
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ping An Healthcare and Technology Company Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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 Composite Document and the accompanying Forms of Acceptance, make no representation as to their 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 Composite Document and the accompanying Forms of Acceptance.

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers contained herein.

GLORIOUS PEACE LIMITED

安鑫有限公司

(Incorporated in the British Virgin Islands with limited liability)

PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

COMPOSITE DOCUMENT

MANDATORY UNCONDITIONAL CASH OFFERS BY UBS FOR AND ON BEHALF OF THE OFFEROR (I) TO ACQUIRE ALL ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND (II) TO CANCEL ALL OUTSTANDING OPTIONS

Financial adviser to the Offeror



UBS AG Hong Kong Branch

Financial adviser to the Company

Morgan Stanley

Morgan Stanley Asia Limited

Independent Financial Adviser to the Independent Board Committee



Octal Capital Limited

Capitalized terms used in this cover page shall have the same meanings as those defined in this Composite Document unless the content requires otherwise.

A letter from the Independent Board Committee containing its recommendation in respect of the Offers to the Independent Shareholders and the Optionholders is set out in this Composite Document. A letter from the Independent Financial Adviser containing its advice in respect of the Offers to the Independent Board Committee is set out in this Composite Document.

The procedures for acceptance and other related information in respect of the Offers are set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or any Forms of Acceptance to any jurisdiction outside of Hong Kong should read the section headed "Important notices" before taking any action. It is the responsibility of Overseas Shareholders and/or Overseas Optionholders wishing to accept the Offers to satisfy themselves as to the full observance of all laws and regulations of the jurisdiction(s) applicable to them, including the obtaining of any governmental, exchange control or other consents that may be required and the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdiction.

Independent Shareholders, the Optionholders and potential investors of the Company's securities are advised to seek professional advice on deciding whether to accept the Offers.

The English language text of this Composite Document and the Forms of Acceptance shall prevail over the Chinese language text.

27 January 2025

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EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. Unless otherwise expressly stated, all time and date references contained in this Composite Document refer to Hong Kong time and dates.

Despatch date of this Composite Document
and the accompanying Form(s) of Acceptance
and commencement of the Offers (*Note 1*) Monday, 27 January 2025

Latest time and date for acceptance of the Offer(s) on the
Closing Date (*Note 2*) 4:00 p.m. on
Monday, 17 February 2025

Closing Date (*Note 2*) Monday, 17 February 2025

Announcement of the results of the Offers
as at the Closing Date published (*Note 2*)by 7:00 p.m. on
Monday, 17 February 2025

Latest date for posting of remittances for the amount
due in respect of valid acceptances received under the Share Offer
and Option Offer with respect to Vested Options (*Note 3*)Wednesday,
26 February 2025

Notes:

1. The Offers, which are unconditional, are open for acceptance on and from Monday, 27 January 2025, being the date of posting of this Composite Document, until 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.
2. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offer is 4:00 p.m. on Monday, 17 February 2025 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as they may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). An announcement will be jointly issued by the Offeror and the Company on the website of the Stock Exchange by no later than 7:00 p.m. on the Closing Date stating the result of the Offers and whether the Offers have been revised or extended. In the event that the Offeror decides to revise the Offers, all Independent Shareholders and Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms. The revised Offers must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.

EXPECTED TIMETABLE

Beneficial owners of the Offer Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

If there is a tropical cyclone warning signal no. 8 or above, a “black rainstorm warning signal”, or an “extreme conditions” warning in force in Hong Kong and still in force at 12:00 noon on any of these dates, the relevant date and time will be moved to the same time, if applicable, on the next business day in Hong Kong which does not have either of those warnings in force after 12:00 noon.

3. For details of settlement of the Offers, please refer to the section headed “3. Settlement” in Appendix I to this Composite Document. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed “7. Right of Withdrawal” in Appendix I to this Composite Document.

Save as mentioned above, if the latest time for acceptance of the Offers does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Offeror and the Company will notify the Independent Shareholders and the Optionholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT NOTICES

INFORMATION FOR INDEPENDENT SHAREHOLDERS AND OPTIONHOLDERS WHO ARE RESIDENTS OUTSIDE HONG KONG

The availability of the Offers to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders and/or Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdiction).

