair value
Contingent consideration	Discount rate	2.06%	The higher the discount rate, the lower the fair value
Warrant liabilities	Discount rate	2.21%-2.30%	The higher the discount rate, the lower the fair value

At March 31, 2024

Description	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Wealth management products	Expected rate of return	2.45%-3.80%	The higher the expected rate of return, the higher the fair value
Contingent consideration	Discount rate	1.70%	The higher the discount rate, the lower the fair value
Warrant liabilities	Discount rate	1.87%-2.00%	The higher the discount rate, the lower the fair value

If the fair values of wealth management products which measured at fair value through profit or loss held by the Group had been 1% lower/higher, the loss before income tax for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 would have been approximately RMB2,666,000, RMB4,358,000, RMB2,788,000, RMB2,583,000 and RMB2,643,000 higher/lower, respectively.

If the discount rate of warrant liabilities which measured at fair value through profit or loss held by the Group had been 1% lower/higher, the loss before income tax for the years ended December 31, 2022 and 2023 and the three months ended March 31, 2023 and 2024 would have been approximately RMB985,000, RMB737,000, RMB985,000 and RMB644,000 higher/lower, respectively.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Impairment of goodwill and other non-financial assets

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statements.

4.2 Recognition of share-based payments to employees

The fair value of restricted shares granted to certain employees are measured on the respective grant dates based on the fair value of the underlying shares. The Group only recognise an expense for those restricted shares expected to vest over the vesting period during which the grantees become unconditionally entitled to those share-based awards. Changes in these estimates and assumptions could have a material effect on determination of the fair value of restricted shares and share options and the amount of such share-based awards vested, which may in turn significantly impact the determination of share-based payments.

As a part of those share-based awards are conditional on an Initial Public Offerings ("IPO"), the Group has estimated the completion date of its IPO when they calculated share-based payments at each reporting period end.

4.3 Fair value of financial assets and liabilities at fair value through profit or loss

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3(c).

4.4 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about the expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 3.1(b). Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated income statements.

4.5 Income taxes and deferred income tax

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year/period in which such determination is made.

For temporary differences or tax losses which give rise to deferred income tax assets, the Group assesses the likelihood that the deferred income tax assets could be recovered. Deferred income tax assets are recognised based on the Group's estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

5 SEGMENT INFORMATION

The Group's business activities are mainly in providing cloud-based software products including software-as-a-service products ("SaaS products") and customised products, digital services and others, for which discrete financial information is available, are regularly reviewed and evaluated by the executive directors of the Company, who are the chief operating decision makers. As a result of this evaluation, the executive directors of the Company consider that the Group's operation is operated and managed as a single segment and no segment information is presented, accordingly.

For the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

(a) Geographical information

The Group mainly operates its businesses in mainland China. The following table shows the Group's total consolidated revenue by location of the customers during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Mainland China	464,482	545,014	567,569	128,040	130,134
Singapore	312	626	895	453	581
Europe	1,168	2,000	1,956	538	1,103
Korea	–	1,257	2,717	201	235
Others	219	318	–	–	–
	466,181	549,215	573,137	129,232	132,053

(b) Non-current assets

The total of the non-current assets including property, plant and equipment, right-of-use assets, intangible assets and other non-current assets as at December 31, 2021, 2022 and 2023 and March 31, 2024, broken down by the location of the assets, is as follows:

	As at December 31,			As at March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Mainland China	213,180	157,129	107,927	96,050
The United States	–	4,780	2,969	2,197
Singapore	–	3,686	2,584	2,539
	213,180	165,595	113,480	100,786

6 REVENUE

Revenue for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Cloud-based software products					
– SaaS products	119,864	149,874	155,740	37,673	39,645
– customised products	77,188	61,101	45,613	8,955	5,663
Digital services	268,456	338,084	369,931	82,595	86,745
Other services	673	156	1,853	9	–
	466,181	549,215	573,137	129,232	132,053

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Recognised over time	408,330	512,513	545,832	125,891	130,856
Recognised at a point in time	57,851	36,702	27,305	3,341	1,197
	466,181	549,215	573,137	129,232	132,053

(a) Contract assets

The Group

Contract assets are reclassified to trade receivables when the Group's right to the considerations becomes unconditional. The Group and the Company has recognised the following contract assets with customers:

	As at December 31,			As at March 31,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets	23,092	34,900	22,879	23,253
Less: loss allowance	(1,155)	(1,369)	(1,460)	(1,100)
	21,937	33,531	21,419	22,153

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets	17,338	27,210	8,841	12,010
Less: loss allowance	(867)	(1,078)	(339)	(314)
	16,471	26,132	8,502	11,696

(b) Contract liabilities

The Group

The Group has recognised the following liabilities related to contracts with customers:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	127,500	136,532	137,385	114,819

The Company

The Company has recognised the following liabilities related to contracts with customers:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities	101,487	108,257	106,151	90,185

During the years ended December 31, 2021, 2022 and 2023, the increase of the contract liabilities were primarily due to overall contract activities and achievements from the Group's business expansion. During the three months ended March 31, 2024, the decrease of the contract liabilities was primarily due to the delivery of cloud-based software products and digital services to customers which accepted by them.

(c) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 is included in the contract liabilities at the beginning of each year/period:

The Group

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue recognised that were included in the contract liabilities at the beginning of the year/period	57,157	98,084	117,272	52,739	51,039

The Company

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Revenue recognised that were included in the contract liabilities at the beginning of the year/period	54,214	79,064	92,125	39,618	38,937

Management expects that all of the transaction price allocated to the unsatisfied contracts as at December 31, 2021, 2022 and 2023 and March 31, 2024 will be recognised as revenue within one year.

(d) Accounting policies of revenue recognition

Revenue is recognised when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines relative standalone selling prices based on its standard price list, taking into consideration market conditions and its overall pricing strategy.

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheets as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of the consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The Group mainly derives revenue separately or in combination from sales of cloud-based software products, provision of digital services and other services.

(i) Cloud-based software products

(1) SaaS products

The Group offers SaaS products and software related services to customers.

Under SaaS model, customers are provided with access to one or more of the Group's software products over the contract term. Revenue of independent medical imaging review software products is recognised based on the numbers of imaging review endpoints provided to customers. Revenue of other SaaS software products is recognised ratably over the contract term.

The Group provides software related services to its customers including system configuration and implementation services. These services are determined to be a separate performance obligation considering, a) customers' accesses are granted upon purchase and customers can start using the software immediately by following the user manual, b) these services do not involve the modification or writing of additional software code, but rather involves setting up the software's existing code to function in a particular way for customers' benefits. Revenue is recognised over time since the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

(2) Customised products

The Group also provides customised products, primarily pharmaceutical marketing software, and related technical support services to pharmaceutical and medical device companies.

Revenue of customised products is recognised at a point in time when customised products is provided to the customer and accepted by the customer through a confirmation letter or an email of completion.

Related technical support services can be purchased separately from customised products at customers' decision and is determined to be a separate performance obligation. Revenue of related technical support services is recognised over time since the output in the form of services is provided for customers to consume simultaneously over the course of the arrangement during the contract term. Revenue is recognised ratably over the contract term.

(ii) Provision of digital services

The Group developed a suite of digital services that are primarily built on our software. The Group provides several separate services as follow:

- Digital clinical research service; and
- Independent reading center ("IRC") services

Digital clinical research service primarily consisted of site management organizations ("SMO") distribution and management services, clinical research services and data cleaning, analysis and management services. Data cleaning, analysis and management services can be purchased separately at customers' decision. They are clearly separately distinct from any other products and services. Since the Group's IRC services, SMO distribution and management services and clinical research services each provide significant integration services and a combined output to customers, each of them is determined as a single performance obligation.

The performance obligation of data cleaning, analysis and management services, SMO distribution and management services and clinic research services is satisfied over time since the output in the form of services is delivered for the customer to consume simultaneously over the course of the arrangement during the contract term. The performance obligation of IRC services is satisfied over time since the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group recognises revenue over time using output method where the progress of the performance obligation is measured by the completion progress of the project.

For digital SMO business management services, the Group is primarily responsible for fulfilling digital services and has discretion in establishing prices and vender selection. Accordingly, the Group acts as a principal, and the revenue is presented on a gross basis.

(iii) Provision of other services

The Group provides conference services to customers separately, which is a single performance obligation for each contract. Revenue is recognised at a point in time when these services are provided to the customer and accepted by the customer.

7 EXPENSES BY NATURE

The expenses charged to cost of sales, selling expenses, administrative expenses and research and development expenses are analysed below:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Employee benefit expenses (excluding share-based payments)	535,702	650,356	595,174	163,451	97,302
Clinical research related costs	102,600	125,195	167,457	31,159	37,841
Office, business development and travelling expenses	44,219	33,588	49,776	10,965	6,575
Costs of IT infrastructure and data service	25,255	32,429	37,496	9,292	8,395
Depreciation of right-of-use assets *(Note 17(ii))*	25,233	32,568	28,058	7,259	6,806
Depreciation of property, plant and equipment *(Note 16)*	8,014	19,037	19,849	4,989	5,262
Consulting and professional service fees	22,798	24,330	15,632	3,571	1,906
Amortisation of intangible assets *(Note 18)*	3,259	3,920	4,055	988	1,054
Share-based payments *(Note 30)*	134,427	89,275	13,292	(14,489)	4,662
Share-based compensation to certain shareholders *(Note 12(iii)(d))*	–	–	–	–	92,836
Listing expenses in relation to global offering	–	–	14,005	–	1,409
Listing expenses in relation to previous listing preparation	–	–	12,016	12,016	–
Short-term rental expenses	11,583	9,997	3,514	1,379	164
Other expenses	25,829	25,090	22,122	6,176	5,126
	938,919	1,045,785	982,446	236,756	269,338

8 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	470,186	562,574	512,642	140,321	81,859
Contributions to pension plans *(a)*	29,598	38,995	37,978	10,757	6,783
Other social security costs, housing benefits and other employee benefits	35,918	48,787	44,554	12,373	8,660
Share-based payments *(Note 30) (b)*	134,427	89,275	13,292	(14,489)	4,662
	670,129	739,631	608,466	148,962	101,964

(a) Pensions – defined contribution plans

As stipulated by rules and regulations in mainland China, the Group has participated in state-sponsored defined contribution retirement plans for its employees in mainland China. The Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.

During the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, there was no forfeited defined contribution to offset existing contribution under the defined contribution schemes.

(b) The reversal of the share-based payments expenses for the three months ended March 31, 2023 was primarily due to the change of the estimated completion date of the Company's IPO.

(i) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 4, 4, 3, 1 and 2 directors and none of the supervisor respectively for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, whose emoluments are disclosed in the Note 35. The emoluments payable/paid to the five highest paid individuals, excluding the 4, 4, 3, 1 and 2 highest paid directors for the respective year/period are as follows:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	2,297	3,120	6,664	3,437	916
Contributions to pension plans	54	–	–	32	47
Other social security costs, housing benefits and other employee benefits	26	–	–	40	53
Share-based payments	10,869	–	–	–	1,223
	13,246	3,120	6,664	3,509	2,239

(ii) The emoluments fell within the following bands:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
				(Unaudited)	
HKD500,001 to HKD1,000,000	–	–	–	2	2
HKD1,000,001 to HKD1,500,000	–	–	–	2	1
HKD2,500,001 to HKD3,000,000	–	–	1	–	–
HKD3,000,001 to HKD3,500,000	–	1	–	–	–
HKD4,500,001 to HKD5,000,000	–	–	1	–	–
HKD16,500,001 to HKD17,000,000	1	–	–	–	–
	1	1	2	4	3

9 OTHER INCOME

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Government grants *(a)*	11,907	16,781	16,273	7,392	8,034
Additional deductible input VAT *(b)*	1,918	3,012	1,980	356	–
Others	452	768	1,166	1,162	1,153
	14,277	20,561	19,419	8,910	9,187

(a) Governments grants received during the year/period primarily comprised the financial subsidies received from various local government authorities in mainland China. There are no unfulfilled conditions or contingencies relating to these income.

(b) On 20 March 2019, the Ministry of Finance, the State Taxation Administration and General Customs Administration announced that from 1 April 2019 to 31 December 2021, taxpayers engaging in providing modern services are allowed to deduct an extra 10% of the deductible input VAT for the then current period from the payable tax. In March 2022, the effective period of this tax incentive policy was extended to 31 December 2022. On 9 January 2023, the Ministry of Finance, the State Taxation Administration and General Customs Administration announced that from 1 January 2023 to 31 December 2023, taxpayers engaging in providing modern services are allowed to deduct an extra 5% of the deductible input VAT for the then current period from the payable tax.

10 OTHER GAINS/(LOSSES) – NET

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Fair value gains on financial assets at fair value through profit or loss *(Note 25(c))*	19,800	9,791	5,842	2,454	3,782
Net foreign exchange (losses)/gains	(7,958)	54,030	8,649	(8,478)	2,558
Fair value losses of warrant liabilities *(Note 3.3(c))*	–	(3,436)	(1,503)	(378)	(460)
Gains/(losses) on disposal of property, plant and equipment	17	(467)	–	–	–
Gains/(losses) on termination of leasing contracts	–	418	(105)	(105)	–
Donations	(225)	–	(270)	(250)	–
Others	(488)	(1,437)	(1,336)	1	(3,425)
	11,146	58,899	11,277	(6,756)	2,455

11 FINANCE INCOME – NET

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Finance income:					
Interest income	28,738	22,884	41,654	10,052	8,629
Finance cost:					
Interest expenses on bank borrowings	(105)	–	–	–	–
Interest charges on lease liabilities *(Note 17)*	(2,604)	(2,681)	(1,431)	(538)	(157)
	(2,709)	(2,681)	(1,431)	(538)	(157)
	26,029	20,203	40,223	9,514	8,472

12 SUBSIDIARIES

(i) Subsidiaries of the Group

The Company's subsidiaries as at December 31, 2021, 2022 and 2023 and March 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country/region of incorporation or registration is also their principal place of business.

	Effective interest held in terms of %									
	As at December 31,			As at March 31,	As at report	Date of establishment/	Issued capital/		Place of	
Name of entity*	2021	2022	2023	2024	date	incorporation	paid in capital	Business activities	Operation	Note
Directly held by the Company:										
Shanghai Taimei Xingyun Digital Technology Co., Ltd ("上海太美星雲數字科技有限公司")	100%	100%	100%	100%	100%	17 September 2017	RMB20,000,000	Provision of technical services and R&D support	China	*(i)(b)(1), (6)*
Elixir (Shanghai) Clinical Research Co., Ltd. ("聖方(上海)醫藥研發有限公司") ("Shanghai Shengfang")	100%	78.51%	78.51%	72.51%	72.51%	20 November 2019	RMB127,368,421	Provision of clinical operation services, data management services and statistical analysis services	China	*(i)(b)(1), (iii)*
Hangzhou Taimei Xingcheng Pharmaceutical Technology Co., Ltd. ("杭州太美星程醫藥科技有限公司")	100%	100%	100%	100%	100%	24 June 2020	RMB100,000,000	Provision of independent image evaluation services	China	*(i)(a)*
Shanghai Taimei Xinghuan Digital Technology Co., Ltd. ("上海太美星環數字科技有限公司", formerly named "上海軟素科技股份有限公司", "Taimei Xinghuan")	100%	100%	100%	100%	100%	21 May 2008	RMB152,000,000	Provision of pharmaceutical marketing solutions	China	*(i)(b)(1), (6)*
Shanghai Taimei Digital Technology Co., Ltd. ("上海太美數字科技有限公司")	100%	100%	100%	100%	100%	22 January 2021	RMB30,000,000	Provision of technical services and R&D support	China	*(i)(b)(2), (6)*
Beijing Nuoming Technology Co., Ltd ("北京諾銘科技有限公司", "Beijing Nuoming")	100%	100%	100%	100%	100%	29 November 2019	RMB1,000,000	Provision of institution digitalisation solutions	China	*(i)(a)*
Chengdu Taimei Zhiyan Pharmaceutical Technology Co., Ltd. ("成都太美智研醫藥科技有限公司")	100%	100%	N.a.	N.a.	N.a.	11 November 2019	–	Provision of software products and technical services	China	*(i)(c)*
Guangzhou Taimei Xinglian Technology Co., Ltd ("廣州太美星聯科技有限公司")	100%	100%	100%	100%	N.a.	25 April 2021	–	Provision of software products and technical services	China	*(i)(a), (i)(e)*
Shanghai Taimei International Consulting Co., Ltd. ("上海太美星際企業諮詢有限公司")	100%	100%	100%	100%	100%	20 July 2021	RMB92,392,000	Investment holdings and management	China	*(i)(b)(6)*
Shanghai Taimei Xinghui Enterprise Management Co., Ltd. ("上海太美星輝企業管理有限公司")	100%	100%	100%	100%	100%	8 February 2021	RMB500,000	Investment holdings and management	China	*(i)(a)*
Xinyu Gongchuang Enterprise Management Partnership (Limited Partnership) ("新余共創企業管理合夥企業(有限合夥)")	100%	100%	100%	100%	100%	5 March 2021	–	Investment holdings and management	China	*(i)(a)*

Name of entity*	Effective interest held in terms of % As at December 31, 2021	2022	2023	As at March 31, 2024	As at report date	Date of establishment/ incorporation	Issued capital/ paid in capital	Business activities	Place of Operation	Note
Indirectly held by the Company:										
Shanghai Elixir Haichuang Pharmaceutical Research and Development Co., Ltd ("上海聖方海創醫藥研發有限公司")	–	78.51%	78.51%	72.51%	72.51%	14 October 2022	–	Investment holdings and management	China	*(i)(a), (iii)*
Taimei (Singapore) Medical Technology PTE. Ltd.	100%	100%	100%	100%	100%	27 August 2021	USD11,790,000	Provision of technical services and investment holdings	Singapore	*(i)(b)(3), (iii)*
Taimei Technology, Inc.	100%	100%	100%	100%	100%	21 September 2021	USD5	Provision of software products and technical services	United States	*(i)(a)*
Taimei Medical Technology	N.a.	100%	N.a.	N.a.	N.a.	3 February 2022	EUR10,000	Provision of software products and technical services	France	*(i)(a), (i)(d)*
Shanghai Shengxin Pharmaceutical Technology Co., Ltd. ("上海聖馨醫藥科技有限公司")	N.a.	N.a.	78.51%	72.51%	72.51%	14 August 2023	–	Investment holdings and management	China	*(i)(a), (iii)*
Elixir Clinical Research (Singapore) PTE. Ltd.	N.a.	100%	100%	100%	100%	19 December 2022	USD100,000	Provision of software products and technical services and investment holdings	Singapore	*(i)(a)*
Elixir Clinical Research, Inc.	100%	100%	100%	100%	100%	27 August 2021	USD10	Provision of software products and technical services and investment holdings	United States	*(i)(a)*

(a) No audited financial statements were issued for these companies/partnership as they are either newly incorporated or not required to issue audited financial statements under the statutory requirements of their respective places of incorporation.

(b) The auditors of these companies for the years ended December 31, 2021, 2022 or 2023 were as follows:

(1) The financial statements were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)) for the years ended December 31, 2021 and 2022.

(2) The financial statements were audited by Pan-China Certified Public Accountants LLP for the year ended December 31, 2022.

(3) The financial statements were audited by FOZL Assurance PAC for the year ended December 31, 2022.

(4) The financial statements of the Company were audited by Pan-China Certified Public Accountants LLP for the years ended December 31, 2021 and 2022 and audited by Shanghai Shi Cheng Certified Accountants Co., Ltd. (上海事誠會計師事務所有限公司) for the year ended December 31, 2023.

(5) The financial statements of Shanghai Shengfang were audited by PricewaterhouseCoopers Zhongtian LLP for the year ended December 31, 2023.

(6) The financial statements were audited by Shanghai Shi Cheng Certified Accountants Co., Ltd. (上海事誠會計師事務所有限公司) for the year ended December 31, 2023.

(c) Chengdu Taimei Zhiyan Pharmaceutical Technology Co., Ltd. was deregistered on September 13, 2023.

(d) Taimei Medical Technology was deregistered on September 15, 2023.

(e) Guangzhou Taimei Xinglian Technology Co., Ltd was deregistered on May 20, 2024.

* The English names of the companies referred above represent the best effort made by the management of the Company to translate the Chinese names as some of them have not registered any official English names.

(ii) Investment in subsidiaries – the Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries	361,234	649,561	672,353	668,656
Less: allowance for impairment of investment in subsidiaries	(173,988)	(278,981)	(313,117)	(313,390)
	187,246	370,580	359,236	355,266

(iii) Non-controlling interests

Set out below is summarised financial information for Shanghai Shengfang and its subsidiaries that has non-controlling interests that are material to the Group. The amount disclosed for Shanghai Shengfang and its subsidiaries are before inter-company eliminations.

(a) Summarised consolidated balance sheets

	As at December 31,		As at March 31,
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current assets	404,324	394,054	367,805
Current liabilities	(60,779)	(92,914)	(74,461)
Current net assets	343,545	301,140	293,344
Non-current assets	5,370	3,914	3,374
Non-current liabilities	(33,511)	(35,555)	(35,307)
Non-current net liabilities	(28,141)	(31,641)	(31,933)
Net assets	315,404	269,499	261,411
Accumulated non-controlling interests	73,397	63,786	77,664

(b) Summarised consolidated income statements and statements of comprehensive loss

	Year ended December 31,		Three months ended March 31,	
	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue	91,974	159,318	39,553	36,903
Loss for the year/period	(57,570)	(44,687)	(15,721)	(8,391)
Other comprehensive loss	–	(42)	–	30
Total comprehensive loss	(57,570)	(44,729)	(15,721)	(8,361)
Total comprehensive loss allocated to non-controlling interests	(9,674)	(9,611)	(3,378)	(1,936)

(c) Summarised consolidated statements of cash flows

	Year ended December 31,		Three months ended March 31,	
	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Cash flow used in operating activities	(29,452)	(54,183)	(28,907)	(30,298)
Cash flow generated from/(used in) investing activities	2,989	5,520	(14,016)	248,850
Cash flow generated from/(used in) financing activities	376,071	(4,323)	(1,297)	(123)
Net increase/(decrease) in cash and cash equivalents	349,608	(52,986)	(44,220)	218,429

(d) Transaction with non-controlling interests

(i) Dilution of interests in a subsidiary

During the year ended December 31, 2022, certain investors subscribed for 21.49% of the equity interest in Shanghai Shengfang, by way of capital injection for an aggregate amount of USD50,000,000 (equivalent to RMB330,140,000). The Group recognised an increase in non-controlling interests of RMB83,071,000, an increase in warrant liabilities of RMB28,796,000 (Note 29) and an increase in equity attributable to owners of the Company of RMB218,273,000. The effect of changes in the ownership interest of Shanghai Shengfang on the equity attributable to owners of the Company during the year is summarised as follows:

	Year ended December 31, 2022
	RMB'000
Capital injection from the non-controlling interests	330,140
Carrying amount of warrant liabilities recognised *(Note 29)*	(28,796)
Carrying amount of non-controlling interests recognised	(83,071)
Excess of subscription received recognised within equity	218,273

(ii) Transfer shares of a subsidiary to certain shareholders

During the three months ended March 31, 2024, the Company transferred 6% shares of its subsidiary, Shanghai Shengfang, to certain shareholders with nil consideration, considering the continued support from these shareholders. The fair value of these shares at the time was RMB92,836,000 and the Group recognised an increase of share-based compensation expenses to certain shareholders of RMB92,836,000 (Note 7), an increase of non-controlling interests of RMB15,814,000 and an increase in equity attributable to owners of the Company of RMB77,022,000. The effect of changes in the ownership interest of Shanghai Shengfang on the equity attributable to owners of the Company during the period is summarised as follows:

	Three months ended March 31, 2024
	RMB'000
Share-based compensation expenses to certain shareholders	92,836
Carrying amount of non-controlling interests recognised	(15,814)
Carrying amount recognised within equity	77,022

13 INCOME TAX EXPENSES

(i) Corporate income tax in mainland China ("CIT")

The income tax provision of the Group in respect of its operations in the mainland China was subject to statutory tax rate of 25% on the assessable profits for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The Company, Taimei Xinghuan and Hangzhou Taimei Xingcheng Pharmaceutical Technology Co., Ltd. were qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, these entities were entitled to a preferential income tax rate of 15% on the assessable profits during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024. This status is subject to a requirement that these companies reapply for HNTEs status every three years. In 2023, Shanghai Shengfang was qualified as HNTEs and hence it enjoys a preferential income tax rate of 15% for three years from 2023 to 2025.

During the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, certain subsidiaries in the mainland China that qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC enjoyed a preferential income tax rate of 20%.

(ii) Singapore income tax

Singapore income tax rate is 17%. No Singapore profits tax was provided for as there was no estimated assessable profit that was subject to Singapore profits tax during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

(iii) The United States income tax

The United States income tax rate divided into federal tax and state tax. The Federal CIT is 21%. And the State CITs range from 1% to 12%. No the United States profits tax was provided for as there was no estimated assessable profit that was subject to the United States profits tax during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

(iv) France income tax

France income tax rate is 25%. No France profits tax was provided for as there was no estimated assessable profit that was subject to France profits tax during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Current income tax	6	–	15	–	–
Deferred income tax *(Note 20)*	–	–	–	–	–
Income tax expenses	6	–	15	–	–

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to losses of the consolidated entities as follows:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Loss before income tax	(479,605)	(422,581)	(356,364)	(107,422)	(118,222)
Tax calculated at statutory tax rates applicable to each group entity	(80,098)	(83,099)	(59,038)	(16,706)	(5,730)
Tax effects of:					
Super deduction for research and development expenses *(a)*	(17,304)	(23,630)	(26,375)	(9,117)	(4,967)
Share-based payment expenses not deductible for tax purpose	19,784	13,646	1,994	(1,853)	14,625
Expenses not deductible for tax purpose	1,186	1,499	971	389	158
Income not subject to tax	–	–	–	–	(12,779)
Tax losses for which no deferred income tax asset was recognised *(b)*	67,663	91,455	80,909	27,130	8,382
Other temporary difference for which no deferred income tax asset was recognised	8,779	898	2,178	429	1,465
Recognition of previously unrecognised tax losses and temporary differences	(4)	(769)	(624)	(272)	(1,154)
Income tax expenses	6	–	15	–	–

(a) Super deduction for research and development expenses

The State Taxation Administration of the People's Republic of China announced in September 2018 that enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses ("Super Deduction") from January 1, 2018 to December 31, 2020 and announced in March 2021 to extend this preferential claim percentage to December 31, 2023. As announced in March 2022 and September 2022, technology-based small and medium-sized enterprises would entitle to claim 200% of their research and development expenses from January 1, 2022 and other enterprises would entitle to claim 200% of their research and development expenses from October 1, 2022 to December 31, 2022. As announced in March 2023, technology-based software enterprises would entitle to claim 200% of their research and development expenses from January 1, 2023.

The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024.

(b) The Group only recognises deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilise those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at December 31, 2021, 2022 and 2023 and March 31, 2024, the Group did not recognise deferred income tax assets of RMB137,905,000, RMB213,284,000, RMB286,247,000, and RMB288,407,000 respectively. The expiration dates of unused tax losses for which no deferred income tax asset has been recognised are as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
2023	321	321	321	–
2024	2,490	2,490	2,490	2,490
2025	6,677	6,677	6,677	4,361
2026	64,039	64,039	64,039	37,493
2027	54,933	133,590	133,590	77,526
2028	106,009	106,009	193,336	153,927
2029	152,370	152,370	152,370	157,855
2030	214,045	214,045	214,045	214,980
2031	290,428	290,428	290,428	316,384
2032	–	333,821	333,821	390,465
2033	–	–	355,429	371,134
2034	–	–	–	30,312
Indefinitely	279	30,184	79,029	74,874
	891,591	1,333,974	1,825,575	1,831,801

14 LOSS PER SHARE

Basic

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of shares issued during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
				(Unaudited)	
Loss attributable to owners of the Company (RMB'000)	(479,611)	(412,907)	(346,778)	(104,044)	(116,276)
Weighted average number of ordinary shares in issue (thousand shares)	538,000	538,000	538,000	538,000	538,000
Basic loss per share (expressed in RMB per share)	(0.89)	(0.77)	(0.64)	(0.19)	(0.22)

Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As the Group incurred losses for the respective years/periods, the potential ordinary shares, i.e. restricted shares issued under the Company's and the subsidiary's share incentive plan, were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 are the same as basic loss per share of the respective years/periods.

15 DIVIDENDS

No dividend had been declared or paid by the Company during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

16 PROPERTY, PLANT AND EQUIPMENT

The Group

	Server and electronic equipment	Furniture and office equipment	Transportation equipment and vehicles	Leasehold improvements	Construction in progress	Total
Year ended December 31, 2021						
Opening net book amount	5,030	372	927	4,274	–	10,603
Additions	7,953	1,558	378	9,943	9,976	29,808
Disposals	(19)	–	(85)	–	–	(104)
Depreciation charges *(Note 7)*	(2,647)	(258)	(262)	(4,847)	–	(8,014)
Closing net book amount	10,317	1,672	958	9,370	9,976	32,293
At December 31, 2021						
Cost	17,911	2,277	1,395	17,326	9,976	48,885
Accumulated depreciation	(7,594)	(605)	(437)	(7,956)	–	(16,592)
Net book amount	10,317	1,672	958	9,370	9,976	32,293
Year ended December 31, 2022						
Opening net book amount	10,317	1,672	958	9,370	9,976	32,293
Additions	5,082	2,160	382	6,565	10,313	24,502
Transfer	–	–	–	19,616	(19,616)	–
Disposals	(467)	–	–	–	–	(467)
Depreciation charges *(Note 7)*	(4,098)	(496)	(567)	(13,876)	–	(19,037)
Currency translation differences	47	–	7	–	37	91
Closing net book amount	10,881	3,336	780	21,675	710	37,382
At December 31, 2022						
Cost	18,895	4,437	1,789	43,507	710	69,338
Accumulated depreciation	(8,014)	(1,101)	(1,009)	(21,832)	–	(31,956)
Net book amount	10,881	3,336	780	21,675	710	37,382

The Group (continued)

	Server and electronic equipment	Furniture and office equipment	Transportation equipment and vehicles	Leasehold improvements	Construction in progress	Total
Year ended December 31, 2023						
Opening net book amount	10,881	3,336	780	21,675	710	37,382
Additions	435	651	385	1,391	1,509	4,371
Transfer	372	–	–	1,834	(2,206)	–
Depreciation charges *(Note 7)*	(4,685)	(974)	(441)	(13,749)	–	(19,849)
Currency translation differences	23	–	3	(14)	26	38
Closing net book amount	7,026	3,013	727	11,137	39	21,942
At December 31, 2023						
Cost	19,736	5,088	2,181	46,718	39	73,762
Accumulated depreciation	(12,710)	(2,075)	(1,454)	(35,581)	–	(51,820)
Net book amount	7,026	3,013	727	11,137	39	21,942
Three months ended March 31, 2024						
Opening net book amount	7,026	3,013	727	11,137	39	21,942
Additions	448	–	–	23	–	471
Depreciation charges *(Note 7)*	(1,120)	(218)	(59)	(3,865)	–	(5,262)
Currency translation differences	–	–	–	(10)	–	(10)
Closing net book amount	6,354	2,795	668	7,285	39	17,141
At March 31, 2024						
Cost	20,184	5,088	2,181	46,731	39	74,223
Accumulated depreciation	(13,830)	(2,293)	(1,513)	(39,446)	–	(57,082)
Net book amount	6,354	2,795	668	7,285	39	17,141

Depreciation charges were expensed off in the following categories in the consolidated income statements:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*	*RMB'000*
Cost of sales	508	1,109	1,123	131	276
Selling expenses	188	957	1,248	280	278
Administrative expenses	6,127	15,616	16,261	4,287	4,419
Research and development expenses	1,191	1,355	1,217	291	289
	8,014	19,037	19,849	4,989	5,262

The Company

	Server and electronic equipment	Furniture and office equipment	Leasehold improvements	Total
Year ended December 31, 2021				
Opening net book amount	2,857	75	1,741	4,673
Additions	1,724	1,530	2,063	5,317
Depreciation charges	(802)	(121)	(989)	(1,912)
Closing net book amount	3,779	1,484	2,815	8,078
At December 31, 2021				
Cost	5,368	1,741	6,496	13,605
Accumulated depreciation	(1,589)	(257)	(3,681)	(5,527)
Net book amount	3,779	1,484	2,815	8,078
Year ended December 31, 2022				
Opening net book amount	3,779	1,484	2,815	8,078
Additions	677	2,155	321	3,153
Depreciation charges	(1,058)	(382)	(1,178)	(2,618)
Closing net book amount	3,398	3,257	1,958	8,613
At December 31, 2022				
Cost	6,044	3,897	6,817	16,758
Accumulated depreciation	(2,646)	(640)	(4,859)	(8,145)
Net book amount	3,398	3,257	1,958	8,613
Year ended December 31, 2023				
Opening net book amount	3,398	3,257	1,958	8,613
Additions	108	652	4	764
Depreciation charges	(909)	(921)	(701)	(2,531)
Closing net book amount	2,597	2,988	1,261	6,846
At December 31, 2023				
Cost	6,152	4,549	6,821	17,522
Accumulated depreciation	(3,555)	(1,561)	(5,560)	(10,676)
Net book amount	2,597	2,988	1,261	6,846
Three months ended March 31, 2024				
Opening net book amount	2,597	2,988	1,261	6,846
Depreciation charges	(259)	(209)	(150)	(618)
Closing net book amount	2,338	2,779	1,111	6,228
At March 31, 2024				
Cost	6,152	4,549	6,821	17,522
Accumulated depreciation	(3,814)	(1,770)	(5,710)	(11,294)
Net book amount	2,338	2,779	1,111	6,228

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Construction in progress mainly represents leasehold improvements under construction, which is stated at actual construction cost less accumulated impairment losses. Construction in progress is transferred to appropriate categories of property and equipment upon the completion of their respective construction and depreciated over their respective estimated useful lives.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Server and electronic equipment	5 years
Furniture and office equipment	5 years
Transportation equipment and vehicles	5 years
Leasehold improvements	shorter of estimated useful lives and remaining lease terms

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year/period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains/(losses) – net" in the consolidated income statements.

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group

Right-of-use assets includes leased buildings.

(i) Amounts recognised in the consolidated balance sheets

The consolidated balance sheets show the following amounts relating to leases:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Leased buildings	77,595	47,500	19,347	12,508
Lease liabilities				
Current	36,597	31,714	12,308	11,621
Non-current	40,847	14,146	2,781	2,086
	77,444	45,860	15,089	13,707

(ii) Amounts recognised in the consolidated income statements

The consolidated income statements show the following amounts relating to leases:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Depreciation charge of right-of-use assets					
Leased buildings *(Note 7)*	25,233	32,568	28,058	7,259	6,806
Interest expense *(Note 11)*	2,604	2,681	1,431	538	157

The total cash outflow for leases for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 were RMB38,877,000, RMB46,317,000, RMB35,726,000, RMB10,085,000 and RMB1,670,000 respectively.

Depreciation charges were expensed off in the following categories in the consolidated income statements:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Cost of sales	7,397	6,089	9,172	2,425	1,793
Selling expenses	1,133	2,381	2,021	617	481
Administrative expenses	13,833	18,535	11,080	2,563	3,710
Research and development expenses	2,870	5,563	5,785	1,654	822
	25,233	32,568	28,058	7,259	6,806

(iii) The movements in right-of-use assets in the consolidated balance sheets are as follows:

	Right-of-use assets
	RMB'000
Year ended December 31, 2021	
Opening net book amount	14,210
Additions	88,618
Depreciation charges *(Note 7)*	(25,233)
Closing net book amount	77,595
As at December 31, 2021	
Cost	109,552
Accumulated depreciation	(31,957)
Net book amount	77,595

	Right-of-use assets *RMB'000*
Year ended December 31, 2022	
Opening net book amount	77,595
Additions	11,915
Termination of lease contracts	(9,693)
Depreciation charges *(Note 7)*	(32,568)
Currency translation differences	251
Closing net book amount	47,500
As at December 31, 2022	
Cost	85,975
Accumulated depreciation	(38,475)
Net book amount	47,500
Year ended December 31, 2023	
Opening net book amount	47,500
Additions	1,620
Termination of lease contracts	(1,780)
Depreciation charges *(Note 7)*	(28,058)
Currency translation differences	65
Closing net book amount	19,347
As at December 31, 2023	
Cost	83,094
Accumulated depreciation	(63,747)
Net book amount	19,347
Three months ended March 31, 2024	
Opening net book amount	19,347
Depreciation charges *(Note 7)*	(6,806)
Currency translation differences	(33)
Closing net book amount	12,508
As at March 31, 2024	
Cost	83,040
Accumulated depreciation	(70,532)
Net book amount	12,508

The Company

(iv) Amounts recognised in the Company balance sheets

The Company balance sheets show the following amounts relating to leases:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Right-of-use assets				
Leased buildings	3,482	1,933	–	–
Lease liabilities				
Current	1,703	1,814	–	–
Non-current	1,814	–	–	–
	3,517	1,814	–	–

(v) The movement in right-of-use assets in the Company balance sheets are as follows:

	Right-of-use assets
	RMB'000
Year ended December 31, 2021	
Opening net book amount	1,189
Additions	3,459
Depreciation charges	(1,166)
Closing net book amount	3,482
As at December 31, 2021	
Cost	4,648
Accumulated depreciation	(1,166)
Net book amount	3,482
Year ended December 31, 2022	
Opening net book amount	3,482
Depreciation charges	(1,549)
Closing net book amount	1,933
As at December 31, 2022	
Cost	4,648
Accumulated depreciation	(2,715)
Net book amount	1,933

	Right-of-use assets *RMB'000*
Year ended December 31, 2023	
Opening net book amount	1,933
Termination of lease contracts	(1,767)
Depreciation charges	(166)
Closing net book amount	–
As at December 31, 2023 and March 31, 2024	
Cost	–
Accumulated depreciation	–
Net book amount	–

(vi) The Group's leasing activities and how these are accounted for

The Group leases properties and offices and land use right as lessee. Rental contracts are typically made for fixed periods of 14 months to 5 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

18 INTANGIBLE ASSETS

The Group

	Goodwill *RMB'000*	**Software** *RMB'000*	**Patent** *RMB'000*	**Total** *RMB'000*
Year ended December 31, 2021				
Opening net book amount	131,642	1,330	25,245	158,217
Additions	–	2,308	–	2,308
Amortisation charge *(Note 7)*	–	(269)	(2,990)	(3,259)
Impairment *(iv)*	(54,089)	–	–	(54,089)
Closing net book amount	77,553	3,369	22,255	103,177
As at December 31, 2021				
Cost	161,126	4,314	29,900	195,340
Accumulated amortisation	–	(945)	(7,645)	(8,590)
Accumulated impairment *(iv)*	(83,573)	–	–	(83,573)
Net book amount	77,553	3,369	22,255	103,177
Year ended December 31, 2022				
Opening net book amount	77,553	3,369	22,255	103,177
Additions	–	3,826	–	3,826
Amortisation charge *(Note 7)*	–	(930)	(2,990)	(3,920)
Impairment *(iv)*	(22,382)	–	–	(22,382)
Closing net book amount	55,171	6,265	19,265	80,701
As at December 31, 2022				
Cost	161,126	8,158	29,900	199,184
Accumulated amortisation	–	(1,893)	(10,635)	(12,528)
Accumulated impairment *(iv)*	(105,955)	–	–	(105,955)
Net book amount	55,171	6,265	19,265	80,701
Year ended December 31, 2023				
Opening net book amount	55,171	6,265	19,265	80,701
Additions	–	5,117	–	5,117
Amortisation charge *(Note 7)*	–	(1,160)	(2,895)	(4,055)
Impairment *(iv)*	(8,368)	–	(1,204)	(9,572)
Closing net book amount	46,803	10,222	15,166	72,191

	Goodwill *RMB'000*	Software *RMB'000*	Patent *RMB'000*	Total *RMB'000*
As at December 31, 2023				
Cost	161,126	12,951	29,900	203,977
Accumulated amortisation	–	(2,729)	(13,530)	(16,259)
Accumulated impairment *(iv)*	(114,323)	–	(1,204)	(115,527)
Net book amount	46,803	10,222	15,166	72,191
Three months ended March 31, 2024				
Opening net book amount	46,803	10,222	15,166	72,191
Amortisation charge *(Note 7)*	–	(354)	(700)	(1,054)
Closing net book amount	46,803	9,868	14,466	71,137
As at March 31, 2024				
Cost	161,126	12,951	29,900	203,977
Accumulated amortisation	–	(3,083)	(14,230)	(17,313)
Accumulated impairment *(iv)*	(114,323)	–	(1,204)	(115,527)
Net book amount	46,803	9,868	14,466	71,137

Amortisation charges were expensed off in the following categories in the consolidated income statements:

	Year ended December 31,			Three months ended March 31,	
	2021 *RMB'000*	**2022** *RMB'000*	**2023** *RMB'000*	**2023** *RMB'000 (Unaudited)*	**2024** *RMB'000*
Cost of sales	–	21	93	2	36
Selling expenses	35	87	108	25	12
Administrative expenses	3,206	3,507	3,516	894	913
Research and development expenses	18	305	338	67	93
	3,259	3,920	4,055	988	1,054

The Company

	Software *RMB'000*
Year ended December 31, 2021	
Opening net book amount	1,162
Additions	1,923
Amortisation charges	(228)
Closing net book amount	2,857
As at December 31, 2021	
Cost	3,726
Accumulated amortisation	(869)
Net book amount	2,857

	Software *RMB'000*
Year ended December 31, 2022	
Opening net book amount	2,857
Additions	3,640
Amortisation charges	(841)
Closing net book amount	5,656
As at December 31, 2022	
Cost	7,366
Accumulated amortisation	(1,710)
Net book amount	5,656
Year ended December 31, 2023	
Opening net book amount	5,656
Additions	3,784
Amortisation charges	(937)
Closing net book amount	8,503
As at December 31, 2023	
Cost	10,844
Accumulated amortisation	(2,341)
Net book amount	8,503
Three months ended March 31, 2024	
Opening net book amount	8,503
Amortisation charges	(296)
Closing net book amount	8,207
As at March 31, 2024	
Cost	10,844
Accumulated amortisation	(2,637)
Net book amount	8,207

(i) Goodwill

Goodwill is measured as described in Note 38.1(a). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU).

(ii) Research and development expenditure

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

Software	2-10 years
Patent	10 years

The estimated useful lives of software and patent of the Group have been determined based on the period during which the software are expected to bring economic benefits to the Group, or the software's unlimited licence period, the period stipulated in the patent which covered be renewed without significant cost.

(iv) Impairment of goodwill

The goodwill balance arose from the acquisitions of Taimei Xinghuan on June 28, 2019 and Beijing Nuoming on November 29, 2019, amounting to RMB139,646,000 and RMB21,480,000, respectively. Taimei Xinghuan is primarily engaged in provision of pharmaceutical marketing solutions. Beijing Nuoming is mainly engaged in provision of institution digitalisation solutions. The following is a summary of goodwill allocation for CGUs:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost				
Taimei Xinghuan	139,646	139,646	139,646	139,646
Beijing Nuoming	21,480	21,480	21,480	21,480
	161,126	161,126	161,126	161,126
Accumulated impairment				
Taimei Xinghuan	(83,573)	(92,843)	(92,843)	(92,843)
Beijing Nuoming	–	(13,112)	(21,480)	(21,480)
	(83,573)	(105,955)	(114,323)	(114,323)
Closing net book amount	77,553	55,171	46,803	46,803

The Group carries out its impairment test on goodwill by comparing the recoverable amounts of CGUs to the carrying amounts. Goodwill arising from the acquisition of Taimei Xinghuan and Beijing Nuoming was monitored separately and assessed as separate CGUs for the purpose of impairment testing.

CGU of Taimei Xinghuan

The impairment reviews of the goodwill arising from the acquisition of Taimei Xinghuan in June 2019 have been conducted by the management as at December 31, 2021, 2022 and 2023 and March 31, 2024. For the purposes of the impairment review, the recoverable amount of the CGU of Taimei Xinghuan is determined based on value-in-use calculations by using the discounted cash flow method. The key assumptions used in the value-in-use calculations of CGU of Taimei Xinghuan are as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
Annual growth rate	9.0%-35.0%	9.0%-55.0%	10.0%-42.9%	8.0%-40.0%
Terminal growth rate	2.0%	2.0%	2.0%	2.0%
Pre-tax discount rate	15.5%	15.5%	15.4%	15.4%

Affected by the macroeconomic condition, the estimated recoverable amount of the CGU of Taimei Xinghuan was below its carrying amount and therefore provision for impairment of RMB54,089,000 and RMB9,270,000, was recorded for the years ended December 31, 2021 and 2022, respectively.

The estimated recoverable amount of the CGU of Taimei Xinghuan exceeded its carrying amount by approximately RMB1,449,000 and RMB1,305,000 as at December 31, 2023 and March 31, 2024 respectively and management therefore concluded that the goodwill has impaired, but no further provision is required in 2024.

The Group performed the sensitivity analysis based on the assumption that annual growth rate, terminal growth rate and pre-tax discount rate have been changed. The following table sets out the impact of variations in each of the key assumptions for goodwill impairment testing. Had these estimated key assumptions been changed as below, the recoverable amounts would have increased/(decreased) as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Annual growth rate increased by 1%	20,723	19,156	15,035	13,678
Annual growth rate decreased by 1%	(20,105)	(18,610)	(14,612)	(13,283)
Terminal growth rate increased by 0.5%	4,977	5,140	3,971	3,391
Terminal growth rate decreased by 0.5%	(4,621)	(4,773)	(3,686)	(3,148)
Pre-tax discount rate increased by 1%	(14,717)	(14,374)	(10,802)	(9,215)
Pre-tax discount rate decreased by 1%	17,314	16,999	12,748	10,836

If the revenue annual growth rate used in the value in use calculation had been 1% lower than management's estimations as at December 31, 2023 and March 31, 2024, the Group would have had to recognise an additional impairment provision of goodwill of RMB13,163,000 and RMB11,978,000 respectively.

If the terminal growth rate used in the value in use calculation had been 0.5% lower than management's estimations as at December 31, 2023 and March 31, 2024, the Group would have had to recognise an additional impairment provision of goodwill of RMB2,237,000 and RMB1,843,000 respectively.

If the pre-tax discount rate used in the value in use calculation had been 1% higher than management's estimations as at December 31, 2023 and March 31, 2024, the Group would have had to recognise an additional impairment provision of goodwill of RMB9,353,000 and RMB7,910,000 respectively.

CGU of Beijing Nuoming

The impairment reviews of the goodwill arising from the acquisition of Beijing Nuoming in November 2019 have been conducted by the management as at December 31, 2021 and 2022. For the purposes of the impairment review, the recoverable amount of the CGU of Beijing Nuoming is determined based on value-in-use calculations by using the discounted cash flow method. The key assumptions used in the value-in-use calculations of CGU of Beijing Nuoming are as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
Annual growth rate	13.4%-30.0%	5.0%-19.0%	N.a.	N.a.
Terminal growth rate	2.0%	2.0%	N.a.	N.a.
Pre-tax discount rate	15.4%	15.4%	N.a.	N.a.

The estimated recoverable amount of the CGU of Beijing Nuoming exceeded its carrying amount by approximately RMB3,718,000 and management therefore concluded such goodwill was not impaired as at December 31, 2021.

Affected by the macroeconomic condition, the estimated recoverable amount of the CGU of Beijing Nuoming was below its carrying amount and therefore provision for impairment of RMB13,112,000 was recorded for the year ended December 31, 2022.

In April 2023, the Group reassessed the business performance of Beijing Nuoming and decided to cease its business in order to improve operating efficiency. Beijing Nuoming has made provision for impairment of goodwill and patent for RMB8,368,000 and RMB1,204,000, respectively.

The Group performed the sensitivity analysis based on the assumption that annual growth rate, terminal growth rate and pre-tax discount rate have been changed. The following table sets out the impact of variations in each of the key assumptions for goodwill impairment testing. Had these estimated key assumptions been changed as below, the recoverable amounts would have increased/(decreased) as follows:

	As at December 31,			As at March 31,
	2021	2022	2023*	2024*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Annual growth rate increased by 1%	3,331	2,751	N.a.	N.a.
Annual growth rate decreased by 1%	(3,239)	(2,671)	N.a.	N.a.
Terminal growth rate increased by 0.5%	958	524	N.a.	N.a.
Terminal growth rate decreased by 0.5%	(890)	(486)	N.a.	N.a.
Pre-tax discount rate increased by 1%	(2,588)	(1,678)	N.a.	N.a.
Pre-tax discount rate decreased by 1%	3,026	1,967	N.a.	N.a.

* Key assumptions and sensitivity analysis for CGU of Beijing Nuoming is not applicable as at December 31, 2023 and March 31, 2024 since the goodwill of Beijing Nuoming has been fully impaired.

Based on the headroom of the impairment assessment as at December 31, 2021, the directors of the Company believed that any reasonably possible change in any of the key assumptions would not result in an impairment provision of goodwill.

19 OTHER NON-CURRENT ASSETS

The Group

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payment for property, plant and equipment purchases	115	12	–	–

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Advance payment for property, plant and equipment purchases	115	–	–	–

20 DEFERRED INCOME TAX LIABILITIES

The Group

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income tax assets:				
– to be recovered within 12 months	8,278	7,999	2,083	4,430
– to be recovered after more than 12 months	13,231	7,573	5,662	1,635
Offset by deferred income tax liabilities	(21,509)	(15,572)	(7,745)	(6,065)
Net deferred income tax assets	–	–	–	–
Deferred income tax liabilities:				
– to be recovered within 12 months	(8,746)	(8,467)	(836)	(3,579)
– to be recovered after more than 12 months	(12,763)	(7,105)	(6,909)	(2,486)
Offset by deferred income tax assets	21,509	15,572	7,745	6,065
Net deferred income tax liabilities	–	–	–	–

Deferred income tax assets	**Tax losses** *RMB'000*	**Credit loss allowance** *RMB'000*	**Lease liabilities** *RMB'000*	**Total** *RMB'000*
January 1, 2021	11,448	559	2,669	14,676
(Charged)/credited to the consolidated income statement	(8,110)	492	14,451	6,833
At December 31, 2021 and January 1, 2022	3,338	1,051	17,120	21,509
(Charged)/credited to the consolidated income statement	(509)	376	(5,804)	(5,937)
At December 31, 2022 and January 1, 2023	2,829	1,427	11,316	15,572
(Charged)/credited to the consolidated income statement	(518)	656	(7,965)	(7,827)
At December 31, 2023	2,311	2,083	3,351	7,745
At January 1, 2024	2,311	2,083	3,351	7,745
Charged to the consolidated income statement	(950)	(85)	(645)	(1,680)
At March 31, 2024	1,361	1,998	2,706	6,065

Deferred income tax liabilities	Fair value adjustment on assets upon acquisition *RMB'000*	Right-of-use assets *RMB'000*	Fair value changes on financial assets carried at FVPL *RMB'000*	Total *RMB'000*
At January 1, 2021	(3,955)	(2,801)	(7,920)	(14,676)
Credited/(charged) to the consolidated income statement	468	(14,598)	7,297	(6,833)
At December 31, 2021 and January 1, 2022	(3,487)	(17,399)	(623)	(21,509)
Credited to the consolidated income statement	468	5,469	–	5,937
At December 31, 2022	(3,019)	(11,930)	(623)	(15,572)
At December 31, 2022 and January 1, 2023	(3,019)	(11,930)	(623)	(15,572)
Credited/(charged) to the consolidated income statement	742	7,298	(213)	7,827
At December 31, 2023	(2,277)	(4,632)	(836)	(7,745)
At January 1, 2024	(2,277)	(4,632)	(836)	(7,745)
Credited/(charged) to the consolidated income statement	106	1,703	(129)	1,680
At March 31, 2024	(2,171)	(2,929)	(965)	(6,065)

The Company

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at December 31,			As at March 31,
	2021 *RMB'000*	**2022** *RMB'000*	**2023** *RMB'000*	**2024** *RMB'000*
Deferred income tax assets:				
– to be recovered within 12 months	851	851	836	965
– to be recovered after more than 12 months	295	62	–	–
Offset by deferred income tax liabilities	(1,146)	(913)	(836)	(965)
Net deferred income tax assets	–	–	–	–
Deferred income tax liabilities:				
– to be recovered within 12 months	(851)	(851)	(836)	(965)
– to be recovered after more than 12 months	(295)	(62)	–	–
Offset by deferred income tax assets	1,146	913	836	965
Net deferred income tax liabilities	–	–	–	–

Deferred income tax assets	Tax losses *RMB'000*	Credit loss allowance *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At January 1, 2021	7,430	485	178	8,093
(Charged)/credited to the consolidated income statement	(7,430)	133	350	(6,947)
At December 31, 2021 and January 1, 2022	–	618	528	1,146
Credited/(charged) to the consolidated income statement	–	23	(256)	(233)
At December 31, 2022 and January 1, 2023	–	641	272	913
Credited/(charged) to the consolidated income statement	–	195	(272)	(77)
At December 31, 2023	–	836	–	836
At January 1, 2024	–	836	–	836
Credited to the consolidated income statement	–	129	–	129
At March 31, 2024	–	965	–	965

Deferred income tax liabilities	Right-of-use assets *RMB'000*	Fair value changes on financial assets carried at FVPL *RMB'000*	Total *RMB'000*
At January 1, 2021	(173)	(7,920)	(8,093)
(Charged)/credited to the consolidated income statement	(350)	7,297	6,947
At December 31, 2021 and January 1, 2022	(523)	(623)	(1,146)
Credited to the consolidated income statement	233	–	233
At December 31, 2022 and January 1, 2023	(290)	(623)	(913)
Credited/(charged) to the consolidated income statement	290	(213)	77
At December 31, 2023	–	(836)	(836)
At January 1, 2024	–	(836)	(836)
Charged to the consolidated income statement	–	(129)	(129)
At March 31, 2024	–	(965)	(965)

21 CONTRACT FULFILMENT COST

The Group

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract fulfilment cost	6,060	8,204	14,024	17,590
Less: allowance for losses of contract fulfilment cost	–	–	–	–
	6,060	8,204	14,024	17,590

Contract fulfilment cost are recognised from the costs incurred to fulfil contracts of customised products, which will be recognised to cost of sales mainly within 2-6 months when the Group's related performance obligations are satisfied and hence the related revenue is recognised.