This Composite Document will not be registered under any securities laws or regulations in any jurisdiction (including Hong Kong or overseas) and may only be despatched to Overseas Shareholders and/or Overseas Optionholders pursuant to an exemption from the registration or selling restriction requirements of the applicable securities laws or regulations of the relevant jurisdiction.

Acceptances of the Offers by any Overseas Shareholders and/or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and/or Overseas Optionholders to the Offeror and its advisers (including UBS as financial adviser to the Offeror in connection with the Offers) that the local laws and requirements have been complied with. The Overseas Shareholders and/or Overseas Optionholders should consult their professional advisers in case of any doubt.

DEFINITIONS

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the date to be stated in the Composite Document as the closing date of the Offers or any subsequent closing
“Company”	Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1833)
“Composite Document”	the composite offer and response document jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offers, the recommendation from the Independent Board Committee to the Independent Shareholders and the Optionholders and the advice from the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers
“Director(s)”	the director(s) of the Company
“Employee Incentive Scheme”	the scheme adopted by the Company on 26 December 2014, as amended or otherwise modified from time to time, to grant options to the incentive targets

DEFINITIONS

“Encumbrances”	any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	the WHITE Form of Acceptance of the Share Offer and the PINK Form of Acceptance of the Option Offer, and each, a Form of Acceptance
“Group”	the Company, its subsidiaries and its operating entities controlled by the Company through the contractual arrangements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all non-executive Directors (excluding those who are considered being not independent to be members of the Independent Board Committee), established for the purpose of advising (i) the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to their acceptances; and (ii) the Optionholders as to whether the Option Offer is fair and reasonable and as to their acceptances

DEFINITIONS

“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed by the Company with the approval of the Independent Board Committee as the independent financial adviser of the Company to advise the Independent Board Committee on what recommendation to make to the Independent Shareholders and the Optionholders in respect of the Offers and in particular whether the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Shareholders”	Shareholders other than the Offeror
“Initial Announcement”	the announcement of the Company dated 14 November 2024 in relation to the proposed declaration of the Special Dividend and possible mandatory general offer made pursuant to Rule 3.7 of the Takeovers Code
“Joint Announcement”	announcement dated 7 January 2025 jointly issued by the Offeror and the Company in relation to the Offers made pursuant to Rule 3.5 of the Takeovers Code
“Latest Practicable Date”	24 January 2025, being the latest practicable date prior to printing of this Composite Document for the purpose of ascertaining certain information for inclusion in this Composite Document
“Le An Xin”	Le An Xin (PTC) Limited, a company incorporated under the laws of the British Virgin Islands on 17 October 2017, which is ultimately owned by two employees of the Company as nominal shareholders. Le An Xin acts as a special vehicle to hold the Shares as trustee on behalf of the beneficiaries under the Employee Incentive Scheme
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Date”	4 May 2018, the date on which the Shares are listed and dealings in the Shares are first permitted to take place on the Stock Exchange

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley Asia Limited, a company incorporated in Hong Kong with limited liability and licensed under the SFO to carry on 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) regulated activities, and the financial adviser to the Company in respect of the Offers
“Offer Period”	has the meaning ascribed to it under the Takeovers Code
“Offer Share(s)”	all issued Share(s) (other than those already owned by the Offeror and parties acting in concert with it)
“Offeror” or “Glorious Peace”	Glorious Peace Limited (安鑫有限公司), a company incorporated under the laws of the British Virgin Islands, an indirect wholly-owned subsidiary of Ping An Group, directly holding approximately 52.74% of the total issued Shares as of the Latest Practicable Date
“Offers”	the Share Offer and the Option Offer
“Option(s)”	option(s) granted under the Employee Incentive Scheme
“Option Offer”	the mandatory unconditional general cash offer to be made by UBS for and on behalf of the Offeror to cancel all outstanding Options in accordance with the Takeovers Code
“Optionholder(s)”	holder(s) of Options
“Overseas Optionholders”	Optionholders whose addresses as shown on the register of Optionholders of the Company are outside Hong Kong
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong

DEFINITIONS

“Ping An Group”	Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company established as a joint stock company under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock code: 2318 (HKD counter) and 82318 (RMB counter))
“ PINK Form of Acceptance of the Option Offer”	the PINK form of acceptance in respect of the Option Offer accompanying this Composite Document
“PRC”	the People’s Republic of China, and for the purposes of this Composite Document, excluding Hong Kong, the Macao Special Administrative Region of the PRC and the region of Taiwan
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Relevant Period”	the period commencing from 14 May 2024, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“Scrip Dividend Circular”	circular of the Company dated 17 December 2024 in relation to the Scrip Dividend Scheme
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board which offers the Shareholders a scrip dividend alternative, further details of which were set out in the Scrip Dividend Circular
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares of the Company with a par value USD0.000005 per share

DEFINITIONS

“Share Offer”	the mandatory unconditional general cash offer to be made by UBS for and on behalf of the Offeror to acquire all Offer Shares in accordance with the Takeovers Code
“Share Offer Price”	HK\$6.12 per Share, being the offer price under the Share Offer
“Shareholder(s)”	holder(s) of Shares
“Special Dividend”	the declaration and distribution of a special dividend out of the share premium account under the reserves of the Company in the amount of HK\$9.7 per Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	Code on Takeovers and Mergers
“trading day” or “business day”	a day on which the Stock Exchange is open for the business of dealings in securities
“UBS”	UBS AG (acting through its Hong Kong Branch), a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offers. UBS AG is incorporated in Switzerland with limited liability
“Unvested Options”	Options which have not yet been vested in accordance with the terms and conditions of the Employee Incentive Scheme and their respective schedule and conditions of grant
“USD”	US dollars, the lawful currency of the United States of America
“Vested Options”	Options which have been vested in accordance with the terms and conditions of the Employee Incentive Scheme and their respective schedule and conditions of grant, but not yet been exercised

DEFINITIONS

“**WHITE** Form of Acceptance of the Share Offer” the **WHITE** form of acceptance and transfer in respect of the Share Offer accompanying this Composite Document

“%” per cent

For the purpose of this Composite Document, the conversion of HK\$ into RMB is based on the exchange rate of HK\$1 = RMB0.92406 as announced by the People’s Bank of China on the last business date before the Joint Announcement.

Unless expressly stated or the context requires otherwise, all information and data is as of the Latest Practicable Date. Certain amounts and percentage figures have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

LETTER FROM UBS



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UBS AG is incorporated in Switzerland
with limited liability.

www.ubs.com

27 January 2025

To the Independent Shareholders and the Optionholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY UBS
FOR AND ON BEHALF OF THE OFFEROR
(I) TO ACQUIRE ALL ISSUED SHARES (OTHER THAN THOSE ALREADY
OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)
AND
(II) TO CANCEL ALL OUTSTANDING OPTIONS**

INTRODUCTION

References are made to the Joint Announcement and the joint announcement of the Company and the Offeror dated 16 January 2025 in relation to the satisfaction of the pre-condition to the Offers.

This letter forms part of this Composite Document and sets out, among other things, principal terms of the Offers, together with the information on the Offeror and the intention of the Offeror in relation to the Company. Further details of the terms of the Offers are also set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

LETTER FROM UBS

THE OFFERS

As a result of the election for scrip dividend by the Offeror under the Scrip Dividend Scheme, the Offeror is making a mandatory general offer for all the Offer Shares pursuant to Rule 26 of the Takeovers Code and an appropriate offer for all outstanding Options in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options (whether vested or unvested). The Share Offer will be made to the Independent Shareholders and the Option Offer will be made to the Optionholders.

UBS, as the financial adviser to the Offeror, for and on behalf of the Offeror, is making the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Share Offer

For each Share HK\$6.12 in cash

The offer price of the Share Offer of HK\$6.12 per Share is equal to the reference price per Share under the Scrip Dividend Scheme. For further details, please refer to the Scrip Dividend Circular.