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract fulfilment cost	–	1,410	10,986	13,360
Less: allowance for losses of contract fulfilment cost	–	–	–	–
	–	1,410	10,986	13,360

(i) Contract fulfilment cost

The Group also recognises contract fulfilment cost from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The contract fulfilment cost recognised shall be amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of contract fulfilment cost recognised exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates; less
- the costs that relate directly to providing those services and that have not been recognised as expenses.

Provision for losses was recognised when the carrying amount of the contract fulfilment cost exceeds its net realisable value.

22 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

The Group held the following financial instruments:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets:				
Financial assets at amortised cost:				
– trade and notes receivables *(Note 23)*	101,240	129,723	146,257	146,261
– other receivables *(Note 24)*	15,257	11,733	13,982	14,560
– restricted cash *(Note 26)*	611	1,490	6,511	7,010
– short-term bank deposits *(Note 26)*	449,564	301,173	269,233	13,534
– cash and cash equivalents *(Note 26)*	679,313	666,742	517,924	698,858
Financial assets at fair value through profit or loss *(Note 25)*	270,736	439,907	280,826	266,312
	1,516,721	1,550,768	1,234,733	1,146,535
Financial liabilities:				
Financial liabilities at amortised cost:				
– lease liabilities *(Note 17)*	77,444	45,860	15,089	13,707
– warrant liabilities *(Note 29)*	–	32,232	33,735	34,195
– trade and other payables (excluding staff salaries and welfare payables, taxes payables and others) *(Note 31)*	49,778	53,944	83,423	80,009
	127,222	132,036	132,247	127,911

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets:				
Financial assets at amortised cost:				
– trade and notes receivables *(Note 23)*	60,627	86,391	91,769	96,436
– other receivables *(Note 24)*	146,616	148,279	233,518	231,914
– restricted cash *(Note 26)*	140	1,120	6,140	7,010
– short-term bank deposits *(Note 26)*	419,564	43,482	18,352	13,534
– cash and cash equivalents *(Note 26)*	654,318	496,129	419,494	389,959
Financial assets at fair value through profit or loss *(Note 25)*	208,736	349,157	280,826	266,312
	1,490,001	1,124,558	1,050,099	1,005,165

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities:				
Financial liabilities at amortised cost:				
– lease liabilities *(Note 17)*	3,517	1,814	–	–
– trade and other payables (excluding staff salaries and welfare payables, taxes payables and others) *(Note 31)*	126,934	197,939	317,807	309,689
	130,451	199,753	317,807	309,689

23 TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Notes receivables *(i)*	420	653	512	635
Provision for impairment	–	–	–	–
	420	653	512	635
Trade receivables *(ii)*	108,520	139,140	162,909	164,104
Provision for impairment	(7,700)	(10,070)	(17,164)	(18,478)
	100,820	129,070	145,745	145,626
	101,240	129,723	146,257	146,261

The carrying amounts of the Group's trade and notes receivables, excluding provision for impairment, were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	108,263	137,357	163,272	164,430
USD	677	2,194	21	65
EUR	–	8	–	–
SGD	–	234	128	244
	108,940	139,793	163,421	164,739

(i) Notes receivables

The aging of notes receivables is within 180 days, which is within the Group's credit terms.

(ii) Trade receivables

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 30 to 120 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	63,099	70,155	75,749	56,597
3 months to 6 months	23,121	29,026	32,072	48,465
6 months to 1 year	14,845	23,511	30,773	27,747
1 to 2 years	5,896	12,405	19,500	25,159
2 to 3 years	800	3,395	3,566	4,772
More than 3 years	759	648	1,249	1,364
	108,520	139,140	162,909	164,104

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

The Group does not hold any collateral as security over these debtors.

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Notes receivables	100	–	135	416
Less: provision for impairment	–	–	–	–
	100	–	135	416
Trade receivables				
– due from subsidiaries	–	6,149	11,056	13,694
– due from third parties	64,937	86,564	91,396	94,115
Gross trade receivables	64,937	92,713	102,452	107,809
Less: provision for impairment	(4,410)	(6,322)	(10,818)	(11,789)
	60,527	86,391	91,634	96,020
	60,627	86,391	91,769	96,436

The carrying amounts of the Company's trade and notes receivables, excluding provision for impairment, were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	64,360	90,519	102,587	108,225
USD	677	2,194	–	–
	65,037	92,713	102,587	108,225

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly around 30 to 120 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	31,642	49,500	49,446	40,204
3 months to 6 months	17,027	17,535	16,712	28,469
6 months to 1 year	11,561	15,115	19,760	18,240
1 to 2 years	3,858	8,137	13,475	17,401
2 to 3 years	800	1,778	1,912	2,211
More than 3 years	49	648	1,147	1,284
	64,937	92,713	102,452	107,809

Trade and notes receivables are amounts due from customers for platform and software sold or digital services performed in the ordinary course of business. If collection of trade and notes receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and notes receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and notes receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, allowance for impairment.

24 OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other receivables *(i)*				
– refundable deposits *(a)*	16,587	11,668	12,589	13,311
– others *(b)*	502	632	2,034	1,894
Gross other receivables	17,089	12,300	14,623	15,205
Less: provision for impairment	(1,832)	(567)	(641)	(645)
	15,257	11,733	13,982	14,560

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for products and services	24,465	31,338	24,953	25,584
Listing expenses in relation to global offering to be capitalised	–	–	9,107	10,050
Prepaid listing expenses in relation to previous listing preparation	4,464	12,016	–	–
Deductible input VAT	17,943	23,849	26,956	19,130
	62,129	78,936	74,998	69,324

As at December 31, 2021, 2022 and 2023 and March 31, 2024, the fair values of other receivables of the Group, except for the prepayments and deductible input VAT which are not financial assets, approximated their carrying amounts.

The carrying amounts of the Group's other receivables and prepayments, excluding provision for impairment, were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	63,961	79,036	68,302	66,826
SGD	–	400	2,034	3,037
USD	–	67	5,303	106
	63,961	79,503	75,639	69,969

(i) Other receivables

(a) Refundable deposits

Refundable deposits consisted primarily of security deposits for rents and projects.

(b) Others

Others primarily included staff advance.

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Other receivables				
– refundable deposits	1,781	1,495	1,147	535
– loans to subsidiaries	145,206	146,557	232,204	231,231
– others	–	299	233	184
Gross other receivables	146,987	148,351	233,584	231,950
Less: provision for impairment	(371)	(72)	(66)	(36)
	146,616	148,279	233,518	231,914

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Prepayments for products and services	21,417	22,243	19,578	30,460
Listing expenses in relation to global offering to be capitalised	–	–	9,107	10,050
Prepaid listing expenses in relation to previous listing preparation	4,464	12,016	–	–
Deductible input VAT	15,893	23,794	25,819	18,789
	188,390	206,332	288,022	291,213

The carrying amounts of the company's other receivables and prepayments, excluding provision for impairment, were all denominated in RMB.

As at December 31, 2021, 2022 and 2023 and March 31, 2024, the fair value of other receivables of the Company, except for the prepayments and deductible input VAT which are not financial assets, approximated their carrying amounts.

25 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

(i) Classification of financial assets at fair value through profit or loss

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive loss (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Short-term investments measured at fair value through profit or loss *(a)*	266,580	435,751	278,769	264,260
Contingent consideration *(b)*	4,156	4,156	2,057	2,052
	270,736	439,907	280,826	266,312

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current assets				
Short-term investments measured at fair value through profit or loss	204,580	345,001	278,769	264,260
Contingent consideration	4,156	4,156	2,057	2,052
	208,736	349,157	280,826	266,312

(a) Short-term investments measured at fair value through profit or loss

Short-term investments measured at fair value through profit or loss represented the wealth management products issued by reputable banks in mainland China. The wealth management products were non-principal protected with maturity of less than 1 year.

The movement of the wealth management products during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
At beginning of the year/period	148,610	266,580	435,751	435,751	278,769
Additions	892,580	1,506,733	362,500	110,500	100,000
Disposals	(781,613)	(1,348,972)	(527,423)	(290,414)	(118,296)
Currency translation differences	–	1,619	–	–	–
Fair value changes	7,003	9,791	7,941	2,454	3,787
At end of the year/period	266,580	435,751	278,769	258,291	264,260

(b) Contingent consideration

The movement of the contingent consideration during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 are as follows:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
At beginning of the year/period	52,798	4,156	4,156	4,156	2,057
Contingent consideration settled	(61,439)	–	–	–	–
Fair value changes	12,797	–	(2,099)	–	(5)
At end of the year/period	4,156	4,156	2,057	4,156	2,052

In 2019, the Group completed an acquisition of the 100% equity interest of Taimei Xinghuan. Pursuant to the share purchase agreement, Mr. Li Shenjia (李申嘉先生), Mr. Jiang Jingen (蔣金根先生) and Ms. Jiang Wenxin (蔣雯昕女士) ("Former Founders of Taimei Xinghuan"), should compensate the Group in cash if Taimei Xinghuan didn't achieve the performance of Taimei Xinghuan for each of the three years ended December 31, 2019, 2020 and 2021 as calculated in accordance with PRC accounting standards.

As Taimei Xinghuan failed to meet the performance targets for the years ended December 31, 2019 and 2020, contingent consideration assets of RMB27,404,000 and RMB25,394,000 were recognised respectively.

In August 2021, the Company, Taimei Xinghuan and the Former Founders of Taimei Xinghuan agreed to amend the share purchase agreement as the financial performance and business operations of Taimei Xinghuan were affected by macroeconomic downturn. Pursuant to this amended agreement, 1) the performance targets for the year ended December 31, 2021 agreed in the first share purchase agreement were cancelled; 2) the revenue of Taimei Xinghuan for the year ended December 31, 2021 should not be less than RMB80,000,000. If the revenue is less than the guaranteed amount, the Founders of Taimei Xinghuan shall compensate the Group in cash, which amount was based on the formula agreed in the first investment agreement; 3) Former Founders of Taimei Xinghuan should compensate the Group in cash of RMB50,000,000 and transfer all the shares they held in Xinyu Ruansu Enterprise Management LP to Mr. Zhao Lu and certain employees of the Group at a consideration of RMB13,300,000 and paid the net consideration of RMB11,439,000 they got (after the deduction of the relevant individual income tax) to the Group since Taimei Xinghuan failed to meet the performance targets for the years ended December 31, 2019 and 2020. These shares granted to Mr. Zhao Lu and certain employees in November 2021. The difference between fair value and consideration of the shares transferred to Mr. Zhao Lu and certain employees was recognised as share-based payments with total amount of RMB5,760,000 (Note 28(i)) and RMB4,581,000 (Note 30(a)) respectively for the year ended December 31, 2021.

As at December 31, 2021, contingent consideration recognised as financial assets at FVTPL amounted to RMB4,156,000 as Taimei Xinghuan failed to meet the revenue target for the year ended December 31, 2021 as agreed in the amended agreement.

The equity acquisition agreements of Taimei Xinghuan include terms on contingent consideration based on its business performance of the years ended December 31, 2019, 2020 and 2021.

The fair values are measured using a valuation technique with unobservable inputs. The major assumptions used in the valuation is the discount rate of cash flow from contingent consideration for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, respectively (Note 3.3).

(c) Amounts recognised in the consolidated income statements

During the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, the following fair value gains/(losses) were recognised in the consolidated income statements:

	Year ended December 31,			Three months ended March 31,	
	2021	**2022**	**2023**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Short-term investments measured at fair value through profit or loss	7,003	9,791	7,941	2,454	3,787
Contingent consideration	12,797	–	(2,099)	–	(5)
	19,800	9,791	5,842	2,454	3,782

(d) Risk exposure and fair value measurements

Information about the Group's exposure to financial risk and information about the methods and assumptions used in determining fair value are set out in Note 3.3.

26 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND SHORT-TERM BANK DEPOSITS

The Group

(a) Cash and cash equivalents

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at banks and on hand	1,129,488	969,405	793,668	719,402
Less: restricted cash *(b)*	(611)	(1,490)	(6,511)	(7,010)
Less: short-term bank deposits with initial term of over three months *(c)*	(449,564)	(301,173)	(269,233)	(13,534)
Cash and cash equivalents	679,313	666,742	517,924	698,858

Cash and cash equivalents were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	362,693	300,830	174,910	125,757
USD	316,620	364,438	330,725	561,765
EUR	–	1,237	11,072	10,905
SGD	–	237	1,217	431
	679,313	666,742	517,924	698,858

(b) Restricted cash

As at December 31, 2021, RMB611,000 was restricted guarantee deposits at bank for letters of guarantee.

As at December 31, 2022, RMB1,490,000 was restricted guarantee deposits at bank for letters of guarantee.

As at December 31, 2023, RMB1,511,000 was restricted guarantee deposits at bank for letters of guarantee and RMB5,000,000 was restricted due to an outstanding litigation (Note 31(ii)) which were disclosed in current assets and non-current assets respectively according to their maturity date.

As at March 31, 2024, RMB70,000 was restricted guarantee deposits at bank for letters of guarantee and RMB6,940,000 was restricted due to outstanding litigations (Note 31(ii)), which were disclosed in current assets according to their maturity date.

Restricted cash was denominated in RMB.

(c) Short-term bank deposits were deposits with initial terms of over three months and were neither past due nor impaired. The directors of the Company considered that the carrying amount of the short-term bank deposits with initial terms of over three months approximated to their fair values as at December 31, 2021, 2022 and 2023 and March 31, 2024.

Short-term bank deposits were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	440,000	40,000	–	–
USD	9,564	261,173	269,233	13,534
	449,564	301,173	269,233	13,534

The Company

(a) Cash and cash equivalents

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at banks and on hand	1,074,022	540,731	443,986	410,503
Less: restricted cash	(140)	(1,120)	(6,140)	(7,010)
Less: short-term bank deposits with initial term of over three months	(419,564)	(43,482)	(18,352)	(13,534)
Cash and cash equivalents	654,318	496,129	419,494	389,959

Cash and cash equivalents were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	337,698	226,040	139,110	98,397
USD	316,620	270,089	280,384	291,562
	654,318	496,129	419,494	389,959

(b) Restricted cash was denominated in RMB.

(c) Short-term bank deposits were denominated in the following currencies:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
RMB	410,000	40,000	–	–
USD	9,564	3,482	18,352	13,534
	419,564	43,482	18,352	13,534

27 SHARE CAPITAL

The Group and the Company

	Number of ordinary shares	Nominal value of ordinary shares *RMB'000*
Issued and fully paid as at December 31, 2021, 2022 and 2023 and March 31, 2024	538,000,000	538,000

In September 2020, the Company was converted into a joint stock limited company with limited liability under the Company Law of the PRC. Pursuant to the shareholders' resolutions dated November 20, 2020, the registered share capital of the Company increased to RMB538,000,000 with a nominal value of RMB1.00 each.

28 OTHER RESERVES

The Group

	Share premium *RMB'000*	Capital reserve *RMB'000*	Treasury shares *RMB'000*	Share-based payments *RMB'000*	Total *RMB'000*
At January 1, 2021	1,129,641	–	–	337,738	1,467,379
Repurchase ordinary shares *(Note 25 (b))*	–	–	(11,439)	–	(11,439)
Capital injection from shareholders *(Note 25 (b))*	–	–	11,439	–	11,439
Share-based payments *(Note 30)*	–	–	–	128,667	128,667
Share-based payments to Mr. Zhao Lu *(i)*	–	–	–	5,760	5,760
At December 31, 2021	1,129,641	–	–	472,165	1,601,806
At January 1, 2022	1,129,641	–	–	472,165	1,601,806
Share-based payments *(Note 30)*	–	–	–	82,559	82,559
Share-based payments to Mr. Zhao Lu *(ii)*	–	–	–	6,716	6,716
Transaction with non-controlling interests *(iii)*	–	218,273	–	–	218,273
At December 31, 2022	1,129,641	218,273	–	561,440	1,909,354
At January 1, 2023	1,129,641	218,273	–	561,440	1,909,354
Share-based payments *(Note 30)*	–	–	–	11,274	11,274
Share-based payments to Mr. Zhao Lu *(iv)*	–	–	–	2,018	2,018
At December 31, 2023	1,129,641	218,273	–	574,732	1,922,646

	Share premium *RMB'000*	Capital reserve *RMB'000*	Treasury shares *RMB'000*	Share-based payments *RMB'000*	Total *RMB'000*
At January 1, 2024	1,129,641	218,273	–	574,732	1,922,646
Share-based payments *(Note 30)*	–	–	–	(15,217)	(15,217)
Share-based payments to Mr. Zhao Lu *(v)*	–	–	–	19,879	19,879
Transaction with non-controlling interests *(Note 12(iii)(d))*	–	77,022	–	–	77,022
At March 31, 2024	1,129,641	295,295	–	579,394	2,004,330

(i) During the year ended December 31, 2021, the Company, Taimei Xinghuan and the Founders of Taimei Xinghuan agreed to amend the share purchase agreement as the financial performance and business operations of Taimei Xinghuan was affected by the economic slowdown. Pursuant to this amended agreement, Founders of Taimei Xinghuan transferred 8,273,628 shares they held in Xinyu Ruansu Enterprise Management LP, which is the shareholder of the Company, to Mr. Zhao Lu with total consideration of RMB6,861,000 and the fair value of these shares at the time was RMB12,621,000. The difference between the fair value and consideration was recognised as share-based payments with total amount of RMB5,760,000.

(ii) During the year ended December 31, 2022, certain employees of Taimei Xinghuan withdrew from Xinyu Ruansu Enterprise Management Partnership LP and transferred 658,711 shares to Mr. Zhao Lu with total consideration of RMB1,255,000 and the fair value of these shares at the time was RMB7,971,000. The difference between the fair value and consideration was recognised as share-based payments with total amount of RMB6,716,000.

(iii) During the year ended December 31, 2022, a subsidiary of the Group entered into investment agreements with certain investors. The investors subscribed share capitals of RMB27,368,000 the subsidiary of the Group with total consideration of USD50,000,000 (equivalent to RMB330,140,000). The capital injections from certain investors was contributed to the Group with RMB218,273,000, RMB28,796,000 and RMB83,071,000 credited to the Group's capital reserve, warrant liabilities and non-controlling interests, respectively (Note 12(iii)(d)).

(iv) During the year ended December 31, 2023, pursuant to an equity transfer agreement entered into between Mr. Li Shenjia and Mr. Zhao Lu, Mr. Li Shenjia transferred 269,000 shares he held to Mr. Zhao Lu with total consideration of RMB2,018,000 and the fair value of these shares at the time was RMB4,036,000. The difference between the fair value and consideration was recognised as share-based payments with total amount of RMB2,018,000.

(v) During the three months ended March 31, 2024, pursuant to an equity transfer agreement entered into between Mr. Wan Bangxi and Mr. Zhao Lu, Mr. Wan Bangxi transferred 74,000 shares to Mr. Zhao Lu with total consideration of RMB220,000 and the fair value of these shares at the time was RMB20,099,000. The difference between the fair value and consideration was recognised as share-based payments with total amount of RMB19,879,000.

The Company

	Share premium *RMB'000*	Treasury shares *RMB'000*	Share-based payments *RMB'000*	Total *RMB'000*
At January 1, 2021	1,129,641	–	337,738	1,467,379
Repurchase ordinary shares *(Note 25(b))*	–	(11,439)	–	(11,439)
Capital injection from shareholders *(Note 25(b))*	–	11,439	–	11,439
Share-based payments	–	–	128,594	128,594
Share-based payments to Mr. Zhao Lu	–	–	5,760	5,760
At December 31, 2021	1,129,641	–	472,092	1,601,733
At January 1, 2022	1,129,641	–	472,092	1,601,733
Share-based payments	–	–	80,011	80,011
Share-based payments to Mr. Zhao Lu	–	–	6,716	6,716
At December 31, 2022	1,129,641	–	558,819	1,688,460
At January 1, 2023	1,129,641	–	558,819	1,688,460
Share-based payments	–	–	12,451	12,451
Share-based payments to Mr. Zhao Lu	–	–	2,018	2,018
At December 31, 2023	1,129,641	–	573,288	1,702,929
At January 1, 2024	1,129,641	–	573,288	1,702,929
Share-based payments	–	–	(15,490)	(15,490)
Share-based payments to Mr. Zhao Lu	–	–	19,879	19,879
At March 31, 2024	1,129,641	–	577,677	1,707,318

29 WARRANT LIABILITIES

	As at December 31,			As at March 31,
	2021 *RMB'000*	2022 *RMB'000*	2023 *RMB'000*	2024 *RMB'000*
Warrant liabilities *(a)*	–	32,232	33,735	34,195

(a) During the year ended December 31, 2022, third-party investors (the "Non-controlling Shareholders") subscribed for 21.49% of the equity interest in one subsidiary of the Group, by way of capital injection for an aggregate amount of USD50,000,000 (equivalent to RMB330,140,000). Pursuant to the agreement entered into between the Non-controlling Shareholders and the subsidiary, a warrant was issued to the Non-controlling Shareholders that they had right to subscribe new shares (an aggregate amount of subscription price being less than USD20,000,000) in the subsequent round of the subsidiary's equity financing with an 80% financing price of any other investors in such round. Proceeds

received from the Non-controlling Shareholders were recorded in the capital reserve, the non-controlling interests and warrant liabilities. Since the directors believe that the subsidiary of the Group will not start the subsequent round of equity financing before March 31, 2025, the warrant liabilities is classified as non-current liabilities with maturity of over 1 year.

Warrant liabilities were initially recognised at fair value of RMB28,796,000 and subsequently re-measured to their fair values at December 31, 2021, 2022 and 2023 and March 31, 2024. Changes of fair value were recorded in "other gains/(losses) – net" in consolidated income statements (Note 10).

30 SHARE-BASED PAYMENTS

Starting from 2016, the board of directors approved share award schemes ("restricted shares") for the purpose of providing incentive for certain directors, senior management members and employees contributing to the Group. The Group receives services from employees as consideration for equity instruments of the Company or a certain subsidiary under the above schemes.

The restricted shares awarded vest in tranches from the grant date over a certain service period. Once the vesting conditions of restricted shares are met, ordinary shares are considered duly and validly issued to the holder, and free of restrictions on transfer.

(a) Restricted shares issued by the Company

Movements in the number of restricted shares of the Company and the respective weighted average grant date fair value are as follows:

	Number of restricted shares	Weighted average grant date fair value per restricted share *(RMB)*
Outstanding as at January 1, 2021	52,005,830	6.78
Granted during the year	5,813,260	15.56
Forfeited during the year	(974,821)	10.20
Outstanding as at December 31, 2021	56,844,269	7.62
Outstanding as at January 1, 2022	56,844,269	7.62
Forfeited during the year	(667,856)	14.53
Outstanding as at December 31, 2022	56,176,413	7.53
Outstanding as at January 1, 2023	56,176,413	7.53
Granted during the year	336,001	11.56
Forfeited during the year	(540,172)	10.40
Outstanding as at December 31, 2023	55,972,242	7.53
Outstanding as at January 1, 2024	55,972,242	7.53
Forfeited during the period	(5,218,203)	5.33
Outstanding as at March 31, 2024	50,754,039	7.76

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the respective dates of grant.