The Option Offer

As at the Latest Practicable Date, the Company has 6,871,672 outstanding Options granted under the Employee Incentive Scheme with an exercise price within the range of HK\$0 to HK\$37.84, comprising 1,770,750 Vested Options and 5,100,922 Unvested Options. The holders of Vested Options may exercise the Vested Options at their own discretion from the first exercisable date to the end of the validity period, which shall be 10 years commencing from the date of grant. The first exercisable date of the Options shall not be more than eight years from the date of grant but shall not be earlier than 12 months from the Listing Date. The Board shall determine the actual exercisable date. The underlying Shares will be transferred to the holders of Vested Options upon exercise of the Vested Options.

LETTER FROM UBS

The rules of the Employee Incentive Scheme did not specify whether the Unvested Options will be accelerated for vesting or cancelled in case of a general offer. Accordingly, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Offeror proposes the outstanding Options will be treated as follows:

Exercise price per Option	Number of outstanding Options	“See-through” Option offer price
<i>Vested Options</i>		
HK\$0	50,236	HK\$6.12
HK\$5.95	800	HK\$0.17
HK\$26.47	561,528	HK\$0.1
HK\$36.21	83,500	HK\$0.1
HK\$37.84	1,074,686	HK\$0.1
<i>Unvested Options</i>		
HK\$0	5,100,922	HK\$6.12

Under the Option Offer, the Offeror is offering the Optionholders the “see-through” price (being the offer price of the Share Offer minus the relevant exercise price of the outstanding Options) for cancellation of every Option (vested or unvested). For outstanding Options having exercise prices above the offer price of the Share Offer, such outstanding Options are out of money and the cancellation price for such outstanding Option is at a nominal amount of HK\$0.1.

For holders of Unvested Options, the Unvested Options shall continue to vest in accordance with, and subject to, the existing schedule and conditions of grant under the Employee Incentive Scheme. Pursuant to the Employee Incentive Scheme, unless otherwise determined by the Board, the Unvested Options granted will vest in four years, subject to a maximum of 25% each year. The first vesting date will be the first anniversary of the date of grant of the Unvested Options. Further, the vesting of the Unvested Options is also subject to the satisfaction of specific performance targets, including fulfillment of the key performance indicators by the Company overall as a group and the grantees. Hence, the cancellation price will be paid to the holders of the Unvested Options following the vesting of the respective Unvested Options. The Offeror has applied to the Executive prior to the date of the Composite Document for a waiver from strict compliance with Rule 20.1 of the Takeovers Code for settlement to holders of Unvested Options under the Option Offer.

LETTER FROM UBS

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. Outstanding Options not tendered for acceptance under the Option Offer will be vested and exercised in accordance with their respective original terms and conditions. If any Vested Option is exercised by the Optionholders in accordance with the Employee Incentive Scheme prior to the close of the Offers, any Shares transferred for the benefit of the Optionholders as a result of such exercise will be subject to the Share Offer.

Offer Price of the Share Offer

The offer price of the Share Offer of HK\$6.12 per Share represents:

- (i) a discount of approximately 58.20% to the closing price of HK\$14.64 per Share as quoted on the Stock Exchange on the date of the Initial Announcement;
- (ii) a discount of approximately 2.86% to the closing price of HK\$6.30 per Share as quoted on the Stock Exchange on the date of the Joint Announcement;
- (iii) a discount of approximately 0.33% to the closing price of HK\$6.14 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (iv) a discount of approximately 1.58% to the average closing price of HK\$6.218 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the date of the Joint announcement;
- (v) a discount of approximately 4.23% to the average closing price of HK\$6.39 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the date of the Joint announcement;
- (vi) a discount of approximately 7.97% to the audited net asset value per Share of approximately HK\$6.65 as at 31 December 2023, calculated based on the Group's audited consolidated total equity attributable to the owners of the Company as at 31 December 2023 of RMB13,284 million (equivalent to approximately HK\$14,376 million), divided by 2,161,443,720, being the number of the enlarged total issued Shares immediately after the allotment and issue of the new Shares as the Special Dividend; and
- (vii) a discount of approximately 8.66% to the unaudited net asset value per Share of approximately HK\$6.70 as at 30 June 2024, calculated based on the Group's unaudited consolidated total equity attributable to the owners of the Company as at 30 June 2024 of RMB13,379 million (equivalent to approximately HK\$14,478 million), divided by 2,161,443,720, being the number of the enlarged total issued Shares immediately after the allotment and issue of the new Shares as the Special Dividend.