Restricted shares of the Company outstanding at the end of the year/period have the following vesting period and exercise prices:

			Number of restricted shares			
Grant date	**Vesting period**	**Exercise price** *RMB*	**As at December 31, 2021**	**As at December 31, 2022**	**As at December 31, 2023**	**As at March 31, 2024**
March 27, 2017	2 years	0.03	4,058,376	4,058,376	4,058,376	4,058,376
April 18, 2017	4 years	0.26	42,650	42,650	42,650	42,650
August 2, 2017	2 years	0.03	8,007,865	8,007,865	8,007,865	8,007,865
October 26, 2017	2 years	0.03	5,411,844	5,411,844	5,411,844	5,411,844
November 30, 2017	2 years	0.03	4,836,217	4,836,217	4,836,217	1,934,487
November 30, 2017	4 years	0.26	128,045	128,045	128,045	128,045
November 30, 2017	upon IPO	0.03-1.06	1,254,776	1,254,776	1,201,716	1,201,716
August 14, 2019	upon IPO	0.03	12,957,713	12,957,713	12,957,713	10,657,240
August 15, 2019	upon IPO	0.03	2,813,792	2,813,792	2,813,792	2,813,792
June 29, 2020	upon IPO	0.03-3.80	4,917,262	4,882,875	4,744,148	4,744,148
August 19, 2020	upon IPO	4.99-5.49	1,520,508	1,431,075	1,207,494	1,207,494
November 26, 2020	upon IPO	0.03	4,462,717	4,462,717	4,462,717	4,462,717
December 28, 2020	upon IPO	0.09	619,244	103,208	34,404	34,404
March 12, 2021	upon IPO	0.00-0.03	5,202,460	5,202,460	5,202,460	5,202,460
November 12, 2021	upon IPO	7.50	610,800	582,800	526,800	526,800
October 15, 2023	3 years	0.86	N.a	N.a	336,001	320,001
			56,844,269	56,176,413	55,972,242	50,754,039

(b) Restricted shares issued by a subsidiary

Movements in the number of restricted shares of a subsidiary and the respective weighted average grant date fair value are as follows:

	Number of RSUs	**Weighted average grant date fair value per RSU** *RMB*
Outstanding as at January 1, 2021	–	12.12
Granted during the year	397,500	12.12
Outstanding as at December 31, 2021	397,500	12.12
Outstanding as at January 1, 2022	397,500	12.12
Granted during the year	5,400,000	12.12
Outstanding as at December 31, 2022	5,797,500	12.12
Outstanding as at January 1, 2023	5,797,500	12.12
Forfeited during the year	(5,297,000)	12.12
Outstanding as at December 31, 2023	500,500	12.12

	Number of RSUs	Weighted average grant date fair value per RSU *RMB*
Outstanding as at January 1, 2024	500,500	12.12
Forfeited during the period	–	N.a.
Outstanding as at March 31, 2024	500,500	12.12

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of a subsidiary on the dates of grant.

Restricted shares of a subsidiary outstanding at the end of the year/period have the following vesting period and exercise prices:

			Number of restricted shares			
Grant date	**Vesting period**	**Exercise price** *RMB*	**As at December 31, 2021**	**As at December 31, 2022**	**As at December 31, 2023**	**As at March 31, 2024**
November 18, 2021	5 years	2.00	397,500	397,500	370,500	370,500
November 8, 2022	5 years	1.00	–	5,400,000	130,000	130,000
			397,500	5,797,500	500,500	500,500

(c) Share-based payments recorded during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024

During the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024, the amounts of share-based payments to employees were charged in the following categories in the consolidated income statements:

	Year ended December 31,			Three months ended March 31,	
	2021 *RMB'000*	**2022** *RMB'000*	**2023** *RMB'000*	**2023** *RMB'000* *(Unaudited)*	**2024** *RMB'000*
Selling expenses	19,387	11,323	979	(2,949)	303
Administrative expenses	106,864	73,199	12,304	(10,553)	4,176
Research and development expenses	8,176	4,753	9	(987)	183
	134,427	89,275	13,292	(14,489)	4,662

31 TRADE AND OTHER PAYABLES

The Group

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables – third parties	42,750	48,122	70,720	73,220
Other payables – third parties	7,028	5,822	7,219	5,492
Payables for listing expenses in relation to global offering	–	–	5,484	1,297
VAT payables related to contract liabilities	7,851	8,997	8,896	7,646
Staff salaries and welfare payables	116,531	139,368	100,261	48,753
Accrued taxes other than income tax	7,678	16,019	10,434	6,442
Provision for outstanding litigations *(ii)*	–	–	1,000	4,357
Others	3,681	4,858	4,162	4,796
	185,519	223,186	208,176	152,003

(i) The carrying amounts of trade and other payables are considered to be approximated their fair values, due to their short-term nature.

(ii) During the Track Record Period, the Group was involved in several litigations. The courts of the litigations ruled to freeze the Group's bank deposits of RMB5,000,000 and RMB1,939,800 during the year ended December 31, 2023 and the three months ended March 31, 2024 respectively, as a provisional measure to preserve property before the decision of these litigations, which has no bearing on the merits of the claims.

Based on the Group's litigation counsels legal opinion, the directors of the Group made provision of RMB1,000,000 and RMB4,357,000 as at December 31, 2023 and March 31, 2024 respectively.

(iii) Aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	39,589	29,118	50,340	30,451
3 months to 6 months	1,285	10,562	8,757	26,639
6 months to 1 year	1,876	5,811	10,445	10,583
1 to 2 years	–	2,631	1,178	5,547
	42,750	48,122	70,720	73,220

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– third parties	29,709	37,572	54,621	56,791
– subsidiaries	72,756	149,318	196,220	190,794
Other payables				
– third parties	1,192	1,095	3,725	3,479
– subsidiaries	23,277	9,954	57,757	57,328
Payables for listing expenses in relation to global offering	–	–	5,484	1,297
VAT payables related to contract liabilities	6,376	6,940	6,739	5,755
Staff salaries and welfare payables	21,291	19,982	8,716	4,394
Accrued taxes other than income tax	87	10,310	351	547
Provision for an outstanding litigation	–	–	1,000	100
Others	3,681	4,667	3,431	4,075
	158,369	239,838	338,044	324,560

Aging analysis of the trade payables based on purchase date at the end of each reporting period is as follows:

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Up to 3 months	99,311	170,510	233,875	83,390
3 months to 6 months	1,278	7,938	7,960	115,183
6 months to 1 year	1,876	5,811	9,006	40,861
1 to 2 years	–	2,631	–	8,151
	102,465	186,890	250,841	247,585

32 DEFERRED REVENUE

The Group

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Government grants *(i)*	3,278	4,157	8,174	7,402

(i) Deferred income mainly represents government grants received but yet to be recognised in other income.

The Company

	As at December 31,			As at March 31,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current				
Government grants	278	70	–	–

33 CASH FLOW INFORMATION

(a) Cash used in operations

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Loss before income tax	(479,605)	(422,581)	(356,364)	(107,422)	(118,222)
Adjustments for					
– Depreciation of property, plant and equipment *(Note 16)*	8,014	19,037	19,849	4,989	5,262
– Amortisation of intangible assets *(Note 18)*	3,259	3,920	4,055	988	1,054
– Depreciation of right-of-use assets *(Note 17)*	25,233	32,568	28,058	7,259	6,806
– Provision for impairment of financial assets and contract assets *(Note 3.1(b))*	4,230	3,292	8,402	1,994	1,051
– Provision for impairment of intangible assets *(Note 18)*	54,089	22,382	9,572	9,572	–
– Share-based payments *(Note 7)*	134,427	89,275	13,292	(14,489)	4,662
– Share-based compensation to certain shareholders *(Note 12(iii)(d))*	–	–	–	–	92,836
– Finance income *(Note 11)*	(28,738)	(22,884)	(41,654)	(10,052)	(8,629)
– Finance costs *(Note 11)*	2,709	2,681	1,431	538	157
– Net foreign exchange losses/(gains)	7,608	(47,393)	(12,586)	1,269	(15,755)
– Fair value gains on financial assets at fair value through profit or loss *(Note 10)*	(19,800)	(9,791)	(5,842)	(2,454)	(3,782)
– Fair value losses of warrant liabilities *(Note 10)*	–	3,436	1,503	378	460
– (Gains)/losses on termination of leasing contracts *(Note 10)*	–	(418)	105	105	–
– (Gains)/losses on disposal of property, plant and equipment *(Note 10)*	(17)	467	–	–	–
	(288,591)	(326,009)	(330,179)	(107,325)	(34,100)

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Change in operating assets and liabilities:					
– (Increase)/decrease in contract assets	(8,377)	(11,808)	12,021	(7,011)	(374)
– (Increase)/decrease in trade and other receivables	(72,388)	(41,368)	(20,907)	13,679	7,139
– Decrease/(increase) in contract fulfilment cost	2,322	(2,144)	(5,820)	(1,783)	(3,566)
– Decrease/(increase) in restricted cash	20,031	(879)	(5,021)	(4,951)	(499)
– Increase/(decrease) in trade and other payables	80,064	43,077	(6,113)	(56,814)	(57,817)
– Increase/(decrease) in contract liabilities	46,616	9,038	853	6,049	(22,566)
– Increase/(decrease) in deferred revenue	2,791	879	4,017	(269)	(772)
Net cash used in operations	(217,532)	(329,214)	(351,149)	(158,425)	(112,555)

(b) Reconciliation of liabilities from financing activities

	Liabilities from financing activities			
	Lease liabilities	Warrant liabilities	Borrowings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net debt as at January 1, 2021	(13,516)	–	(19,895)	(33,411)
Cash flows	27,294	–	20,000	47,294
Additions of lease liabilities	(88,618)	–	–	(88,618)
Finance costs recognised	(2,604)	–	(105)	(2,709)
Net debt as at December 31, 2021 and January 1, 2022	(77,444)	–	–	(77,444)
Cash flows	36,320	–	–	36,320
Addition of warrant liabilities	–	(28,796)	–	(28,796)
Additions of lease liabilities	(11,915)	–	–	(11,915)
Termination of lease contracts	9,860	–	–	9,860
Fair value changes of warrant liabilities	–	(3,436)	–	(3,436)
Finance costs recognised	(2,681)	–	–	(2,681)
Net debt as at December 31, 2022 and January 1, 2023	(45,860)	(32,232)	–	(78,092)

	Liabilities from financing activities			
	Lease liabilities *RMB'000*	Warrant liabilities *RMB'000*	Borrowings *RMB'000*	Total *RMB'000*
Cash flows	32,212	–	–	32,212
Additions of lease liabilities	(1,620)	–	–	(1,620)
Termination of lease contracts	1,610	–	–	1,610
Fair value changes of warrant liabilities	–	(1,503)	–	(1,503)
Finance costs recognised	(1,431)	–	–	(1,431)
Net debt as at December 31, 2023	(15,089)	(33,735)	–	(48,824)
Net debt as January 1, 2024	(15,089)	(33,735)	–	(48,824)
Cash flows	1,539	–	–	1,539
Fair value changes of warrant liabilities	–	(460)	–	(460)
Finance costs recognised	(157)	–	–	(157)
Net debt as at March 31, 2024	(13,707)	(34,195)	–	(47,902)
(Unaudited)				
Net debt as at January 1, 2023	(45,860)	(32,232)	–	(78,092)
Cash flows	8,886	–	–	8,886
Additions of lease liabilities	(731)	–	–	(731)
Termination of lease contracts	1,709	–	–	1,709
Fair value changes of warrant liabilities	–	(378)	–	(378)
Finance costs recognised	(538)	–	–	(538)
Net debt as at March 31, 2023	(36,534)	(32,610)	–	(69,144)

(c) Major non-cash transactions

Other than non-cash transactions described elsewhere in this report, there were no other material non-cash transactions in financing activities during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

(a) Information on related parties and their relationships with the Group are as follows:

Name of related parties	Relationship with the Group
Mr. Zhao Lu	Founder and controlling shareholder of the Group
Ms. Tang Lili (唐麗莉女士)	The spouse of the controlling shareholder
Zhoushan Yijin Investment Management Partnership (limited partnership) (舟山憶瑾投資管理合伙企業(有限合伙))	Controlled by Mr. Zhao Lu

Name of related parties	Relationship with the Group
Shanghai Xiaoju Enterprise Management Partnership (limited partnership) (上海小橘企業管理合伙企業(有限合伙))	Controlled by Mr. Zhao Lu
Shanghai Kunrui Enterprise Management Partnership (limited partnership) (上海昆銳企業管理合伙企業(有限合伙))	Controlled by Mr. Zhao Lu

(b) Transactions with related parties

In the opinion of the Company's directors, the related party transactions were conducted in the ordinary course of business and based on terms mutually agreed by the underlying parties. Related party transactions of the Group during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 include:

(i) Repayment from related parties

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Mr. Zhao Lu	23	–	–	–	–
Ms. Tang Lili	119	–	–	–	–
Zhoushan Yijin Investment Management Partnership (limited partnership)	365	–	–	–	–
Shanghai Xiaoju Enterprise Management Partnership (limited partnership)	1	–	–	–	–
Shanghai Kunrui Enterprise Management Partnership (limited partnership)	1	–	–	–	–
	509	–	–	–	–

(ii) Key management compensations

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,			Three months ended March 31,	
	2021	2022	2023	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)	
Wages, salaries and bonuses	16,943	21,223	18,483	4,270	3,281
Contributions to pension plans	314	413	614	147	152
Other social security costs, housing benefits and other employee benefits	367	474	750	153	167
Share-based payments	56,520	36,352	7,456	(6,954)	20,560
	74,144	58,462	27,303	(2,384)	24,160

As at 31 December 2021, 2022 and 2023 and March 31, 2024, compensation of RMB1,898,000, RMB1,001,000, RMB1,996,000 and RMB1,352,000 has not been paid to key management, respectively.

35 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

The remuneration of every director and supervisor for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024 were set out below:

For the year ended December 31, 2021

Name	Fees	Wages, salaries and bonuses	Contributions to pension plans	Share-based payments	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
– Mr. Zhao Lu (趙璐先生)	–	3,389	47	5,760	57	9,253
– Mr. Ma Dong (馬東先生)	–	1,745	47	4,644	54	6,490
– Mr. Zhang Hongwei (張宏偉先生)	–	2,027	10	–	12	2,049
– Mr. Huang Yufei (黃玉飛先生)	–	1,828	35	–	40	1,903
– Mr. Wan Bangxi (萬幫喜先生)	–	1,917	10	5,875	12	7,814
– Ms. Ni Xiaomei (倪曉梅女士)	–	1,821	47	24,923	57	26,848
Independent non-executive directors						
– Mr. Jiang Xiao (蔣驍先生) *(ii)*	100	–	–	–	–	100
– Mr. Li Zhiguo (李治國先生) *(ii)*	100	–	–	–	–	100
– Ms. Yin Huifang (陰慧芳女士) *(ii)*	100	–	–	–	–	100
Supervisors						
– Ms. Li Jiaona (李嬌娜女士)	–	138	7	–	10	155
– Mr. Wen Gang (文綱先生)	–	–	–	–	–	–
– Mr. Xiong Fei *(i)* (熊飛先生)	–	–	–	–	–	–
– Mr. Lu Yiming *(iii)* (陸一鳴先生)	–	1,933	57	–	64	2,054
	300	14,798	260	41,202	306	56,866

For the year ended December 31, 2022

Name	Fees	Wages, salaries and bonuses	Contributions to pension plans	Share-based payments	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:						
– Mr. Zhao Lu (趙璐先生)	–	5,557	56	6,716	67	12,396
– Mr. Ma Dong (馬東先生)	–	3,190	97	2,636	101	6,024
– Mr. Zhang Hongwei (張宏偉先生)	–	2,180	12	–	14	2,206
– Mr. Huang Yufei (黃玉飛先生)	–	1,896	63	–	71	2,030
– Mr. Wan Bangxi (萬幫喜先生)	–	2,186	12	3,334	14	5,546
– Ms. Ni Xiaomei (倪曉梅女士)	–	1,863	47	14,701	61	16,672
Independent non-executive directors						
– Mr. Jiang Xiao (蔣驍先生)	100	–	–	–	–	100
– Mr. Li Zhiguo (李治國先生)	100	–	–	–	–	100
– Ms. Yin Huifang (陰慧芳女士)	100	–	–	–	–	100
Supervisors						
– Ms. Li Jiaona (李嬌娜女士)	–	134	9	–	10	153
– Mr. Wen Gang (文綱先生)	–	–	–	–	–	–
– Mr. Lu Yiming (陸一鳴先生)	–	2,054	63	–	71	2,188
	300	19,060	359	27,387	409	47,515

For the year ended December 31, 2023

Name of Directors	Fees *RMB'000*	Wages, salaries and bonuses *RMB'000*	Contributions to pension plans *RMB'000*	Share-based payments *RMB'000*	Other social security costs, housing benefits and other employee benefits *RMB'000*	Total *RMB'000*
Executive directors						
– Mr. Zhao Lu (趙璐先生)	–	3,637	95	2,018	105	5,855
– Mr. Ma Dong (馬東先生)	–	2,097	131	(408)	116	1,936
– Mr. Zhang Hongwei (張宏偉先生)	–	1,204	24	–	26	1,254
– Mr. Huang Yufei (黃玉飛先生)	–	1,616	50	–	56	1,722
– Mr. Wan Bangxi (萬幫喜先生) *(vi)*	–	1,363	24	(516)	26	897
– Ms. Ni Xiaomei (倪曉梅女士)	–	1,494	41	(1,284)	50	301
Independent non-executive directors						
– Mr. Jiang Xiao (蔣驍先生)	75	–	–	–	–	75
– Mr. Li Zhiguo (李治國先生)	75	–	–	–	–	75
– Ms. Yin Huifang (陰慧芳女士) *(iv)*	75	–	–	–	–	75
– Mr. FUNG Che Wai Anthony (馮志偉先生) *(v)*	–	–	–	–	–	–
Supervisors						
– Ms. Li Jiaona (李嬌娜女士)	–	97	6	–	7	110
– Mr. Wen Gang (文綱先生)	–	–	–	–	–	–
– Mr. Lu Yiming (陸一鳴先生)	–	1,260	50	(160)	56	1,206
	225	12,768	421	(350)	442	13,506

For the three months ended March 31, 2023 (unaudited)

Name of Directors	Fees *RMB'000*	Wages, salaries and bonuses *RMB'000*	Contributions to pension plans *RMB'000*	Share-based payments *RMB'000*	Other social security costs, housing benefits and other employee benefits *RMB'000*	Total *RMB'000*
Executive directors						
– Mr. Zhao Lu (趙璐先生)	–	1,230	33	–	36	1,299
– Mr. Ma Dong (馬東先生)	–	658	47	(692)	39	52
– Mr. Zhang Hongwei (張宏偉先生)	–	379	3	–	3	385
– Mr. Huang Yufei (黃玉飛先生)	–	318	16	–	18	352
– Mr. Wan Bangxi (萬幫喜先生)	–	412	3	(876)	3	(458)
– Ms. Ni Xiaomei (倪曉梅女士)	–	476	12	(3,007)	15	(2,504)
Independent non-executive directors						
– Mr. Jiang Xiao (蔣驍先生)	11	–	–	–	–	11
– Mr. Li Zhiguo (李治國先生)	11	–	–	–	–	11
– Ms. Yin Huifang (陰慧芳女士)	11	–	–	–	–	11
Supervisors						
– Ms. Li Jiaona (李嬌娜女士)	–	28	2	–	2	32
– Mr. Wen Gang (文綱先生)	–	–	–	–	–	–
– Mr. Lu Yiming (陸一鳴先生)	–	398	16	(432)	18	–
	33	3,899	132	(5,007)	134	(809)

For the three months ended March 31, 2024

Name of Directors	Fees *RMB'000*	Wages, salaries and bonuses *RMB'000*	Contributions to pension plans *RMB'000*	Share-based payments *RMB'000*	Other social security costs, housing benefits and other employee benefits *RMB'000*	Total *RMB'000*
Executive directors						
– Mr. Zhao Lu (趙璐先生)	–	858	18	19,879	19	20,774
– Mr. Ma Dong (馬東先生)	–	410	14	70	15	509
– Mr. Zhang Hongwei (張宏偉先生)	–	341	18	–	19	378
– Mr. Huang Yufei (黃玉飛先生)	–	339	18	–	19	376
– Mr. Wan Bangxi (萬幫喜先生) *(vi)*	–	357	18	89	19	483
– Ms. Ni Xiaomei (倪曉梅女士)	–	323	18	420	19	780
– Mr. Lu Yiming (陸一鳴先生) *(vii)*	–	323	18	66	19	426
Independent non-executive directors						
– Mr. Jiang Xiao (蔣驍先生)	45	–	–	–	–	45
– Mr. Li Zhiguo (李治國先生)	45	–	–	–	–	45
– Mr. FUNG Che Wai Anthony (馮志偉先生) *(v)*	54	–	–	–	–	54
Supervisors						
– Ms. Li Jiaona (李嬌娜女士)	–	30	1	–	3	34
– Mr. Wen Gang (文綱先生)	–	–	–	–	–	–
– Mr. Cai Xin (蔡鑫先生) *(viii)*	–	323	18	36	19	396
	144	3,304	141	20,560	151	24,300

Notes:

(i) Mr. Xiong Fei resigned from the position of a supervisor in January 2021.

(ii) Mr. Li Zhiguo, Mr. Jiang Xiao and Ms. Yin Huifang were appointed as independent non-executive directors in September 2020.

(iii) Mr. Lu Yiming was appointed as a supervisor in January 2021.

(iv) Ms. Yin Huifang resigned from the position of an independent non-executive director in September 2023.

(v) Mr. FUNG Che Wai Anthony was appointed as the Company's independent non-executive director in September 2023.

(vi) Mr. Wan Bangxi resigned from the position of an executive director in March 2024.

(vii) Mr. Lu Yiming resigned from the position of a supervisor and was appointed as an executive director in March 2024.

(viii) Mr. Cai Xin was appointed as a supervisor in March 2024.

(ix) Ms. Li Jiaona resigned from the position of a supervisor and Ms. Dong Xiaohan (董曉晗) was appointed as a supervisor in July 2024.

All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the Track Record Period.

(a) Directors' and supervisors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors or supervisors for the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

(b) Consideration provided to third parties for making available directors' and supervisors' services

No consideration was provided to third parties for making available directors' or supervisors' services during the years ended December 31,2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

(c) Information about loans, quasi-loans or other dealings in favour of directors and supervisors, controlled bodies corporate by and connected entities with such directors and supervisors

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors or supervisors, controlled bodies corporate by and connected entities with such directors or supervisors during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

(d) Directors' and supervisors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director or a supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year/period or at any time during the years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2023 and 2024.

36 CONTINGENCIES AND COMMITMENTS

(a) Contingencies

As at December 31, 2021, 2022 and 2023 and March 31, 2024, other than those disclosed in Note 31(ii) in this report, there were no significant contingencies items for the Group and the Company.

(b) Commitments

As of December 31, 2021, 2022 and 2023 and March 31, 2024, the Group did not have any significant capital commitments.

37 EVENTS AFTER THE BALANCE SHEET DATE

There is no other material subsequent event undertaken by the Company or by the Group after March 31, 2024.

38 SUMMARY OF OTHER ACCOUNTING POLICIES

38.1 Subsidiaries

(a) Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statements, consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated balance sheets respectively.

Business combinations

The acquisition method of accounting is used to account for all business combinations, other than business combination under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date.

(b) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive loss of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

38.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

38.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as executive directors of the Company that makes strategic decisions.

38.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries in the mainland China are RMB. The subsidiaries outside mainland China were incorporated in Singapore, United States and France, and these subsidiaries considered SGD, USD and EUR as their functional currency respectively. As the major operations of the Group are within the mainland China, the Group determined to present its consolidated financial statements in RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year/period end exchange rates, are generally recognised in profit or loss.

All other foreign exchange gains and losses are presented in the consolidated income statements on a net basis within "other gains/(losses) – net".

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each income statement and statement of comprehensive loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

38.5 Impairment of non-financial assets

Non-financial assets other than goodwill and intangible assets that have an indefinite useful life are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Except for Taimei Xinghuan and Beijing Nuoming which were separately acquired by the Group in 2019, the Company and its other subsidiaries operates as a whole to deliver the digital solution to the customers. Therefore the Group assessed the impairment of non-financial assets other than goodwill based on: 1) CGU of Taimei Xinghuan; 2) CGU of Beijing Nuoming and 3) CGU of the Group other than Taimei Xinghuan and Beijing Nuoming. As at December 31, 2021, 2022 and 2023 and March 31, 2024, non-financial assets mainly include leased buildings, property, plant and equipment and intangible assets.

The recoverable amount of these CGUs at the end of reporting period had been determined based on value-in-use calculations, using cash flow projections prepared by management. Key assumptions applied in preparing the cash flow projections included annual growth rate and pre-tax discount rate. Based on the results of the assessment, an impairment loss on patent of RMB1,204,000 was recorded during the year ended 31 December 2023 due to the Group's decision of business cease of Beijing Nuoming. Except that, the recoverable amount exceeded the carrying amount with sufficient headroom and no further impairment was recorded during the Track Record Period.

38.6 Investments and other financial assets

(a) Classification

Investments and other financial assets is classified as described in Note 25.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses) – net", together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses) – net. Interest income from these financial assets is included in "finance income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) – net" and impairment losses are presented as separate line item in the consolidated income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) – net in the period in which it arises.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other receivables, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

38.7 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.8 Restricted cash and short-term bank deposits

Cash restricted for guaranteed deposits for bank borrowings or issuance of notes payables or other purpose were included in the restricted cash on the consolidated balance sheets.

Bank deposits with initial terms of over three months but within 1 year were included in the short-term bank deposits on the consolidated balance sheets.

38.9 Share capital

Ordinary shares and share capital from owners are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

38.10 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

38.11 Borrowings and borrowing costs

(a) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as "other income" or "finance costs".

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(b) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

38.12 Provisions

Provisions for legal claims and onerous contracts are recognised when the Group has a present legal or contractual obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

38.13 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive loss or directly in equity. In this case, the tax is also recognised in other comprehensive loss or directly in equity, respectively.

38.14 Employee benefits

(a) Short-term obligations

Liabilities for wages, salaries and bonus, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Pension obligations and other social welfare benefits

Full-time employees of the Group in mainland China are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. There is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(c) Employee leave entitlement

Employee entitlement to annual leave are recognised when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employees entitlement to sick leave and maternity leave are not recognised until the time of leave.

38.15 Share-based payments

(a) Share-based payments to employee

The Group operates certain share incentive plans, under which the Group receives services from employees as consideration for equity instruments of the Company or certain subsidiary. The fair value of the services received in exchange for the grant of the equity instruments is recognised as an expense in the consolidated income statement. The total expenses are recognised over the vesting period, over which all of the specified vesting conditions are to be satisfied.

The total amount to be expensed is determined by reference to the fair value of the Company's or certain subsidiaries' shares at the grant date.

The Group may modify the terms and conditions of share incentive awards granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remainder of the vesting period.

The fair value of the liability for cash-settled transactions is re-measured at each reporting date and at the date of settlement. Any changes in fair value are recognised in profit or loss for the period. Equity-settled awards are not remeasured after the grant date.

(b) Share-based compensation to shareholders

If the identifiable consideration received by the Group appears to be less than the fair value of the equity instruments granted to shareholders, which indicated that the Group received other unidentifiable consideration. The Group measures the share-based payment as the difference between the fair value of equity instruments granted and the identifiable consideration at the grant date.

38.16 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Note 9 provides further information on how the Group accounts for government grants.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred revenue and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

38.17 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. Financial assets have subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to their amortised cost.

Interest income earned from short-term bank deposits that are held for cash management purposes is presented as finance income. Gains from short-term investments measured at fair value through profit or loss (Note 25) are included in "Other gains/(losses) – net".

38.18 Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and

- by the weighted average number of ordinary shares outstanding during the financial year/period, adjusted for bonus elements in ordinary shares issued during the year/period and excluding treasury shares.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to March 31, 2024 and up to the date of this report.

The information set out in this Appendix does not form part of the "Accountant's Report" from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I in this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" and "Appendix I – Accountant's Report".

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible assets which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering as if it had taken place on March 31, 2024 and based on the consolidated net tangible assets attributable to the owners of the Company as at March 31, 2024 as shown in the Accountant's Report, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

This unaudited pro forma adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as at March 31, 2024 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at March 31, 2024	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company as at March 31, 2024**	**Unaudited pro forma adjusted consolidated net tangible assets per share**	
	Note 1	*Note 2*		*Note 3*	*Note 4*
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an Offer Price of HK$10.0 per Offer Share	871,023	154,608	1,025,631	1.83	2.02
Based on an Offer Price of HK$13.0 per Offer Share	871,023	212,825	1,083,848	1.93	2.13

Notes:

(1) The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at March 31, 2024 is extracted from the Accountant's Report set forth in Appendix I to this prospectus, which is based on the audited consolidated net assets attributable to the owners of the Company as at March 31, 2024 of approximately RMB942,038,000 with an adjustment for the intangible assets attributable to the owners of the Company as at March 31, 2024 of approximately RMB71,015,000.

(2) The estimated net proceeds from the Global Offering are based on 22,416,600 Offer Shares and the indicative Offer Price of HK$10.0 and HK$13.0 per Offer Share, respectively, after deduction of the estimated underwriting fees and other related expenses payable by the Company (excluding listing expenses of approximately RMB15,414,000, which were already incurred and charged to the consolidated income statements for the year ended December 31, 2023 and the three months ended March 31, 2024), and takes no account of any shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share are determined after the adjustments as described in preceding paragraphs and on the basis that 560,416,600 Shares are in issue, assuming the Global Offering had been completed on March 31, 2024 but takes no account any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

(4) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the balance stated in Renminbi is converted into Hong Kong dollars at a rate of HK$1.00 to RMB0.90655. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(5) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to March 31, 2024.

B. REPORT ON PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司)

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zhejiang Taimei Medical Technology Co., Ltd. (浙江太美醫療科技股份有限公司) (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at March 31, 2024, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated September 27, 2024, in connection with the proposed initial public offering of the H Shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at March 31, 2024 as if the proposed initial public offering had taken place at March 31, 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the three months ended March 31, 2024, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
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Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at March 31, 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, September 27, 2024

THE PRC TAXATION

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was last amended on August 31, 2018 and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was last amended on December 18, 2018 (the "**IIT Law**"), dividends paid by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from a PRC enterprise is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by a relevant tax treaty. In addition, according to the Notice on Issues Concerning the Implementation of Differential Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued on September 7, 2015, where an individual acquires the stocks of a listed company from public offering of the company or from the stock market, if the stock holding period is more than 1 year, the income from dividends and bonuses shall be temporarily exempted from individual income tax; where an individual acquires the stocks of a listed company from public offering of the company or from the stock market, if the stock holding period is 1 month or less, the income from dividends and bonuses shall be included into the taxable incomes in full amount; if the stock holding period is more than 1 month and up to 1 year, 50% of the income from dividends and bonuses shall be temporarily included into the taxable incomes. The individual income tax rate on the aforesaid income is levied at a flat rate of 20%.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》, the "**Arrangement**"), which was signed on August 21, 2006, PRC government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), which came into effect on December 6, 2019, adds criteria for the entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted for relevant gains in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except

when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements shall also be subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Enterprise Investors

In accordance with the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》), which was promulgated by the NPC on March 16, 2007, came into effect on January 1, 2008 and was subsequently amended on February 24, 2017 and December 29, 2018, and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), which was promulgated by the State Council on December 6, 2007, came into effect on January 1, 2008 and was amended in 2019 (the "**EIT Law**"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends and bonuses received from a PRC resident enterprise), if such nonresident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income is not connected with such establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income shall be the withholding agent, and is required to withhold the income tax from the payment or due payment every time it is paid or due.

The Circular of the STA on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate flat of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including HKSCC Nominees) shall be subject to withholding enterprise income tax at a rate of 10%.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), which was signed on August 21, 2006, the PRC government may levy taxes on the dividends paid by

a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, then such tax shall not exceed 5% of the total dividends payable by the PRC company if the Hong Kong resident is the beneficial owner of the equity and certain other conditions are met. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), which came into effect on December 6, 2019, adds criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted for relevant gains in the circumstance where relevant treaty benefits, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under the Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements shall be subject to the requirements of PRC tax laws and regulations, such as the Notice of the STA on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or arrangements for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the PRC tax authorities for a refund of the enterprise income tax in excess of the agreed tax rate, and the refund application is subject to approval by the PRC tax authorities.

Taxation on Share Transfer

Value-Added Tax and Local Surcharges

Pursuant to the Notice on the Full Implementation of Pilot Program for Transition from Business Tax to VAT (《關於全面推開營業税改徵增值税試點的通知》) (Cai Shui [2016] No. 36) (the "**Circular 36**"), which was implemented on May 1, 2016 and amended on July 11, 2017, December 25, 2017 and March 20, 2019, respectively, entities and individuals engaged in sales of services within the PRC shall be subject to VAT and "sales of services within the PRC" refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. Circular 36 also provides that transfer of financial products, including transfer

of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable income (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals are exempt from VAT upon transfer of financial products.

According to the provisions above, upon the sale or disposal of H shares, the holders are exempt from VAT in the PRC if they are non-resident individuals; in case the holders are non-resident enterprises, they may not be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located outside of the PRC whereas the holders may be subject to the VAT in the PRC if the purchasers of the H shares are individuals or entities located in the PRC.

Income Taxes

Individual investors

According to the IIT Law, gains from the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%. According to the Circular of the MOF and STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and STA on March 30, 1998, since January 1, 1997, gains of individuals from the transfer of shares of listed companies continue to be temporarily exempted from individual income tax.

However, on December 31, 2009, the MOF, the STA and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167), which became effective on January 1, 2010, states that individuals' income from the transfer of listed shares obtained from the public offering and transfer of the stock market of the listed company on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) (Cai Shui [2010] No. 70) jointly issued by the above three departments and came into effect on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

In accordance with the EIT Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premises in the PRC but its PRC-sourced income is not connected in reality with such establishment or premise. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income shall be the withholding agent, and is required to withhold the income tax from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the PRC Stamp Duty Law promulgated by the Standing Committee of the National People's Congress (全國人民代表大會常務委員會) on June 10, 2021 and came into effect on July 1, 2022 (the "**Stamp Duty Law**"), all entities and individuals engaged in securities transactions within the PRC are subject to stamp duty as stamp duty payers in accordance with the provisions of the Stamp Duty Law, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Estate duty

According to PRC law, no estate duty is currently levied in the PRC.

PRINCIPLE TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, a resident enterprise shall pay EIT on its income originating from both inside and outside PRC at an EIT rate of 25%. Foreign invested enterprises in the PRC falls into the category of resident enterprises, which shall pay EIT for the income originated from domestic and overseas sources at an EIT rate of 25%.

In line with the EIT Law, the EIT tax rate of a high and new technology enterprise is 15%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises (《高新技術企業認定管理辦法》), promulgated on April 14, 2008 and last amended on January 29, 2016, the certificate of a high and new technology enterprise is valid for three years and may renewed after the inspection of the SAT and other relevant authority.

Value-added Tax

According to the Provisional Regulations of the PRC on Value-Added Tax (《中華人民共和國增值税暫行條例》), which was promulgated by the State Council on December 13, 1993 and latest amended on November 19, 2017 (the "**Regulations on VAT**"), and the Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), which was promulgated by the MOF, came into effect on December 25, 1993 and latest amended on October 28, 2011, entities and individuals that sell goods or provision of processing, repair or replacement labor services, sell services, intangible assets, or real estate, or import goods within the territory of the PRC are taxpayers of value-added tax, and shall pay VAT in accordance with this Regulations on VAT. Unless specified by the Regulations on VAT, for the sales or import of goods by general taxpayers, the VAT rate shall be 17%; for provision of processing, repair and maintenance labor by taxpayers, the VAT rate shall be 17%; for export of goods by taxpayers, the VAT rate shall be nil, unless otherwise provided. According to the Circular of the Ministry of Finance and the State Administration of Foreign Exchange on Adjusting Value-added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》), which was issued on April 4, 2018 and came into effect on May 1, 2018, where a tax payer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable reduced 17% and 11% tax rates are adjusted to be 16% and 10%, respectively. According to the Announcement on Deepening Policies in relation to Value-added Tax Reform (《關於深化增值税改革有關政策的公告》) which was promulgated on March 20, 2019 and became effective on April 1, 2019, the VAT rates are reduced to 13% and 9%, respectively.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is still subject to foreign exchange control and is not freely exchangeable. The SAFE, under the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The principal regulations governing foreign currency exchange in China are Regulations for Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Control Regulations**") which was promulgated by the State Council on January 29, 1996, became effective on April 1, 1996 and was subsequently amended on January 14, 1997 and August 5, 2008 and the Regulations on the Administration of Foreign Exchange Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) (Yin Fa [1996] No. 210) which was promulgated by the PBOC on June 20, 1996 and became effective on July 1, 1996. Pursuant to these regulations and other PRC rules and regulations on currency conversion, Renminbi is generally freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of SAFE or its local counterparts is obtained.

According to the Announcement on Improving the Reform of the Renminbi (《關於完善人民幣匯率形成機制改革的公告》) issued by the PBOC on July 21, 2005, the PRC began to implement a regulated and managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand with reference to a basket of currencies. The Renminbi exchange rate is no longer pegged to the US dollar. The PBOC will publish the closing price of a foreign currency such as the US dollar traded against the Renminbi in the interbank foreign exchange market on each trading day after the closing of the market, and will fix the central parity for the transaction of such foreign currency against Renminbi on the following trading day.

Since January 4, 2006, the PBOC improved the method of generating the central parity for quoting the Renminbi exchange rate by introducing an enquiry system while keeping the match-making system in the interbank foreign exchange spot market. In addition, the liquidity of the foreign exchange market was also improved by adopting a market-making system in the interbank foreign exchange market.

The Foreign Exchange Control Regulations, which became effective on August 5, 2008, have made substantial changes to the foreign exchange regulatory system of the PRC. First, the Foreign Exchange Control Regulations adopted an approach of balancing the inflow and outflow of foreign exchange fund. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administration authorities. Second, the Foreign Exchange Control Regulations improved the mechanism for determining the Renminbi exchange rate based on market supply and demand. Third, the Foreign Exchange Control Regulations enhanced the monitoring of cross-border foreign exchange fund flows. In the event that revenues and costs in connection with international transactions suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures for such revenues and costs. Fourth, the Foreign Exchange Control Regulations enhanced the supervision and administration of foreign exchange transactions and grant extensive authority to the SAFE to strengthen its supervisory and administrative ability.

According to the relevant State rules and regulations, all of the foreign exchange revenue of the PRC enterprises from the current account transactions may be retained or sold to financial institutions operating a foreign exchange sale or settlement business. Foreign exchange income from loans granted by overseas entities or from the issuance of bonds and shares is not required to be sold to, but may be deposited in foreign exchange accounts at, designated foreign exchange banks.

PRC enterprises (including foreign investment enterprises) which need foreign exchange for transactions relating to current account items may, without the approval of the SAFE, effect exchange and payment from their foreign exchange accounts or at the designated foreign exchange banks, on the strength of valid receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC

enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or the shareholders' meeting approving the distribution of profits, effect exchange and payment from their foreign exchange accounts or convert and pay dividends at the designated foreign exchange banks.

The SAFE promulgated the Notice on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) on January 18, 2017. It stipulates certain capital control measures for domestic institutions to remit profits to foreign institutions, including: (i) a bank shall review the resolutions of the board of directors related to the remittance of profits, the original tax filing form, and the audited financial statements in accordance with the principle of real transactions; and (ii) a domestic institution shall cover losses in the previous years as legally required before the outward remittance of profits. Besides, a domestic institution shall explain the source of the investment funds and the use of funds (use plan) to the bank and provide the resolution of the board of directors (or the resolution of partners), contract, or other proof on the authenticity of such investment.

The Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which was issued and became effective on October 23, 2014, has canceled the administrative approval by the SAFE and its branches for matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing. Pursuant to the Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was promulgated on February 13, 2015, and subsequently amended on December 30, 2019, the initial foreign exchange registration for establishing or taking control of an SPV by domestic residents can be conducted with a qualified bank, instead of the local foreign exchange bureau.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54) issued by the SAFE on December 26, 2014, a domestic issuer shall, within 15 business days from completion of its initial public offering overseas, register the overseas listing with the SAFE's local branch at the place of its incorporation. The proceeds from an overseas listing of a domestic issuer may be remitted to a domestic account or deposited overseas, and the use of the proceeds shall be consistent with the content of the prospectus and other disclosure documents.

The Circular of the SAFE on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular No. 19**") was promulgated on March 30, 2015 and became effective on June 1, 2015, subsequently amended on December 30, 2019. According to the SAFE Circular No. 19, a foreign-invested enterprise may, according to its actual business needs, settle with a bank the portion of the foreign exchange capital in

its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). For the time being, FIEs are allowed to settle 100% of their foreign exchange capitals on a discretionary basis; an FIE shall use its capital for its operational purposes within the scope of business; where an ordinary FIE makes domestic equity investment with the amount of foreign exchange settled, the invested enterprise shall first go through domestic re-investment registration and open a corresponding Account for Foreign Exchange Settlement Pending Payment with the foreign exchange bureau (bank) at the place of registration.

Pursuant to the Circular on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts (《關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) issued by the SAFE on June 9, 2016, discretionary settlement of foreign exchange capital income can be settled at the banks based on the actual operating needs of the domestic companies. The proportion of discretionary settlement of foreign exchange capital income for domestic companies is temporarily set at 100%. The SAFE may timely adjust the above proportion based on international balance of payments.

On October 23, 2019, SAFE issued Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(the "**SAFE Circular No. 28**"). Pursuant to the SAFE Circular 28, on the basis that investment-oriented foreign-funded enterprises (including foreign-funded companies with an investment nature, foreign-funded venture capital enterprises and foreign-funded equity investment enterprises) may make equity investment with their capital funds in China in accordance with the laws and regulations, non-investment foreign-funded enterprises are allowed to make domestic equity investment with their capital funds in accordance with the law on the premise that the existing special administrative measures (negative list) for foreign investment access are not violated and the projects invested thereby in China are true and compliant.

According to the Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), which was issued by the SAFE on April 10, 2020 and took effect from the same day, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

TAXATION IN HONG KONG

Taxation on Dividends

No tax is payable by any person or corporation under the laws of Hong Kong in respect of dividends paid by our Company.

Profits Tax

Hong Kong profits tax will not be payable by any shareholders (other than shareholders carrying on a trade, profession or business in Hong Kong and holding the shares for trading purposes) on any capital gains made on the sale or other disposal of the shares. Shareholders should take advice from their own professional advisers as to their particular tax position.

Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the shares being sold or purchased, in total, whether or not the sale or purchase is on or off the Hong Kong Stock Exchange. The shareholder selling the shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of shares.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) revised and took effect on March 11, 2018 (hereinafter referred to as the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) which was revised and took effect on March 15, 2015 (hereinafter referred to as the "**Legislation Law**"), the NPC and its Standing Committee are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The Standing Committee of the NPC formulates and amends the laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval shall be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of the relevant provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of

the provinces or autonomous regions, a decision should be made to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, PBOC, the National Audit Office and the subordinate institutions with administrative functions directly under the State Council may formulate departmental rules and regulations within the permissions of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council. Provisions of departmental rules should be the matters related to the enforcement of the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, in cases where the scope of provisions of laws or decrees needs to be further defined or additional stipulations need to be made, the Standing Committee of the NPC shall provide interpretations or make stipulations by means of decrees. Issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process of the procuratorate should be interpreted by the Supreme People's Procuratorate, and issues related to laws other than the abovementioned should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional regulations is vested in the regional legislative and administrative authorities which promulgate such regulations.

THE PRC JUDICIAL SYSTEM

Under the Constitution, the Law of Organization of the People's Court of the PRC (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 Revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels. The people's procuratorates of the PRC are divided into the Supreme People's Procuratorate, the local people's procuratorates at all levels, Military Procuratorates

and other special people's procuratorates. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (hereinafter referred to as the "**PRC Civil Procedure Law**") adopted on April 9, 1991 and latest amended on September 1, 2023, prescribes the conditions for instituting a civil action, the jurisdiction of the people's court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such choice shall not in any circumstances contravene the regulations of differential jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people's court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens or enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve

documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party requests for enforcement of an effective judgment or ruling made by a people's court, but the opposite party or his property is not within the territory of the People's Republic of China, the party may directly apply to the foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people's court of the PRC, a party may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity, request for recognition and enforcement by the people's court, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security or would not be in social and public interest.

THE COMPANY LAW OF THE PRC, TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

The Company Law of the PRC (《中華人民共和國公司法》) (hereinafter referred to as the "PRC Company Law") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised the PRC Company Law came come into effect on July 1, 2024.

On February 17, 2023, with the approval of the State Council, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies ("境內企業境外發行證券和上市管理試行辦法") (the "Trial Measures") and relevant five guidelines, which came into force on 31 March, 2023. The Trial Measures are

designated in accordance with the Securities Law and other laws and are applicable to domestic enterprises that issue securities overseas or list their securities for trading. On February 17, 2023, CSRC promulgated the Guidelines for the Applications of Regulatory Rules – Overseas Issuance and Listing Category No. 1, stipulating that direct issuance and listing by domestic companies shall abide by the relevant provisions of the Trial Measures and refer to the Guidelines for Articles of Association of Listed Companies and other relevant provisions of CSRC on corporate governance to formulate its articles of association and standardize corporate governance.

Set out below is a summary of the major provisions of the PRC Company Law, the Trial Measures and Guidelines for Articles of Association of Listed Companies.

GENERAL PROVISIONS

A "joint stock limited company" refers to a corporate legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties. The liability of the company for its own debts is limited to the total amount of all assets it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

A company must abide by laws and professional ethics in conducting business activities. A company may invest in other limited companies and joint stock limited liability companies. The liability of a company to an enterprise so invested in is limited to the extent of the amount of investment made. Unless otherwise provided for in any law, a company shall not become a capital contributor which shall be jointly and severally liable for the indebtedness of such enterprise.

INCORPORATION

A company may be established by promotion or public subscription. A company shall have a minimum of one but no more than 200 people as its promoters, over half of which must have a domicile within the PRC. Companies established by promotion are companies of which the registered capital is the total share capital subscribed for by all the promoters registered with the company's registration authorities. No share offering shall be made before the shares subscribed for by promoters are fully paid up. For companies established by share offering, the registered capital is the total paid-up share capital as registered with the company's registration authorities. If laws, administrative regulations and State Council decisions provide otherwise on paid-in registered capital and the minimum registered capital, a company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe in writing for the shares required to be subscribed for by them and pay up their capital contributions under the articles of association. Procedures relating to the transfer of titles to non-monetary assets shall be duly completed if such assets are to be contributed as capital. Promoters who fail to pay up their capital contributions in accordance with the foregoing

provisions shall assume default liabilities in accordance with the covenants set out in the promoters' agreements. After the promoters have confirmed the capital contribution under the articles of association, a board of directors and a supervisory board shall be elected and the board of directors shall apply for registration of establishment by filing the articles of association with the company registration authorities, and other documents as required by the law or administrative regulations.

Where companies are incorporated by subscription, not less than 35% of their total number of shares must be subscribed for by the promoters, unless otherwise provided by laws or administrative regulations. A promoter who offers shares to the public must publish a prospectus and prepare a subscription letter to be completed, signed and sealed by subscribers, specifying the number and amount of shares to be subscribed for and the subscribers' addresses. The subscribers shall pay up monies for the shares they subscribe for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC law, and underwriting agreements shall be entered into. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and is obliged to furnish evidence of receipt of those subscription monies to relevant authorities. After the subscription monies for the share issue have been paid in full, a capital verification institution established under PRC laws must be engaged to conduct a capital verification and furnish a certificate thereof. The promoters shall preside over and convene an inauguration meeting within 30 days from the date of the full payment of subscription money. The inauguration meeting shall be formed by the promoters and subscribers. Where the shares that shall be issued at the time of formation are not fully subscribed to, or where the promoter fails to convene an inauguration meeting within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. Within 30 days after the conclusion of the inauguration meeting, the board of directors shall apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the capacity of a legal person after approval of registration has been given by the relevant company registration authority for industry and commerce and a business license has been issued.

A company's promoters shall be liable for: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be incorporated; (2) the refund of subscription monies paid by the subscribers together with interest at bank rates of deposit for the same period jointly and severally if the company cannot be incorporated; and (3) the compensation of any damages suffered by the company in the course of its establishment as a result of the promoters' fault.

SHARE CAPITAL

If a joint stock limited company is established by way of sponsorship, the sponsors shall fully subscribe for the shares in writing and pay the corresponding share capital in accordance with the articles of association. If the capital is contributed by any means other than cash, the sponsors shall undergo relevant formalities for the transfer of property rights according to law. Chinese companies have not imposed any restrictions on the percentage of shareholding in the company for individual shareholders. If a sponsor makes a capital contribution in any form other than cash, such contribution must be valued and verified and converted into shares.

A company may issue registered shares or unregistered shares. However, shares issued to sponsors or legal persons must be shares that are registered to the names of the sponsors or legal persons concerned. Such shares shall not be registered in other names or names of their representatives.

A company must obtain the approval of or file with the CSRC to offer its shares to the overseas public.

INCREASE IN SHARE CAPITAL

Pursuant to the relevant provisions of the PRC Company Law, where a company is issuing new shares, resolutions shall be passed at general meeting in accordance with the articles of association in respect of the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and the class and amount of the new shares proposed to be issued to existing shareholders.

When a company launches a public issue of new shares to the public upon the approval by CSRC, a new share offering prospectus and financial accounting report must be announced and a subscription letter must be prepared. After the new shares issued by the company has been paid up, the change must be registered with the company registration authority and a public announcement must be made accordingly. Where an increase in registered capital of a company is made by means of an issue of new shares, the subscription of new shares by shareholders shall be made in accordance with the relevant provisions on the payment of subscription monies for the establishment of a company.

REDUCTION OF SHARE CAPITAL

A company shall reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law: (1) the company shall prepare a balance sheet and an inventory of assets; (2) the reduction of registered capital must be approved by shareholders at general meeting; (3) the company shall notify its creditors within 10 days and publish an announcement in newspapers within 30 days from the day on which the resolution approving the reduction was passed; (4) the creditors of the company are entitled to require the company to repay its debts or provide guarantees for such debts within 30 days from receipt of the notification or within 45 days from the date of the announcement if he/she/it has not received any notification; and (5) the company must apply to the company registration authority for change in registration.

REPURCHASE OF SHARES

Pursuant to the PRC Company Law, a company may not repurchase its own shares other than for the following purposes: (1) reducing its registered capital; (2) merging with other companies which hold its shares; (3) granting shares to its employees as incentives; (4) acquiring its shares at the request of its shareholders who vote in a shareholders' general meeting against a resolution regarding a merger and division; (5) utilizing the shares for conversion of corporate bonds which are convertible into shares; and (6) where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders. The acquisition by a company of its own shares on the grounds set out in item (1) to (2) above shall be approved by way of a resolution of a shareholders' general meeting; the acquisition by a company of its own shares in circumstances as set out in items (3), (5) and (6) above may be approved by way of a resolution at a board meeting with two-third or more of the directors present in accordance with the provisions of the company's articles of association or the authorization of the shareholders' general meeting.

Following the acquisition by a company of its own shares in accordance with these requirements, such shares shall be canceled within 10 days from the date of the acquisition under the circumstance in item (1); such shares shall be transferred or canceled within six months under the circumstances in items (2) or (4); the total shares held by the Company shall not exceed 10% of the total shares issued by the Company and such shares shall be transferred or canceled within three years under the circumstances in items (3), (5) or (6).

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law of People's Republic of China when acquiring its own shares. The acquisition by a listed company of its own shares in circumstances as set out in items (3), (5) and (6) of this article shall be conducted through open centralized trading.

The Company shall not accept the shares of the Company as the subject of pledge.

TRANSFER OF SHARES

Shares held by shareholders may be transferred legally. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares may be transferred after the shareholders endorse the back of the share certificates or in other manner specified by laws and administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a shareholders' general meeting or 5 days prior to the record date for the purpose of determining entitlements to dividend distributions, unless otherwise stipulated by laws on the registration of changes in the share register of listed companies. The transfer of bearer share certificates shall become effective upon the delivery of the certificates to the transferee by the shareholder.

Pursuant to the PRC Company Law, shares held by promoters may not be transferred within one year of the establishment of the company. Shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year. They shall not transfer the shares they hold within one year from the date of the company's listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

SHAREHOLDERS

In accordance with the PRC Company Law, the rights of shareholders include the rights: (1) to receive a return on assets, participate in significant decision-making and select management personnel; (2) to petition the people's court to revoke any resolution passed on a shareholders' general meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, regulations or the articles of association, or any resolution the contents of which is in violation of the articles of association, provided that such petition shall be submitted within 60 days of the passing of such resolution; (3) to transfer the shares of the shareholders legally; (4) to attend or appoint a proxy to attend shareholders' general meetings and exercise the voting rights; (5) to inspect the articles of association, share register, counterfoil of company debentures, minutes of shareholders' general meetings, board resolutions, resolutions of the board of supervisors and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations; (6) to receive dividends in respect of the number of shares held; (7) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and (8) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include the obligation to abide by the company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

GENERAL MEETINGS OF SHAREHOLDERS

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The general meeting may exercise its powers: (1) to elect and dismiss the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors; (2) to review and approve the reports of the board of directors; (3) to review and approve the reports of the board of supervisors or the reports of the supervisors; (4) to review and approve the company's annual financial budgets proposals and final accounts proposals; (5) to review and approve the company's profit distribution proposals and loss recovery proposals; (6) to decide on any increase or reduction of the company's registered capital; (7) to decide on the issue of corporate bonds; (8) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form; (9) to amend the company's articles of association; and (10) to exercise any other authority stipulated in the articles of association. And the general meetings of shareholders may authorize the board of directors to adopt resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for the Articles of Association of Listed Companies, a shareholders' general meeting is required to be held once every year within six months after the end of the previous accounting year. An extraordinary general meeting is required to be held within two months upon the occurrence of any of the following: (1) the number of directors is less than the number required by law or less than two-thirds of the number specified in the articles of association; (2) the total outstanding losses of the company amounted to one-third of the company's total share capital; (3) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an extraordinary general meeting; (4) the board deems necessary; (5) the board of supervisors so proposes; or (6) any other circumstances as provided for in the articles of association.

The general meeting of shareholders shall be convened by the board of directors and presided over by the chairman. In accordance with the Company Law, when convening a general meeting of shareholders, a notice of the time, place and agenda of the meeting shall be made to shareholders 20 days before the meeting; in the case of convening an extraordinary general meeting, a notice shall be made to shareholders 15 days before the meeting.

Pursuant to the PRC Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, save that the Company's shares held by the company are not entitled to any voting rights.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the PRC Company Law, resolutions of the general meeting must be passed by more than half of the voting rights held by shareholders present at the meeting, with the exception of resolutions relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the articles of association, in each case of which must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company and such other matters must be approved by way of resolution of the general meeting, the board of directors shall convene a shareholders' general meeting promptly to vote on such matters. A shareholder may entrust a proxy to attend the general meeting on his/her behalf. The proxy shall present the shareholders' power of attorney to the company and exercise voting rights within the scope of authorization.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, matters such as the purchase or sale of material assets or guarantees in excess of thirty percent of a company's latest audited total assets within one year and share incentive schemes shall be approved by special resolutions of shareholders in general meetings. Where the PRC Company Law and the articles of association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company and such other matters must be approved by way of resolution of the general meeting, the board of directors shall summon a shareholders' general meeting on his/her behalf. The proxy shall present the shareholders' power of attorney to the company and exercise voting rights within the scope of authorization. Minutes shall be prepared in respect of matters considered at the general meeting and the chair person and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

BOARD OF DIRECTORS

A company shall have a board of directors, which shall consist at least 3 members. Members of the board of directors may include staff representatives, who shall be democratically elected by the company's staff at a staff representative assembly, general staff meeting or otherwise. The board of directors of a company which has 300 or more employees shall include representatives of the employees of the company, unless a board of supervisors has been established in accordance with the law and has representatives of the employees of the company. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly reelected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of director results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors may exercise its powers:

(1) to convene shareholders' general meetings and report on its work to the shareholders' general meetings;

(2) to implement the resolutions passed by the shareholders at the shareholders' general meetings;

(3) to decide on the company's operational plans and investment proposals;

(4) to formulate proposal for the company's annual financial budgets and final accounts;

(5) to formulate the company's profit distribution proposals and loss recovery proposals;

(6) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;

(7) to formulate proposals for the merger, division or dissolution of the company or change of corporate form;

(8) to decide on the setup of the company's internal management organs;

(9) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy general manager and financial officer of the company and to decide on their remunerations;

(10) to formulate the company's basic management system; and

(11) to exercise any other authority stipulated in the articles of association or authorized by the shareholders' general meetings.

Meetings of the board of directors shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on

his/her behalf by a written power of attorney specifying the scope of authorization. Meanwhile, the board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Under the PRC Company Law, the following person may not serve as a director in a company: (1) a person who is unable or has limited ability to undertake any civil liabilities; (2) a person who has been convicted of an offense of corruption, bribery, embezzlement, misappropriation of property or destruction of the socialist economic order, or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence or two years have not elapsed since the expiration of the probation period for suspended sentence; (3) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (4) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; and (5) a person who is listed as a dishonest party subject to the liability for a relatively large amount of debts that are overdue.

Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

In addition, pursuant to the Guidelines for the Articles of Association of Listed Companies, where a director of a company is a natural person who has been subject to a securities market entry prohibition measure imposed by the CSRC, he/she shall not be able to act as a company director until the period of such measure has expired.

Under the PRC Company Law, the board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing, or is not performing

his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

SUPERVISORY BOARD

A company shall have a supervisory board composed of not less than three members. The supervisory board shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The supervisory board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory board shall be elected by more than half of all the supervisors. Directors and senior management members shall not act concurrently as supervisors.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

The supervisory board may exercise its powers:

(1) to review the company's financial position;

(2) to supervise the directors and senior management in their performance of their duties and to propose the relieve of directors and senior management who have violated laws, regulations, the articles of association or resolutions of the shareholders' general meetings;

(3) when the acts of a director or a senior management personnel are detrimental to the company's interests, to require the director and senior management to correct these acts;

(4) to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board fails to perform the duty of convening and presiding over shareholders' general meetings under the PRC Company Law;

(5) to submit proposals to the shareholders' general meetings;

(6) to bring actions against directors and senior management personnel pursuant to the relevant provisions of the PRC Company Law; and

(7) to exercise any other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board. The supervisory board may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

The chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the chairman of the supervisory board is incapable of performing, or is not performing his/her duties, the vice chairman of the supervisory board shall convene and preside over supervisory board meetings. Where the vice chairman of the supervisory board is incapable of performing, or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over supervisory board meetings.

MANAGER AND SENIOR MANAGEMENT

Under the relevant requirements of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. Meanwhile, under the relevant requirements of the Guidelines for the Articles of Association of Listed Companies, the manager, who reports to the board of directors, may exercise his/her powers:

(1) to manage the production and operation and administration of the company and arrange for the implementation of the resolutions of the board of directors;

(2) to arrange for the implementation of the company's annual operation plans and investment proposals;

(3) to formulate proposals for the establishment of the company's internal management organs;

(4) to formulate the fundamental management system of the company;

(5) to formulate the company's specific rules and regulations;

(6) to recommend the appointment or dismissal of any deputy manager and any financial officer of the company;

(7) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the board of directors); and

(8) to exercise any other authority granted by the board of directors.

Other provisions in the articles of association on the manager's powers shall also be complied with. The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

According to the PRC Company Law, senior management refers to manager, deputy manager, financial officer, secretary to the board of a listed company and other personnel as stipulated in the articles of association.

DUTIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors, supervisors and senior management are required under the PRC Company Law to comply with the relevant laws, administrative regulations and the articles of association, and shall be obliged to be faithful and diligent towards the Company.

Directors, supervisors and management personnel are prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's property.

Furthermore, directors and senior management are prohibited from:

(1) embezzling company property and misappropriating company funds;

(2) depositing company funds into accounts under their own names or the names of other individuals;

(3) loaning company funds to others or providing guarantees in favor of others supported by company's property in violation of the articles of association or without approval of the general meeting or the board of directors;

(4) using their position to accept bribe or other illegal income;

(5) using their position to procure business opportunities for themselves or others that should have otherwise been available to the company or operating businesses similar to that of the company for their own benefits or on behalf of others without approval of the general meeting;

(6) accepting for their own benefit commissions from a third party for transactions conducted with the company;

(7) unauthorized divulgence of confidential information of the company;

(8) other acts in violation of their duty of loyalty to the company; and

(9) conduct the same kind of business as the company on his own or for the another person, without reporting to the board of directors or the general meeting of shareholders, without approval by resolution of the board of directors or general meeting of shareholders according to the company's articles of association.

Income generated by directors or senior management in violation of aforementioned shall be returned to the company.

A director, supervisor or senior management who contravenes law, administrative regulation or the articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. Directors and senior management shall furnish all true information and data to the supervisory board, without impeding the discharge of duties by the supervisory board or supervisors.

Where a director or senior management contravenes laws, administrative regulations or the articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company's shares consecutively for more than 180 days may request in writing that the supervisory board institute litigation at the people's court. Where the supervisory violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institute litigation at the people's court on its behalf. If the supervisory board or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at the people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at the people's court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at the people's court.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, senior management personnel of a company shall faithfully perform their duties and safe guard the best interests of the company and all its shareholders. Senior management of a company shall be liable for compensation in accordance with the law if they fail to faithfully perform their duties or breach their duty of good faith and cause damage to the interests of the company and holders of public shares.

FINANCE AND ACCOUNTING AFFAIRS

Under the PRC Company Law, A company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments under the State Council. At the end of each accounting year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with laws. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial departments under the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached more than 50% of the PRC company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make good the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After the company has made good its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Profits distributed to shareholders by a resolution of a shareholders' general meeting or the board of directors before losses have been made good and allocations have been made to the statutory common reserve fund in violation of the requirements described above must be returned to the company. The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

The premium over the nominal value per share of the company on issue and other income as required by relevant governmental department to be treated as the capital reserve fund shall be accounted for as the capital reserve fund. The common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. When the company's losses are covered with common reserve fund, the discretionary common reserve fund and the statutory common reserve fund shall be used firstly, if they are insufficient, the capital common reserve fund may be used according to the applicable laws. Upon the transfer of the statutory common reserve fund into capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such transfer.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

APPOINTMENT AND DISMISSAL OF AUDITORS

Pursuant to the PRC Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a shareholders' general meeting or the board of directors in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting or the board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

Pursuant to the Guidelines for the Articles of Association of Listed Companies, the company engages an accounting firm that complies with the provisions of the Securities Law to carryout audit of accounting statements, verification of net assets and other related advisory services for a period of one year, which is renewable.

PROFIT DISTRIBUTION

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is provided.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to PRC Company Law, the resolution of a shareholders' general meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the articles of association approved by the resolution of the general meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations hall be handled according to law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

DISSOLUTION AND LIQUIDATION

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

(1) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;

(2) the shareholders have resolved at a shareholders' general meeting to dissolve the company;

(3) the company shall be dissolved by reason of its merger or division;

(4) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

(5) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests.

In the event of paragraph (1) above, the company may carry on its existence by amending its articles of association. The amendments to the articles of association in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (1), (2), (4) or (5) above, it should establish a liquidation committee within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors or any other person determined by a shareholders' general meeting. If a liquidation committee is not established within the stipulated period, the interest parties can apply to the people's court for setting up a liquidation committee with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The sort out committee may exercise following powers during the liquidation:

(1) to sort out the company's assets and to prepare a balance sheet and an inventory of assets;

(2) to notify the company's creditors or publish announcements;

(3) to deal with any outstanding business related to the liquidation;

(4) to pay any overdue tax together with any tax arising during the liquidation process;

(5) to settle the company's claims and liabilities;

(6) to distribute the company's remaining assets after its debts have been paid off; and

(7) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of the notification or within 45 days of the date of the announcement if he has not received any notification.

A creditor shall report all matters relevant to his claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company's property and preparation of the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy and liquidation in accordance with the laws. Following such declaration by the people's court, the liquidation committee shall hand over the administration of the liquidation to the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the people's court for verification, and to the company registration authority for the cancellation of company. Members of liquidation group shall perform the duty of liquidation and fulfill the obligations of fidelity and diligence. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation group shall be liable for compensation for losses caused to the company by his slackness in performing the duty of liquidation, or to creditors with intent or by gross negligence.

OVERSEAS LISTING

According to the Trial Measures, overseas listing of a company shall be filed with CSRC. Where an issuer conducts an overseas initial public offering or listing, it shall file with CSRC within 3 working days after submitting the issuance and listing application documents overseas. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic enterprises shall comply with national regulations on cross-border.

LOSS OF SHARE CERTIFICATES

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

MERGER AND DIVISION

Under the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in Newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days from the date of the notification, or within 45 days from the date of the announcement if he has not received such notification, request the company to settle any outstanding debts or provide corresponding guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company. Where a company merges with a company of which it holds 90% or more of shares, the acquired company is not required to obtain approval by resolution of its shareholders' meeting, but shall notify the other shareholders, who have the right to request the company to buy its equities or shares at a reasonable price. If the price paid for a company's merger does not exceed 10% of the company's net assets, approval by resolution of its general meeting of shareholders is not required, unless otherwise required by the company's articles of association. Where a company's merger is exempt from approval by resolution of the general meeting of shareholders in accordance with the above circumstances, it shall be subject to approval by resolution of the board of directors.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers within 30 days. Unless an agreement in writing is reached with creditors before the company's division in respect of the settlement of debts, the liabilities of the company which have accrued prior to the division shall be jointly borne by the divided companies.

Changes in the registration as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

THE PRC SECURITIES LAWS, REGULATIONS AND REGULATORY REGIMES

The PRC has promulgated a series of regulations that relate to the issue and trading of the Shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering CSRC. CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the Securities Committee and CSRC and reformed CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) govern the application and approval procedures for public offerings of shares, issuing of and trading of shares, the acquisition of listed companies, deposit, clearing and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On December 25, 1995, the State Council promulgated the Special Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的特別規定》). These regulations principally govern the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The PRC Securities Law (《中華人民共和國證券法》) (the "**Securities Law**") took effect on July 1, 1999 and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest Securities Law was implemented on March 1, 2020. It was the first national securities law in the PRC, and is divided into 14 chapters and 226 articles comprehensively regulating activities in the PRC securities market, including the issue and trading of securities, takeovers by listed companies and the duties and responsibilities of the securities exchanges, securities companies, securities clearing institutions and securities regulatory authorities.

Article 224 of the PRC Securities Law provides that domestic enterprises shall satisfy the relevant requirements of the State Council when it issues shares or lists shares outside the PRC directly or indirectly. Currently, the issue and trading of foreign issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

"FULL CIRCULATION" OF H SHARES

The Guidelines for the Application for "Full Circulation" of Domestic Unlisted Shares of H Share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) issued by the CSRC and came into effect on November 14, 2019 regulates the list and circulation (hereinafter referred to as "**Full Circulation**") of listed domestic shares of domestic stock companies (hereinafter referred to as "H share companies") listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders prior to overseas listing, listed domestic shares issued in China upon overseas listing and listed shares held by overseas shareholders). The application for "full circulation" by H share companies shall be submitted to the CSRC for approval pursuant to the administrative approval procedures for "overseas public share offering and listing (including additional issuance) of joint stock limited companies". When applying for overseas refinancing, H share companies may separately or concurrently apply for "full circulation". A domestic joint stock limited company whose shares are unlisted may simultaneously make an application for "full circulation" at the time of applying for an overseas IPO listing.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (2017 Amendment) (《中華人民共和國仲裁法(2017修正)》) (the "**PRC Arbitration Law**") was enacted by the Standing Committee of the NPC on August 31, 1994, which became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. It is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration provisions in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the involved parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement has lapsed.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If one party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. However, the people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement or outside the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitration organ of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the relevant matters for recognition and enforcement of the award.

Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") passed on June 10, 1958 pursuant to a resolution passed by the Standing Committee of the NPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the Standing Committee of the NPC declared that (1) the PRC will only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (2) the New York Convention will only apply to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An arrangement for mutual enforcement of arbitral awards between Hong Kong and the Supreme People's Court of China was reached. The Supreme People's Court of China adopted the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region on June 18, 1999, which went into effect on February 1, 2000, which was amended by the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region implemented in November 27, 2020 and the Supplemental Arrangement of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) implemented in May 19, 2021. The arrangements reflects the spirit of the New York Convention. Under the arrangements, the awards by the Mainland arbitral bodies recognized by Hong Kong may be enforced in Hong Kong and the awards by the Hong Kong arbitral bodies may also be enforced in the Mainland China. If the Mainland court finds that the enforcement of awards made by the Hong Kong arbitral bodies in the Mainland will be against public interests of the Mainland, the awards may not be enforced.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of China and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

"Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of China or the court of the Hong Kong Special Administrative Region in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meet certain conditions of the aforementioned regulations.

SHANGHAI-HONG KONG STOCK CONNECT

On April 10, 2014, CSRC and Hong Kong Securities and Futures Commission (hereinafter referred to as "**HKSFC**") issued the Joint Announcement of China Securities Regulatory Commission and Hong Kong Securities and Futures Commission – Principles that Should be Followed when the Pilot Program that Links the Stock Markets in Shanghai and Hong Kong is Expected to be Implemented and approved in principle the launch of the pilot program that links the stock markets in Shanghai and Hong Kong (hereinafter referred to as "**Shanghai-Hong Kong Stock Connect**") by the Shanghai Stock Exchange (hereinafter referred to as "**SSE**"), the Stock Exchange, China Securities Depository and Clearing Corporation Limited (hereinafter referred to as "**CSDCC**") and HKSCC. Shanghai-Hong Kong Stock Connect comprises the two portions of Northbound Trading Link and Southbound Trading Link. Southbound Trading Link refers to the entrustment of China securities houses by China investors to trade stocks listed on the Stock Exchange within a stipulated range via filing by the securities trading service company established by the SSE with the Stock Exchange. During the initial period of the pilot program, the stocks of Southbound Trading Link consist of constituent stocks of the Stock Exchange Hang Seng Composite Large Cap Index and the Hang Seng Composite MidCap Index as well as stocks of A+H stock companies concurrently listed on the Stock Exchange and the SSE. The total limit of Southbound Trading Link is RMB250 billion and the daily limit is RMB10.5 billion. During the initial period of the pilot program, it is required by HKSFC that China investors participating in Southbound Trading Link are only limited to institutional investors and individual investors with a securities account and capital account balance of not less than RMB500,000.

On November 10, 2014, CSRC and HKSFC issued a Joint Announcement, approving the official launch of Shanghai-Hong Kong Stock Connect by SSE, the Stock Exchange, CSDCC and HKSCC. Pursuant to the Joint Announcement, trading of stocks under Shanghai-Hong Kong Stock Connect will commence on November 17, 2014.

On September 30, 2016, CSRC issued the Filing Provision on the Placement of Shares by Hong Kong Listed Companies with Domestic Original Shareholders under Southbound Trading Link which came into effect on the same day. The act of the placement of shares by Hong Kong listed companies with domestic original shareholders under Southbound Trading Link shall be filed with CSRC. Hong Kong listed companies shall file the application materials and approved documents with CSRC after obtaining approval from the Stock Exchange for their share placement applications. CSRC will carry out supervision based on the approved opinion and conclusion of the Hong Kong side.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND PRC COMPANY LAW

The Hong Kong laws applicable to a company incorporated in Hong Kong are the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance and are supplemented by common law and the rules of equity that are applicable to Hong Kong. As a joint stock limited company established in the PRC that is seeking a listing of shares on the Hong Kong Stock Exchange, the Company is governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong Company Law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated under the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Incorporation of Corporate

Under Hong Kong company law, a company with share capital, shall be incorporated by the Registrar of Companies in Hong Kong and the company will acquire an independent corporate existence upon its incorporation. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain provisions that restrict a member's right to transfer shares. A public company's articles of association do not contain such provisions.

Under the PRC Company Law, a joint stock limited company may be incorporated by promotion or subscription. The amended PRC Company Law which came into effect on July 1, 2024 has no provision on the minimum registered capital of joint stock companies, except that laws, administrative regulations and State Council decisions have separate provisions on paid-in registered capital and the minimum registered capital of joint stock, in which case the company should follow such provisions.

Share Capital

The Hong Kong company law does not provide for authorised share capital. The share capital of a Hong Kong company would be its issued share capital. The full proceeds of a share issue will be credited to share capital and becomes a company's share capital. The directors of a Hong Kong company may, with the prior approval of the shareholders if required, issue new shares of the company. The Company Law does not provide for authorised share capital, either. Our registered capital is the amount of our issued share capital. Any increase in our registered capital must be approved by our shareholders' general meeting and file with the relevant PRC governmental and regulatory authorities.

Under the Company Law, the shares may be subscribed for in the form of money or non-monetary assets (other than assets not entitled to be used as capital contributions under relevant laws and administrative regulations). For non-monetary assets to be used as capital contributions, appraisals and verification must be carried out to ensure no overvaluation or undervaluation of the assets. There is no such restriction on a Hong Kong company under Hong Kong Law.

Restrictions on Shareholding and Transfer of Shares

Generally, overseas listed shares, which are denominated in RMB and subscribed for in a currency other than RMB, may only be subscribed for, and traded by, investors from Hong Kong, Macau and Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors as allowed under Tentative Regulatory Measures for Qualified Domestic Institutional Investors Investing in Overseas Securities (《合格境內機構投資者境外證券投資管理試行辦法》). If the H shares are eligible securities under the Southbound Trading Link, they are also subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Under the PRC Company Law, shares in issue prior to our public offering cannot be transferred within one year from the listing date of the shares on a stock exchange. Shares in a joint stock limited liability company held by its directors, supervisors and managers and transferred each year during their term of office shall not exceed 25% of the total shares they held in the company, and the shares they held in the company cannot be transferred within one year from the listing date of the shares, and cannot be transferred within half a year after the said personnel has left office. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and officers. There are no such restrictions on shareholdings and transfers of shares under Hong Kong law apart from the six-month lockup on the company's issue of shares and the 12-month lockup on controlling shareholders' disposal of shares, as illustrated by the undertakings given by our Company and our controlling shareholder to the Stock Exchange.

Financial Assistance for Acquisition of Shares

The PRC Company Law does not prohibit or restrict a joint stock limited company or its subsidiaries from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares. However, the Guidelines for the Articles of Association of Listed Companies stipulate that a company or a subsidiary of a company (including an affiliated enterprise of a company) shall not provide any financial assistance in the form of a gift, advance, guarantee, compensation or loan to a person who purchases or proposes to purchase shares in the company.

Variation of Class Rights

The PRC Company Law has no special provision relating to variation of class rights. However, the PRC Company Law states that the State Council can promulgate separate regulations relating to other kinds of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the approval of a special resolution of the holders of the relevant class at a separate meeting, (ii) with the consent in writing of the holders representing at least 75% of the total voting rights of holders of the relevant class of shares, or (iii) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Directors

The PRC Company Law, unlike Hong Kong Company Law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

Supervisory Board

Under the PRC Company Law, a joint stock limited company's directors and managers are subject to the supervision of a supervisors committee. There is no mandatory requirement for the establishment of a board of supervisors for a company incorporated in Hong Kong. The Guidelines for Articles of Association of Listed Companies stipulate that supervisors shall comply with laws, administrative regulations and the Articles of Association, and shall bear the obligations of loyalty and diligence to the Company. They shall not take any bribe or other illegal gains by taking advantage of their authority, nor shall they misappropriate company property.

Derivative Action by Minority Shareholders

According to Hong Kong law, as permitted by court, shareholders may initiate a derivative action on behalf of the company against directors who have any misconduct to the company if the directors control a majority of votes at a general meeting, thereby effectively preventing a company from suing the directors in breach of their duties in its own name.

The PRC Company Law provides shareholders of a joint stock limited company with the right so that in the event where the directors and senior management violate their obligations and cause damages to a company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory board to initiate proceedings in the people's court. In the event that the supervisory board violates their obligations and cause damages to company, the above said

shareholders may send written request to the board of directors to initiate proceedings in the people's court. Upon receipt of aforesaid written request from the shareholders, if the supervisory board or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days from the date of receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

The Guidelines for the Articles of Association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

Protection of Minority Shareholders

Under Hong Kong law, a shareholder who complains that the business of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his interests may petition to the Court to make an appropriate order to give relief to the unfairly prejudicial conduct. Alternatively, pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a shareholder may seek to wind up the company on the just and equitable ground. In addition, on the application of a specified number of members, the Financial Secretary may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated or registered in Hong Kong.

According to the PRC Company Law, in the event that the company encounters substantial difficulties in its operation and management and its continuance shall cause a significant loss to the interest of its shareholders, and where this cannot be resolved through other means, the shareholders who hold more than 10% of the total shareholders' voting rights of the company solely or jointly may present a petition to the People's Court for the dissolution of the company. The Guidelines for the Articles of Association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

Notice of Shareholders' General Meetings

Under the PRC Company Law, notice of a shareholders' annual general meeting and an extraordinary shareholders meeting must be given to shareholders at least 20 days and 15 days before the meeting, respectively.

For a company incorporated in Hong Kong, the minimum period of notice is 14 days in the case of an annual general meeting. Further, where a meeting involves consideration of a resolution requiring special notice, the company must also give its shareholders notice of the resolution at least 14 days before the meeting. The notice period for the annual shareholders' general meeting is 21 days.

Quorum for Shareholders' General Meetings

The PRC Company Law does not specify the quorum for a shareholders' general meeting. Under the Companies Ordinance, the quorum for a general meeting must be at least two members unless the articles of association of the company otherwise provided. For companies with only one shareholder, the quorum must be one shareholder.

Voting at Shareholders' Meeting

Under the Companies Ordinance, an ordinary resolution is passed by a simple majority of affirmative votes cast by shareholders present in person, or by proxy, at a general meeting, and a special resolution is passed by not less than three-fourths of affirmative votes casted by shareholders present in person, or by proxy, at a general meeting.

Under the PRC Company Law, the passing of any resolution requires more than one-half of the affirmative votes held by our shareholders present at a shareholders' meeting except in cases such as proposed amendments to our articles of association, increase or decrease of registered capital, merger, division, dissolution or transformation, which require two-thirds of the affirmative votes cast by shareholders present at a shareholders' general meeting.

Financial Disclosure

Under the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders' annual general meeting. In addition, a joint stock limited company of which the shares are publicly issued must publish its financial report. The Companies Ordinance requires a company incorporated in Hong Kong to send to every shareholder a copy of its financial statements, auditors' report and directors' report, which are to be presented before the company's annual general meeting, not less than 21 days before such meeting. A joint stock limited company is required under the PRC law to prepare its financial statements in accordance with the PRC GAAP.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect the company's articles of association, minutes of the shareholders' general meetings, share register, counterfoil of company debentures, resolutions of board meetings, resolutions of the board of supervisors and financial and accounting reports, which is similar to the shareholders' rights of Hong Kong companies under Hong Kong law.

Receiving Agent

Under the PRC Company Law and Hong Kong law, dividends once declared are debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC laws this limitation period is three years.

Corporate Reorganization

Corporate reorganization involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company in the course of voluntary winding up to another company pursuant to Section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its shareholders under Section 237 and Division 2 of Part 13 of the Companies Ordinance, which requires the sanction of the court.

Under PRC law, merger, division, dissolution or change the form of a joint stock limited company has to be approved by shareholders in general meeting.

Dispute Arbitration

In Hong Kong, disputes between shareholders on the one hand, and a company incorporated in Hong Kong or its directors on the other hand, may be resolved through legal proceedings in the courts.

Statutory Reserve Fund Withdrawal

Under the PRC Company Law, when a joint stock limited company allocating the after-tax profits of the current year, the Company shall allocate (10) ten percent of its profit to the statutory common reserve fund and the Company may stop allocating if the aggregate amount of the statutory common reserve fund has already accounted for over 50 percent of the company's registered capital. There are no corresponding provisions under Hong Kong law.

Remedies of the Company

Under the PRC Company Law, if a director, supervisor or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or senior management should be responsible to the company for such damages.

Dividends

The company has the power in certain circumstances to withhold, and pay to the relevant tax authorities, any tax payable under PRC law on any dividends or other distributions payable to a shareholder. Under Hong Kong law, the limitation period for an action to recover a debt (including the recovery of dividends) is six years, whereas under PRC laws, the relevant limitation period is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Fiduciary Duties

In Hong Kong, directors owe fiduciary duties to the company, including the duty not to act in conflict with the company's interests. Furthermore, the Companies Ordinance has codified the directors' statutory duty of care. Under the PRC Company Law, directors, supervisors and senior management should be loyal and diligent.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days under certain circumstances) in a year, whereas, as required by the PRC law, share transfers shall not be registered within 30 days before the date of a shareholders' general meeting or within five days before the base date set for the purpose of distribution of dividends.

The Articles of Association, which is adopted by the shareholders in the general meeting held on January 24, 2024, will become effective on the date that the overseas-listed foreign shares of the Company are listed on the Stock Exchange and replace the Articles of Association at the original registration in Administration for Market Regulation.

DIRECTORS AND OTHER SENIOR MANAGEMENT

Power to allot and issue Shares

There is no provision in the Articles of Association empowering the directors to allot and issue shares.

To increase the registered capital of the Company, the proposal must be submitted for approval by a special resolution at a general meeting.

APPOINTMENT, REMOVAL AND RETIREMENT

A person may not serve as a director, and supervisor, of the Company if any of the following circumstances apply:

(a) a person without legal or with restricted legal capacity;

(b) a person who has been found guilty of sentenced for corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order where less than a term of 5 years have elapsed since the sentence was served; or a person who has been deprived of his political rights where less than 5 years have elapsed since the sentence was served; or a person who has been sentenced to probation where less than 2 years have elapsed since the date of the completion of the probation period;

(c) a person who is a former director, factory manager or general manager of a company or enterprise which has been entered into insolvent liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(d) a person who is a former legal representative of a company or enterprise which had its business licence revoked or the company was ordered to close due to a violation of the law and who incurred personal liability, where less than 3 years has elapsed since the date of the revocation of the business licence;

(e) a person who is listed as a defaulter by a people's court since they/he/she has a relatively large amount of debts due and outstanding;

(f) a person who is currently under investigation by judicial organs for violation of criminal law;

(g) a person other than a natural person;

(h) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years have elapsed since the date of such conviction;

(i) a person who is subject to a securities market entry ban by CSRC for an unexpired period;

(j) other circumstances as required under laws, administrative regulations, departmental rules, regulatory documents, regulations of relevant regulatory authorities.

If a director is elected or appointed in violation of the provisions of this Article, such election, appointment or employment shall be null and void. The Company shall dismiss a director from office if the circumstances of this Article arise during his or her term of office.

CREDIT POWERS

The Articles of Association do not specifically provide for the manner in which borrowing powers may be exercised nor do they contain any specific provision in respect of the manner in which such borrowing powers may be amended, except for:

provisions which the Board of Directors shall formulate proposals for the increase or reduction of the registered capital of the Company, the issue of bonds or other securities and the listing of the Company;

AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Under any one of the following circumstances, the Company shall amend its Articles of Association:

(a) after amendment has been made to the Company Law or relevant laws or administrative regulations and the securities regulatory rules in the place where the Company's Shares are listed, the contents of the Articles of Association shall conflict with the amended laws or administrative regulations;

(b) the changes that the Company have undergone are inconsistent with the records made in the Articles of Association;

(c) the general meeting decides that the Articles of Association should be amended.

Amendments to the Articles of Association passed by resolutions at the general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval; where the amendments involve the registered particulars of the Company, procedures for change of registration shall be handled in accordance with the law.

RESOLUTIONS-MAJORITY REQUIRED

Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed by more than one half of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of a general meeting shall be passed by two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

VOTING RIGHTS

A shareholder (including his/her proxy) shall exercise his/her voting rights based on the number of shares held. Each share shall have one vote. No voting rights shall attach to the shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a general meeting.

If the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed stipulate that any shareholder shall waive his/her voting right on a certain resolution or limit any shareholder to cast affirmative or negative vote on certain matter, and in case of any violation of such relevant stipulation or limitations, votes casted by such shareholders or proxies thereof shall not be adopted.

REQUIREMENT FOR GENERAL MEETINGS

General meetings shall be divided into annual general meetings and extraordinary general meetings. Annual general meetings are held once every year and within 6 months from the end of the preceding accounting year.

The Board shall convene an extraordinary general meeting within two months after the occurrence of any one of the following circumstances:

(a) where the number of directors falls short of the minimum number required by the Company Law or is no more than two-thirds of the number required by the Articles of Association;

(b) where the unrecovered losses of the Company amount to one-third of its total paid up share capital;

(c) where shareholder(s), individually or jointly, holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting (the number of shares held shall be calculated as at the date when the shareholder(s) provide(s) the written request);

(d) where the Board considers it necessary;

(e) where the board of supervisors proposes to call for such a meeting;

(f) other circumstances stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed or the Articles of Association.

The venue of a general meetings of the Company shall be the place where the Company is located or the place specified in the notice of the general meeting.

ACCOUNTS AND AUDIT

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the requirement of relevant regulatory departments of the PRC. Any other requirements as required by the securities regulatory authority at the place where the shares of the Company are listed shall prevail.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international amounting standards, or that of the overseas listing place. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

The Company shall produce a financial report at the end of each financial year, which shall be subject to review and validation in accordance with the law.

Any interim results or financial information published or disclosed by the Company must be prepared and presented in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas listing place.

The Company's financial reports shall be made available for shareholders' inspection at the Company at least 21 days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this section.

NOTICE OF MEETING AND MATTERS TO BE CONSIDERED

The general meeting is the organ of authority of the Company, which exercises its functions and powers in accordance with laws:

(a) to elect and replace the directors and supervisors, and to decide on matters relevant to remuneration of directors and supervisors;

(b) to consider and approve reports of the Board;

(c) to consider and approve reports of the board of supervisors;

(d) to consider and approve the profit distribution plan and loss recovery plan of the Company;

(e) to determine the increases or decrease of the registered capital of the Company;

(f) to determine the issuance of corporate bonds by the Company;

(g) to determine matters such as the merger, division, dissolution, liquidation or change;

(h) to amend the Articles of Association;

(i) to determine the appointment of, removal of an accounting firm and the determination of its remunerations by the Company;

(j) to consider and approve the provision of guarantees to third parties that shall be approved at a general meeting required by the Articles of Association;

(k) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;

(l) to consider and approval of change of use of proceeds;

(m) to consider and approval of share incentive scheme and employee share ownership Scheme;

(n) to review other matters which, in accordance with laws, administrative regulations, departmental rules, the listing rules of the places where the shares of the Company are listed, or the provisions of the Articles of Association, shall be approved at a general meeting.

The general meeting can authorize or entrust the Board to handle the matters authorized or entrusted thereby, provided that the laws and regulations, and the mandatory laws and regulations of place where the shares of the Company are listed are not violated.

The following matters shall be approved by ordinary resolution at a general meeting:

(a) work reports of the Board and the board of supervisors;

(b) profit distribution plan and loss recovery plan formulated by the Board;

(c) appointment and removal of members of the Board and the board of supervisors (removing a director whose term of office has not expired, but such removal shall not affect the director's claim for damages under any contract), their remuneration and method of payment;

(d) annual financial budgets and statements of final accounts of the Company;

(e) annual report of the Company;

(f) any matters not otherwise required by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association (unless matters required by the Articles of Association to be passed by special resolution).

The following matters shall be approved by special resolution at a general meeting:

(a) to increase or reduce the registered capital of the Company;

(b) to resolve on the division, merger, dissolution, liquidation or transformation of the Company;

(c) to make amendments to these Articles of Association;

(d) to consider purchase or sale of material assets by the Company within one year, or a guarantee amount exceeding 30% of the total assets in the most recent audit period of the Company;

(e) to formulate, revise and implement a share incentive scheme;

(f) other matters as stipulated by the laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or these Articles of Association, and matters deemed by the general meeting by ordinary resolution to have material effect on the Company and necessary for passing by special resolution.

Where the Company convenes an annual general meeting, a written notice shall be issued at least 21 days (excluding the date of meeting) prior to the annual general meeting and at least 15 days (excluding the date of meeting) prior to the extraordinary general meeting (unless the

Company can demonstrate that reasonable written notice can be issued within a shorter period of time). If there are other provisions in the laws, regulations and by the securities regulatory authorities of the place where the shares of the Company are listed, such provisions shall prevail.

The notice of the general meeting shall be given in writing and contain the following:

(a) the date, venue and duration of the meeting;

(b) matters and proposals submitted for consideration at the meeting;

(c) an obvious statement that all shareholders are entitled to attend the general meeting in person, or appoint in writing one or more proxies to attend and vote on his or her behalf and that such proxies need not be shareholders of the Company; such shareholder shall be deemed to be present in person at any meeting if a proxy so authorized is present thereat;

(d) share registration date for shareholders entitled to attend the general meeting;

(e) name and telephone number of the permanent contact person;

(f) time and procedure for voting by internet or other means;

(g) other requirements stipulated by laws, administrative regulations, departmental rules and regulations, the rules of securities regulation where the Company's shares are listed and this Prospectus.

The notice and supplementary notice of a general meeting shall adequately and completely disclose the specific contents of all proposals.

After the notice of a general meeting is issued, the general meeting shall not be postponed or cancelled without justifiable reasons, and the proposals specified in the notice of the general meeting shall not be cancelled. In the event of an adjournment or cancellation, the Company or the convener shall announce and explain the reasons in accordance with the laws and regulations and the rules governing the securities of the place where the Company's shares are listed. If the convention of the shareholders' general meeting is postponed, the date for the postponed meeting shall be announced in the notice.

TRANSFER OF SHARES

Unless otherwise specified in the laws and administrative and by the securities regulatory authorities in the place where the shares of the Company, the paid up shares of the Company can be freely transferred in accordance with laws. The shares issued before the Company publicly issues any shares shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange.

The directors, supervisors and senior management of the Company shall declare to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares held by them in the Company each year during their term of office; their shares in the Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The shares of the Company held by the above-mentioned persons shall not be transferred within six months after their departure from office.

The Company shall not accept its own shares as pledge subject.

Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed on the Stock Exchange.

The directors, supervisors and senior executives shall report to the Company about their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Where the relevant regulations of the securities regulatory authorities of the place where the shares of the Company are listed provide otherwise in respect of any transfer of any overseas listed foreign shares, such regulations shall apply.

POWER FOR THE COMPANY TO REPURCHASE ITS OWN SHARES

The Company may, in the following circumstances, buy back its outstanding shares in accordance with the law, administrative regulations, department rules, listing rules of the place where the shares of the Company are listed and requirement of this Articles of Associations:

(a) When decreasing registered capital of the Company;

(b) When merging with other companies holding shares of the Company;

(c) When shares are being used in the employee stock ownership plan or as equity incentive;

(d) When shareholders objecting to resolutions of the general meeting concerning merger or division of the Company require the Company to buy their shares;

(e) When shares are being used to satisfy the conversion of corporate bonds convertible into shares issued by the Company;

(f) When safeguarding corporate value and shareholders' equity as the Company deems necessary;

(g) Other matters as stipulated by the laws, administrative regulations, listing rules of the place where the shares of the Company are listed.

Where the Company repurchases its shares in the circumstances set out in items (a) and (b) above, it shall be subject to approval at the general meeting; where the Company repurchases its shares in the circumstances set out in items (c), (e) and (f) above, it may be resolved by more than two-thirds of directors present at a meeting of the Board in accordance with the requirements as stated in these Articles of Association or the authorization of the general meeting.

The acquisition of the Company's shares by the Company may be carried out by means of public centralised trading, or other means approved by laws, administrative regulations and the CSRC.

In the event that the Company repurchases its shares in accordance with the above provisions, such repurchase shall be conducted through public centralised trading upon such repurchase in the circumstance set out in item (c), (e) and (f).

In the event that the Company repurchases its shares in accordance with the above provisions, such Shares shall be cancelled within 10 days upon such repurchase in the circumstance set out in item (a); shall be transferred or cancelled within 6 months in the circumstances set out in items (b) and (d); the aggregate number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years in the circumstances set out in items (c), (e) and (f).

Where the laws, regulations and any other provisions of the relevant requirements of the Securities Regulatory Authority in the place where the Company's shares are listed in respect of the share repurchases, such provisions shall prevail.

RIGHT OF THE COMPANY'S SUBSIDIARIES TO OWN SHARES IN THE COMPANY

There are no provisions in the Articles of Association restricting a subsidiary of the Company from owning any of the shares of the Company.

DIVIDENDS AND OTHER METHODS OF PROFIT DISTRIBUTION

The Company may distribute profits in the form of cash, shares or a combination of cash and shares, with cash dividends taking precedence over share dividends where the conditions for cash dividends are met.

The Company shall appoint one or more collection agents in Hong Kong to receive dividends declared by a PRC issuer in respect of its securities listed on the Stock Exchange and other moneys payable thereon and who shall hold such moneys in trust for the benefit of the holders of such securities pending payment to such holders.

SHAREHOLDERS' PROXY

Any shareholder who is entitled to attend the general meeting and vote thereat may attend the general meeting in person or appoint one proxy (who may not be a shareholder) to attend and vote on its behalf. A shareholder shall authorize his or her proxy in writing and the power of attorney shall be signed by the proxy or the agent authorized in writing by the proxy. Where the proxy is a corporate, the chop of the corporate should be affixed.

Minutes of the meeting shall be kept for a period of not less than 10 years together with the register of signatures of shareholders present on site and valid information on proxies, networks and other voting circumstances.

RIGHTS OF SHAREHOLDERS (INCLUDING INSPECTION OF REGISTER OF MEMBERS)

Ordinary shareholders of the Company shall enjoy the following rights:

(a) the rights to receive dividends and other forms of distribution in proportion to the number of shares held by them;

(b) the rights to request, convene, chair, attend or appoint proxy to attend general meetings and exercise corresponding voting rights in accordance with laws;

(c) the rights to supervise and manage the operation of the Company and to put forward proposals and raise inquiries;

(d) the rights to transfer, donate, or pledge shares held by them in accordance with laws, administrative regulations and the Articles of Association;

(e) inspection of articles of association, register of shareholders, minutes of shareholders' meetings, resolutions of board meetings, resolutions of supervisory board meetings, financial and accounting reports and to make proposals or enquiries on the Company's operations;

(f) the rights to participate in the distribution of remaining assets of the Company corresponding to the number of shares held in the event of the termination or liquidation of the Company;

(g) the rights to demand the Company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of the Company;

(h) other rights under the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

RIGHTS OF MINORITY SHAREHOLDERS

The controlling shareholder of the Company shall not use its affiliation to harm the interests of the Company. If they violate the regulations and cause losses to the Company, they shall be liable for compensation.

The controlling shareholder of the Company shall have a good faith obligation to the Company and the shareholders of the Company's public shares. The controlling shareholders shall exercise their rights as capital contributors in strict accordance with the law. The controlling shareholders shall not use profit distribution, asset restructuring, foreign investment, capital appropriation, loan guarantee, etc. to harm the legitimate rights and interests of the Company and the shareholders of public shares, and shall not use their control position to harm the interests of the Company and the shareholders of public shares.

The term "controlling shareholder" referred to a shareholder whose holding of ordinary shares represents more than fifty percent of the total share capital of the company; a shareholder who holds less than fifty percent of the shares but whose voting rights based on his or her shareholding are sufficient to exercise significant influence on the resolution of the general meeting.

PROCEDURES FOR LIQUIDATION

The Company shall be dissolved and liquidated upon the occurrence of the following events:

(a) the term of its operations set out in the Articles of Association has expired or occurrence of any other events causing dissolution stipulated in the Articles of Association;

(b) a resolution for dissolution is passed by shareholders at a general meeting;

(c) dissolution is necessary due to a merger or division of the Company;

(d) the Company's business license is revoked or the Company is ordered to close down or de-registered according to laws;

(e) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss to the interests of shareholders, and no solution can be found through any other channel, shareholders representing more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company.

In the event of the circumstance as set forth in item (a), item (b) or Article 185 and where the assets have not been allocated to the shareholders, the Company may continue to exist by amending the Articles of Association or resolution of Board meetings.

The amendment to the Articles of Association according to the preceding article shall be passed by 2/3 of the voting rights held by shareholders present at the general meeting.

In the case of dissolution of the Company under items (a), (b), (d) and (e) of the preceding article, a liquidation committee shall be formed to commence liquidation within 15 days from the date of occurrence of events giving rise to dissolution. The liquidation committee shall be consisted of the directors, except for otherwise provided in the Articles of Association or other members elected by resolutions of Board meetings. Where a liquidation committee is not established according to schedule, the interested parties may apply to the People's Court to designate the relevant personnel to establish a liquidation committee to proceed with the liquidation.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(a) to categorize the Company's assets and prepare a balance sheet and an inventory of assets respectively;

(b) to inform creditors by a notice or public announcement;

(c) to dispose of and liquidate any unfinished businesses of the Company;

(d) to pay all outstanding taxes and the taxes incurred from the process of liquidation;

(e) to settle claims and debts;

(f) to deal with the residual assets remaining after repayment by the Company of its debts;

(g) to represent the Company in any civil proceedings.

The liquidation committee shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement in designated newspapers or the National Enterprise Credit Information Publicity System in the manner required by the stock exchange where the Company's shares are listed. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation committee.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidentiary materials. The liquidation committee shall register the creditors' rights. The liquidation committee may not clear off any of the debts of any creditors during the period of filing creditors' rights.

After the liquidation committee has sorted the Company's assets and prepared a balance sheet and an inventory of assets, it shall prepare a liquidation plan and submit it to the general meeting or the People's Court for confirmation.

The remaining property of the Company's property after the payment of liquidation expenses, wages, social insurance costs and statutory compensation of employees, payment of taxes owed and settlement of the Company's debts, respectively, is distributed by the Company in accordance with the type and proportion of the shares held by the shareholders.

During the liquidation period, the Company survives, but cannot carry out business activities unrelated to the liquidation.

The property of the Company will not be distributed to the shareholders until it has been paid off in accordance with the preceding paragraph.

If the liquidation committee, having sorted the Company's assets and prepared the balance sheet and an inventory of assets, discovers that there are insufficient assets in the Company to pay off its debts, it shall apply to the People's Court immediately for a declaration of bankruptcy of the Company.

Upon the declaration of bankruptcy of the Company by the People's Court, the liquidation committee shall hand over the liquidation matters to the People's Court.

Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese registered accountant and submitted the same to the general meeting or the People's Court for confirmation. The liquidation committee shall, within 30 days from the date of said confirmation made by the general meeting or relevant competent authorities, submit the documents referred to in the preceding paragraph to the companies registration authority and apply for cancellation of registration of the Company .

OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR THE SHAREHOLDERS

General Provisions

The Company is a joint stock limited company with perpetual existence.

Pursuant to the Articles of Association, the shareholders may pursue actions against other shareholders, the shareholders may pursue actions against the directors, supervisors, general manager and other senior management members of the Company, the shareholders may pursue actions against the Company and the Company may pursue actions against its shareholders, directors, supervisors, general manager and other senior management.

After adoption by special resolution on the general meeting of the Company, the Articles of Association shall take effect and put into force from the date on which the H Shares issued by the Company are listed on the main board of the Stock Exchange. Since the effective date of the Articles of Association, the original Articles of Association of the Company shall be automatically invalidated.

Increase of capital

The Company may increase capital based on the needs of operation and development and in accordance with the requirements of laws and regulations and resolution on the general meeting, by way of the following:

(a) public offering of shares;

(b) non-public offering of shares;

(c) offer of new shares to existing shareholders;

(d) conversion of reserve into share capital;

(e) other means as stipulated by laws and administrative regulations and approved by the relevant regulatory authorities such as the securities regulatory authority under the State Council and the regulatory authority where the Company's shares are listed.

Deduction of capital

The Company may decrease its registered capital. The Company shall decrease its registered capital pursuant to the Company Law, other relevant regulations and the Articles of Association.

Rights and obligations of shareholders

Shareholders shall enjoy rights and have obligations in accordance with the class and amount of shares held by them. Shareholders holding the same class of shares shall be entitled to equal rights and have equal obligations.

Ordinary shareholders of the Company shall enjoy the following rights, please refer to the paragraph headed "Rights of Shareholders (Including Inspection of Register of members)" above.

Ordinary shareholders of the Company shall have the following obligations:

(a) to abide by laws, administrative regulations and the Articles of Association;

(b) to pay for the shares based on the shares subscribed for and the manners in which they became shareholder;

(c) not to withdraw their paid share capital except in circumstances allowed by laws and regulations;

(d) not to abuse shareholder's rights and harm the legal interest of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liability of the shareholders to impair the legal interests of creditors of the Company;

(e) other obligations imposed by laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Where the shareholder's abuse of its power causes damage to other shareholders, he shall be liable to compensation in accordance with the law; Where the shareholder has abused the Company's independent legal person status and shareholder's limited liability for debt evasion and caused serious damage to the creditor's interests, it shall bear joint liability for the debts of the Company.

General meeting

The general meeting is the organ of authority of the Company, which exercises its functions and powers in accordance with laws, please refer to the paragraph headed "Notice of meeting and matters to be considered" above. Where the Company convenes a general meeting, the Board, the board of supervisors and shareholders individually or jointly holding more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholder(s) individually or jointly holding more than 1% of the shares of the Company may submit written provisional proposals to the convener 10 days before the general meeting. The convener shall serve a supplemental notice of the general meeting within two days after receipt of the provisional proposals and notify the contents of the said provisional proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the general meeting or not complying with the Articles of Association shall not be voted on or resolved at the general meeting.

Board

The Board shall be responsible to the general meeting and shall exercise the following functions and powers in accordance with law:

(a) to convene general meetings and report to general meetings;

(b) to implement resolutions of general meetings;

(c) to resolve on the Company's business plans and investment plans;

(d) to prepare the annual financial budgets and final accounting plans of the Company;

(e) to prepare the profit distribution plan and loss makeup plan of the Company;

(f) to prepare the plan in respect of increase or reduction of registered capital, issue of bonds or other securities and the listing thereof;

(g) to formulate plans for material acquisitions and purchase of shares of the Company or formulate plans for merger, division, dissolution or transformation of the Company;

(h) to determine, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, external financing, etc.;

(i) to decide on the establishment of internal management organizations of the Company;

(j) to appoint or dismiss the general manager and secretary to the Board of the Company; to appoint or dismiss senior management officers including deputy general manager(s) and the chief finance officer of the Company in accordance with the nominations by general manager, and to determine their remunerations, rewards and penalties;

(k) to set up the basic management system of the Company;

(l) to formulate the proposals for any amendment to the Articles of Association;

(m) to manage the information disclosure of the Company;

(n) to propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;

(o) to listen to work reports of the general manager and review his/her work;

(p) to consider and approve transactions (including but not limited to discloseable transactions and connected transactions) that are required to be decided by the board of directors in accordance with the regulatory rules of the place where the Company's shares are listed;

(q) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the directors save for the issues specified in (f), (g) and (l), for which approval of more than two-thirds of the directors is required.

Board of Supervisors

The Board of Supervisors shall be responsible to the general meeting and shall exercise the following functions and powers in accordance with law:

(a) to review the periodic reports of the Company prepared by the Board and express its written opinion;

(b) to check the financial condition of the Company;

(c) to monitor the performance of duties in the Company by directors and senior management and propose dismissal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general meetings;

(d) to require directors and the senior management to make corrections if their conduct has damaged the interests of the Company;

(e) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings;

(f) to propose proposals to the general meetings;

(g) to institute proceedings against directors and officers in accordance with Article 198 of the Companies Act;

(h) to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;

(i) Other functions and powers specified in the Articles of Association.

FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of Our Company

Our Company was established as a limited liability company in the PRC on June 6, 2013 and was converted into a joint stock company with limited liability on September 11, 2020 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB538,000,000 divided into 538,000,000 Shares with a nominal value of RMB1.00 each.

Our Company has established a place of business in Hong Kong at 19/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong and has registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on August 18, 2023. Mr. POON Ping Yeung (潘秉揚), our joint company secretary, has been appointed as our authorized representative for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

2. Changes in Share Capital of Our Company

On June 6, 2013, our Company was established as a limited liability company with a registered capital of RMB1,000,000. On September 11, 2020, our Company was converted into a joint stock company with limited liability, and our registered capital was RMB14,473,895 divided into 14,473,895 Shares with a nominal value of RMB1.00 each. As of the date of this prospectus, our registered capital was RMB538,000,000 divided into 538,000,000 Shares with a nominal value of RMB1.00 each.

Upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), our issued share capital will increase to RMB560,416,600, made up of 363,186,467 Domestic Shares and 197,230,133 H Shares fully paid up or credited as fully paid up, representing approximately 64.81% and 35.19% of our issued share capital, respectively.

Save as disclosed in "History, Development and Corporate Structure" in this prospectus, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

Our subsidiaries as of the Latest Practicable Date are set out in the section headed "History, Development and Corporate Structure" in this prospectus.

Elixir Clinical Research, Inc.

On December 19, 2022, Elixir Clinical Research, Inc. was established under the Delaware General Corporation Law as a Delaware corporation with an issued share capital of US$10.

Elixir Clinical Research (Singapore) Pte. Ltd.

On January 3, 2023, Elixir Clinical Research (Singapore) Pte. Ltd. was established under the laws of Singapore as a private company limited by shares with an issued share capital of US$100,000.

Taimei Digital Technology

On May 17, 2024, the registered capital of Taimei Digital Technology decreased from RMB100,000,000 to RMB30,000,000.

Save as disclosed above, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this prospectus.

4. Resolutions of the Shareholders

Pursuant to a general meeting of our Company held on January 24, 2024, the following resolutions, among others, were passed by our Shareholders:

(a) the issue by our Company of H Shares of a nominal value of RMB1.00 each and that such H Shares be listed on the Hong Kong Stock Exchange;

(b) that the number of H Shares to be issued shall not be more than 17.90% of the total issued share capital of our Company as enlarged by the Global Offering (before the exercise of the Over-allotment Option), and the grant to the underwriters (or their representatives) of the Over-allotment Option of not more than 15% of the number of H Shares issued pursuant to the Global Offering;

(c) subject to the completion of the Global Offering, the adoption of the Articles of Association which shall become effective on the Listing Date, and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board to handle all relevant matters relating to, among other things, the issue and listing of the H Shares.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of Material Contract

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that is or may be material:

(a) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks, which we consider to be material to our business:

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
1.	Our Company	306314643	Hong Kong	Taimei 太美医疗科技	42	August 7, 2023 to August 6, 2033
2.	Our Company	53477714	PRC	TrialOS 药试圈	42	September 21, 2021 to September 20, 2031
3.	Our Company	53474471	PRC	TrialOS 药试圈	9	September 14, 2021 to September 13, 2031
4.	Our Company	53469773	PRC	TrialOS 药试圈	35	September 21, 2021 to September 20, 2031
5.	Our Company	51216996	PRC	Taimei 太美医疗科技	42	September 7, 2021 to September 6, 2031
6.	Our Company	40798973	PRC	GCP-X	9	April 28, 2020 to April 27, 2030
7.	Our Company	40785124	PRC	GCP-X	42	April 14, 2020 to April 13, 2030
8.	Our Company	39571963	PRC	eImage	42	May 21, 2020 to May 20, 2030

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
9.	Our Company	39562835	PRC	eImage	9	August 21, 2021 to August 20, 2031
10.	Our Company	38116408	PRC	eSAE	9	April 21, 2020 to April 20, 2030
11.	Our Company	38108186	PRC	eSAE	42	February 7, 2020 to February 6, 2030
12.	Our Company	38107568	PRC	eSAE	35	February 7, 2020 to February 6, 2030
13.	Our Company	37543877A	PRC	太美医疗	44	February 7, 2020 to February 6, 2030
14.	Our Company	36912210	PRC	TrialPartner	42	November 21, 2019 to November 20, 2029
15.	Our Company	36906724	PRC	TrialPartner	9	November 21, 2019 to November 20, 2029
16.	Our Company	31979581	PRC	太美医疗科技	35	December 28, 2019 to December 27, 2029
17.	Our Company	31976242A	PRC	太美医疗科技	9	March 28, 2020 to March 27, 2030
18.	Our Company	31972197	PRC	太美TAIMEI	42	February 7, 2021 to February 6, 2031
19.	Our Company	31953465	PRC	太美医疗科技	42	May 28, 2020 to May 27, 2030
20.	Our Company	31946403	PRC	太美TAIMEI	9	January 14, 2021 to January 13, 2031
21.	Our Company	31943395	PRC	eTrial	42	March 21, 2019 to March 20, 2029
22.	Our Company	31939838	PRC	eTrial	9	March 21, 2019 to March 20, 2029
23.	Our Company	31389458	PRC	TrialOS	9	March 14, 2019 to March 13, 2029
24.	Our Company	31371725	PRC	TrialOS	42	March 14, 2019 to March 13, 2029

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
25.	Our Company	30599316	PRC	太美医疗科技	42	February 14, 2019 to February 13, 2029
26.	Our Company	29412343	PRC	eCooperate	42	March 7, 2019 to March 6, 2029
27.	Our Company	29401501	PRC	eCooperate	9	March 7, 2019 to March 6, 2029
28.	Our Company	19798500	PRC	eCollege	42	June 21, 2017 to June 20, 2027
29.	Our Company	19382870	PRC	eArchives	42	April 28, 2017 to April 27, 2027
30.	Our Company	19382817	PRC	eArchives	9	April 28, 2017 to April 27, 2027
31.	Our Company	18676037	PRC	eBalance	42	January 28, 2017 to January 27, 2027
32.	Our Company	16987986	PRC	eCollect	42	July 21, 2016 to July 20, 2026
33.	Taimei Xinghuan	49084387	PRC	ONE SFE 销售效率一体化	9	April 28, 2021 to April 27, 2031
34.	Our Company	47699038	PRC	eImage	9	September 14, 2022 to September 13, 2032
35.	Our Company	56209672	PRC	eSMS	9	December 21, 2021 to December 20, 2031
36.	Our Company	56237043	PRC	eSMS	42	December 21, 2021 to December 20, 2031
37.	Our Company	61028217	PRC	TrialKey	9	July 21, 2022 to July 20, 2032
38.	Our Company	61028399	PRC	iDCT	9	July 14, 2022 to July 13, 2032
39.	Our Company	61028406	PRC	iDCT	42	July 14, 2022 to July 13, 2032

No.	Owner	Registration No.	Place of Registration	Trademark	Class	Validity Period
40.	Our Company	61087351	PRC	iRMS iTaimei 远程监查解决方案	9	August 28, 2022 to August 27, 2032
41.	Our Company	61093243	PRC	Paylight	9	August 28, 2022 to August 27, 2032
42.	Our Company	61102584	PRC	iRMS	9	August 21, 2022 to August 20, 2032

Patents

As of the Latest Practicable Date, we have registered the following patents, which we consider to be material to our business:

No.	Owner	Type	Patent	Patent No.	Application Date	Expiry Date	Place of Application
1.	Our Company	Invention	Medical image visual model training method and device, electronic equipment and storage medium	ZL202210707885.3	June 22, 2022	June 21, 2042	PRC
2.	Our Company	Invention	Knowledge graph construction method and device, electronic equipment and storage medium	ZL202210424985.5	April 22, 2022	April 21, 2042	PRC

No.	Owner	Type	Patent	Patent No.	Application Date	Expiry Date	Place of Application
3.	Our Company	Invention	Automatic CRF generation method and device, electronic equipment and storage medium	ZL202210413227.3	April 20, 2022	April 19, 2042	PRC
4.	Our Company	Invention	Recommendation scheme display and generation method and device, computer equipment and storage medium	ZL202210171514.8	February 24, 2022	February 23, 2042	PRC
5.	Our Company	Invention	Database operation method, system, device and computer readable medium	ZL202111559021.3	December 20, 2021	December 19, 2041	PRC
6.	Our Company	Invention	Interface display method and device of clinical test electronic data acquisition and management system	ZL202110822355.9	July 21, 2021	July 20, 2041	PRC
7.	Our Company	Invention	Data writing method, server and computer readable storage medium	ZL202110351972.5	March 31, 2021	March 30, 2041	PRC

No.	Owner	Type	Patent	Patent No.	Application Date	Expiry Date	Place of Application
8.	Our Company	Invention	Data processing method and device for database and computer readable medium	ZL202110336124.7	March 29, 2021	March 28, 2041	PRC
9.	Our Company	Invention	Data processing method and device for database and computer readable medium	ZL202110335013.4	March 29, 2021	March 28, 2041	PRC
10.	Our Company	Invention	User-defined layout online form page data storage method and device	ZL202010672159.3	July 14, 2020	July 13, 2040	PRC
11.	Our Company	Invention	Method and device for realizing Web end online form designer	ZL202010629437.7	July 3, 2020	July 2, 2040	PRC
12.	Our Company	Invention	Form page rendering method, device and system and readable medium	ZL202010562739.7	June 19, 2020	June 18, 2040	PRC
13.	Our Company	Invention	Logic check configuration method and logic check method for clinical test data acquisition	ZL202010527140.X	June 11, 2020	June 10, 2040	PRC

No.	Owner	Type	Patent	Patent No.	Application Date	Expiry Date	Place of Application
14.	Taimei Xingyun	Invention	Method for realizing conditional flow of process nodes through dynamic configuration rule device	ZL202010803395.4	August 11, 2020	August 10, 2040	PRC
15.	Taimei Xingcheng	Invention	Change contract generation method and device, computer equipment and storage medium	ZL202210171510.X	February 24, 2022	February 23, 2042	PRC
16.	Taimei Xingcheng	Invention	Medical image film reading system and interactive operation method thereof	ZL202110719052.4	June 28, 2021	June 27, 2041	PRC
17.	Taimei Xingcheng	Invention	Data acquisition and processing system and method for operating multi-version application thereof	ZL202110391843.9	April 13, 2021	April 12, 2041	PRC

Copyrights

As of the Latest Practicable Date, we have registered the following copyrights, which we consider to be material to our business:

No.	Registration No.	Copyright	Date of Publication	Expiry Date	Copyright Owner
1.	2022SR1526802	Integrated CRO Project Management System (eSitePro) V1.0	October 19, 2022	December 31, 2072	Our Company
2.	2022SR1238887	Investigational Drug Management System (IDS) V1.0	June 24, 2022	December 31, 2072	Our Company
3.	2022SR1579399	Electronic Data Capture System (eCollect 6) V6.0	June 1, 2022	December 31, 2072	Our Company
4.	2022SR0713157	Tamei Medical Electronic Outcome Assessment Software for Clinical Research (eCOA) V1.0	Unpublished (Development Completion Date: May 13, 2022)	May 12, 2072	Our Company
5.	2022SR0437749	Tamei Medical Phase I Trial Full-process Management System (eTrial Pro) V1.0	December 30, 2021	December 31, 2071	Our Company
6.	2022SR1579086	Taimei TrialOS Software V1.0	October 8, 2020	December 31, 2070	Our Company
7.	2021SR1351122	Taimei Medical Pharmacovigilance System (eSafety) V4.8.12	January 15, 2020	December 31, 2070	Our Company
8.	2021SR1351098	Taimei Training Management Software (eCollege) V5.0	November 30, 2020	December 31, 2070	Our Company
9.	2021SR1351096	Taimei Medical Clinical Research Collaboration Platform Software (CCP/eCooperate) V5.9	July 28, 2020	December 31, 2070	Our Company
10.	2021SR1350942	Clinical Research Site Management Systems (eSMS) V2.1.8	July 29, 2021	December 31, 2071	Our Company

No.	Registration No.	Copyright	Date of Publication	Expiry Date	Copyright Owner
11.	2021SR1340156	Taimei Medical Electronic Trial Master File Management System (eTMF) V2.25	December 31, 2020	December 31, 2070	Our Company
12.	2021SR1340155	Tamei Medical Randomization and Trial Supply Management (eBalance) V5.3.1	July 31, 2019	December 31, 2069	Our Company
13.	2021SR1338770	Clinical Research Business Distribution Management Systems (TrialPartner) V2.6	July 29, 2021	December 31, 2071	Our Company
14.	2021SR0779536	Taimei Medical Technology Remote Monitoring System V1.0	November 6, 2020	December 31, 2070	Our Company
15.	2021SR0254850	Taimei Medical Technology Subject Screening Data Platform Software (eScreening) V2.3.0	July 20, 2020	December 31, 2070	Our Company
16.	2021SR0074042	Taimei Medical Technology Clinical Trial Platform (GCP-X) V1.0	November 6, 2020	December 31, 2070	Our Company
17.	2020SR0909556	Taimei Medical Safety Management in Clinical Trial Solution System (eSAE) V2.0	April 20, 2020	December 31, 2070	Our Company
18.	2020SR1123354	Ruansu Integrated Sales Efficiency System for Sales Performance Management Teams (One SFE) V1.2.0	Unpublished (Development Completion Date: July 1, 2020)	June 30, 2070	Taimei Xinghuan
19.	2021SR1453037	Clinical Trial Management System (CTMS) V7.0	January 15, 2021	December 31, 2071	Beijing Nuoming
20.	2021SR0779418	Medical Imaging Review SaaS Product (eImage) V3.0	December 31, 2020	December 31, 2070	Taimei Xingcheng

Domain Names

As of the Latest Practicable Date, we have registered the following domain names, which we consider to be material to our business:

No.	Registered Owner	Domain Name	Registration Date	Expiry Date
1.	Our Company	taimei.com	December 8, 2018	December 8, 2025
2.	Our Company	trialos.com	April 17, 2014	April 17, 2026
3.	Taimei Xinghuan	pharmaos.com	May 18, 2019	May 18, 2026
4.	Taimei Xinghuan	wujieos.com	May 15, 2023	May 15, 2026
5.	Shanghai Shengfang	elixir-research.com	September 8, 2019	September 8, 2027

Save as disclosed above, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right which was material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed below, immediately following completion of the Global Offering (without taking into account the H Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), so far as our Directors are aware, none of our Directors, Supervisors and chief executive has any interest or short positions in our Shares, underlying Shares or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Name	Position	Nature of interest	Number of Shares held	Approximate percentage of shareholding in the relevant proportion of Shares[1] *(%)*	Approximate percentage of shareholding in the total issued share capital of our Company[1] *(%)*
Mr. Zhao[2]	Chairman of our Board, executive Director and general manager	Beneficial owner; Interests in controlled corporations	178,203,028 Domestic Shares	49.07	31.80
			1,216,500 H Shares	0.62	0.22
Mr. ZHANG Hongwei (張宏偉)[3]	Executive Director and president of digital marketing division	Interests in controlled corporations	20,312,190 Domestic Shares	5.59	3.62

Notes:

(1) The calculation is based on the total number of 363,186,467 Domestic Shares in issue and 197,230,133 H Shares in issue upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

(2) Mr. Zhao beneficially holds 93,042,388 Domestic Shares. Mr. Zhao is the executive partner of Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng, and is responsible for their respective management. As of the date of this prospectus, he also held approximately 74.94% partnership interest in Ruansu Enterprise Management. Further, Mr. Zhao is the general partner of Zhoushan Yijin and Xinyu Shenkong, and is responsible for their respective management. As such, under the SFO, Mr. Zhao is deemed to be interested in the 85,160,640 Domestic Shares and 1,216,500 H Shares held by Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming, Xinyu Xingmeng, Zhoushan Yijin and Xinyu Shenkong.

(3) As of the date of this prospectus, Mr. ZHANG Hongwei held approximately 39.42% in Shanghai Xiaoju as one of its limited partners. As such, under the SFO, Mr. ZHANG Hongwei is deemed to be interested in the 20,312,190 Domestic Shares held by Shanghai Xiaoju.

2. Substantial Shareholders

For the information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders" in this prospectus.

Save as set out below, our Directors are not aware of any other person (other than our Directors, Supervisors or chief executive) who will, immediately following completion of the Global Offering, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group other than our Company:

Our subsidiary	**Total registered capital** *(RMB)*	**Person with 10% or more interest**	**Percentage of the interest in the subsidiary** *(%)*
Shanghai Shengfang	127,368,421	Xinyu Gongchuang	15.70
Shanghai Shengfang	127,368,421	LYFE Kentucky River Limited	12.40

3. Service Contracts

Each of our Directors and Supervisors has entered into a service contract with our Company. The principal particulars of these service contracts comprise (a) a term commencing on the date of the approval at the Company's general meeting and ending on the expiration of the term of office of the prevailing session of the Board (with respect to Directors) or a term commencing on the date of the approval at the Company's general meeting or the date of the employees' representative assembly (as the case may be) and ending on the expiration of the term of office of the prevailing session of the Supervisory Committee (with respect to Supervisors); and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Save as disclosed above, none of our Directors and Supervisors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

4. Remuneration of Directors and Supervisors

Save as disclosed in the section headed "Directors, Supervisors and Senior Management" in this prospectus and note 35 to the Accountant's Report in Appendix I to this prospectus, for the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024, none of our Directors or Supervisors received other remunerations of benefits in kind from us.

5. Employee Share Scheme

As of the Latest Practicable Date, our Company established seven Employee Shareholding Platforms, namely Shanghai Xiaoju, Shanghai Kunrui, Xinyu Haolin, Xinyu Qiwushi, Ruansu Enterprise Management, Xinyu Nuoming and Xinyu Xingmeng. As of the same date, the Employee Shareholding Platforms, in aggregate, held 62,791,758 Domestic Shares, representing approximately 11.67% equity interest in our Company. For further details of the Employee Shareholding Platforms, see "History, Development and Corporate Structure – Employee Shareholding Platforms" in this prospectus.

We have adopted the Employee Share Scheme in respect of the Employee Shareholding Platforms. The Employee Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options or share awards by our Company to subscribe for the Shares after the Listing. Given the underlying Shares under the Employee Share Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Employee Share Scheme.

Purpose

The purpose of the Employee Share Scheme is to recognize the contribution to our Group by our employees.

Eligibility

Pursuant to the Employee Share Scheme, eligible participants of the Employee Share Scheme shall be employees of our Group. The Employee Share Scheme further provides that the following persons shall not be participants under the Employee Share Scheme:

- independent non-executive Directors;
- distributors, customers, suppliers, business partners or competitors of our Group, or persons holding interests in the aforementioned entities; and
- any persons who/which do not qualify as a shareholder or partner.

Participation by Selected Participants

The executive partner of the Employee Shareholding Platforms is Mr. Zhao, who is responsible for their respective management.

The selected participants under the Employee Share Scheme (the "**Participants**") are granted awards in the form of economic interests in the Employee Shareholding Platforms and become indirectly interested in our Company through their respective interests as limited partners of the relevant Employee Shareholding Platforms upon acquisition of partnership interests in the relevant Employee Shareholding Platforms. The Participants are not entitled to any voting rights in our Company through the relevant Employee Shareholding Platforms.

Restrictions on Transfers

Participants shall not gift, pledge or otherwise encumber their respective interests in the Employee Shareholding Platforms. Except with the prior consent of the executive partner of the Employee Shareholding Platforms and our Company, Participants shall not dispose of or transfer their respective interests in the Employee Shareholding Platforms.

Arrangements for Departing Employees

During the service period as specified in the relevant employee shareholding agreement entered into between our Company and the Participant, for a Participant departs from our Group:

- where the Participant terminates the employment with our Group or the employment is terminated by our Group as a result of his/her violation of the Employee Share Scheme, the employment contract or internal policies of our Group, the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as approved by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Employee Share Scheme (subject to any set-off in the amount of loss caused to our Group or the relevant Employee Shareholding Platform);

- where the employment is terminated by our Group or the employment is not renewed upon expiry of the employment contract and there is no wrongdoing on the part of the Participant, the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as approved by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Employee Share Scheme;

- where the Participant retires, he/she shall be deemed as being employed by our Group; and

- where the employment with our Group comes to an end by reason of death, being reported missing, or becoming no longer capable of discharging his/her duties or losing civil capacity as a result of disabilities or illness on the part of the Participant, upon consent from our Company and the executive partner of the relevant Employee Shareholding Platform, the Participant may transfer his/her partnership interests in the relevant Employee Shareholding Platform to his/her lawful successor or agent, and shall be treated as if his/her employment with our Group subsisted.

After the service period as specified in the relevant employee shareholding agreement entered into between our Company and the Participant or where there is no such service period specified therein, where the Participant departs from our Group, he/she may transfer all or part of his/her partnership interests in the relevant Employee Shareholding Platform to the executive partner of the relevant Employee Shareholding Platform or any other employee of our Group as approved by the executive partner, at a consideration determined between the relevant parties, except:

- where the Participant commits a serious breach of the Employee Share Scheme or internal policies of our Group, the executive partner of the relevant Employee Shareholding Platform shall be entitled to request the Participant to transfer to him or any other employee of our Group as approved by him the Participant's partnership interests in the relevant Employee Shareholding Platform, at a consideration determined in accordance with the Employee Share Scheme (subject to any set-off in the amount of loss caused to our Group or the relevant Employee Shareholding Platform); and

- where the Participants dies, is reported missing, or becomes no longer capable of discharge his/her duties or loses civil capacity as a result of disabilities or illness, upon consent from our Company and the executive partner of the relevant Employee Shareholding Platform, the Participant may transfer his/her partnership interests in the relevant Employee Shareholding Platform to his/her lawful successor or agent.

6. Disclaimers

(a) Save as disclosed in this section and the section headed "History, Development and Corporate Structure" in this prospectus, none of our Directors, Supervisors and the parties listed in the paragraph headed " – Other Information – 5. Qualifications of Experts" in this Appendix is:

(i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or

(ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business.

(b) Save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of the parties listed in the paragraph headed " – Other Information – 5. Qualification of Experts" in this Appendix:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.

(c) Save as disclosed in this section and the section headed "Directors, Supervisors and Senior Management" in this prospectus, none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

(d) So far as is known to our Directors, none of our Directors or Supervisors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued Shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As of the Latest Practicable Date, save as disclosed in the paragraph headed "Business – Legal Proceedings and Regulatory Compliance" in this prospectus, no member of our Group was involved in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Hong Kong Stock Exchange for the listing of, and permission to deal in, our H Shares. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of US$500,000 to act as a sponsor to our Company in connection with the Global Offering.

4. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualifications
Morgan Stanley Asia Limited	Licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) of regulated activities as defined under the SFO
China International Capital Corporation Hong Kong Securities Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Jingtian & Gongcheng	Company's PRC legal adviser
Jingtian & Gongcheng	Company's PRC legal adviser as to PRC cybersecurity and data privacy protection laws
Grandall Law Firm (Shanghai)	Company's PRC legal adviser as to PRC intellectual property litigation matters
China Insights Industry Consultancy Limited	Independent industry consultant

6. Consents

Each of the experts as referred to in the paragraph headed " – Other Information – 5. Qualifications of Experts" in this Appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

7. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further details in relation to taxation, see Appendix III to this prospectus.

(2) Consultation with professional advisers

Potential investors in the Global Offering are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our H Shares (or exercising rights attached to them). None of our Company, our Directors, the Joint Sponsors, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our H Shares.

8. No Material Adverse Change

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in the financial or trading position of our Company since March 31, 2024 (being the latest balance sheet date of our consolidated financial statements as set out in the Accountant's Report).

9. Promoters

The promoters of our Company are all then 32 shareholders of our Company as of September 10, 2020 before our conversion into a joint stock company with limited liability. Save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the Global Offering and the related transactions described in this prospectus.

10. Restrictions on Repurchase

For details, see Appendices IV and V to this prospectus.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this prospectus:

(a) within the two years preceding the date of this prospectus, (i) our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any shares of our Company;

(b) no Share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there is no arrangement under which future dividends are waived or agreed to be waived;

(f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(g) our Company is not presently listed on any stock exchange or traded on any trading system; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(i) a copy of the material contract referred to in the paragraph headed "Further Information about the Business of Our Company – 1. Summary of Material Contract" in Appendix VI to this prospectus; and

(ii) the written consents referred to in the paragraph headed "Other Information – 6. Consents" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.taimei.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the each of the three financial years ended December 31, 2021, 2022 and 2023 and the three months ended March 31, 2024;

(d) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(e) the industry report issued by China Insights Industry Consultancy Limited referred to in the section headed "Industry Overview" in this prospectus;

(f) the PRC legal opinion issued by Jingtian & Gongcheng, our legal adviser as to PRC laws, in respect of, among other things, the general matters and property interests of our Group under the PRC laws;

(g) the legal opinion issued by Jingtian & Gongcheng, our legal adviser as to PRC cybersecurity and data privacy protection laws;

(h) the legal opinion issued by Grandall Law Firm (Shanghai), our litigation counsel in respect of the intellectual property dispute as further detailed in the paragraph headed "Business – Legal Proceedings and Regulatory Compliance – Intellectual Property Dispute in the Shanghai Intellectual Property Court" in this prospectus;

(i) the material contract referred to in the paragraph headed "Further Information about the Business of Our Company – 1. Summary of Material Contract" in Appendix VI to this prospectus;

(j) the service contracts referred to in the paragraph headed "Further Information about Our Directors, Supervisors and Substantial Shareholders – 3. Service Contracts" in Appendix VI to this prospectus;

(k) the written consents referred to in the paragraph headed "Other Information – 6. Consents" in Appendix VI to this prospectus; and

(l) the PRC Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) issued by the CSRC together with unofficial English translations thereof.

Taimei

太美医疗科技