LETTER FROM UBS

Highest and Lowest Prices of the Shares

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$15.60 on 7 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$6.04 on 6 December 2024.

Value of the Offers

Assuming there will be no changes in the share capital of the Company from the Latest Practicable Date up to the Closing Date, and on the basis of the offer price of the Share Offer of HK\$6.12 per Share and 2,161,443,720 Shares, the total issued share capital of the Company would be valued at approximately HK\$13,228 million.

On the basis of 1,021,435,016 Offer Shares (representing all issued Shares other than those already owned by the Offeror and parties acting in concert with it), in the event that (i) no outstanding Options will be exercised; (ii) there will be no changes in the share capital of the Company from the Latest Practicable Date up to the Closing Date; and (iii) the Offers will be accepted in full, the Offers are valued at approximately HK\$6,282,879,492:

- a. the value of the Share Offer will be approximately HK\$6,251,182,298; and
- b. the value of the Option Offer will be approximately HK\$31,697,194.

On the basis of 1,021,435,016 Offer Shares (representing all issued Shares other than those already owned by the Offeror and parties acting in concert with it), in the event that (i) 1,770,750 outstanding Vested Options are exercised in full (for the avoidance of doubt, since the exercise of Vested Options does not involve the issuance of new Shares, it will result in the decrease of total number of outstanding Options but will not give rise to any change in the share capital of the Company); (ii) there will be no other changes in the share capital of the Company from the Latest Practicable Date up to the Closing Date; (iii) the Share Offer will be accepted in full; and (iv) the Option Offer will be accepted in full by the holders of Unvested Options, the Offers are valued at approximately HK\$6,282,399,941:

- a. the value of the Share Offer will be approximately HK\$6,251,182,298; and
- b. the value of the Option Offer will be approximately HK\$31,217,643.

Accordingly, the potential maximum aggregate cash consideration payable by the Offeror is approximately HK\$6,282,879,492.

LETTER FROM UBS

Financial Resources Available to the Offeror

The Offeror intends to finance and satisfy the amount payable under the Offers by cash through internal cash resources and/or financing. UBS, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum cash consideration payable by the Offeror upon full acceptance of the Offers.

Terms of the Offers

Under the terms of the Share Offer, the Offer Shares duly and validly tendered for acceptance will be acquired by the Offeror fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them.

Under the Option Offer, for outstanding Options having exercise prices above the offer price of the Offer, such outstanding Options are out of the money and the cancellation price for cancelling each such outstanding Option is at a nominal amount of HK\$0.1. Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. Outstanding Options not tendered for acceptance under the Option Offer can be exercised in accordance with their respective original terms and conditions.

Effects of Accepting the Offers

By accepting the Share Offer, the relevant Independent Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

By accepting the Option Offer, the relevant Optionholder will be deemed to agree to the cancellation of the Options to be tendered by such person under the Option Offer and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offers will be irrevocable and will not be capable of being withdrawn, except as permitted under the Takeovers Code.

LETTER FROM UBS

INFORMATION ON THE GROUP

Your attention is also drawn to the information on the Group set out in the section headed “*Information on the Group*” in the “*Letter from the Board*” and Appendices II and IV as contained in this Composite Document.

INFORMATION ON THE OFFEROR AND PING AN GROUP

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by Ping An Group. It is a controlling shareholder of the Company.

Ping An Group is a company established as a joint stock company under the laws of the PRC on 21 March 1988. The business of Ping An Group and its subsidiaries covers insurance, banking, investment, finance technology, medical technology and other sectors. It is listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock code: 2318 (HKD counter) and 82318 (RMB counter)). It is a controlling shareholder of the Company.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offers, the Offeror intends that the Group will continue its existing principal business. The Offeror has no intention to redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) or to discontinue the employment of the employees of the Group. The Offeror has no intention to, and believes there is no reasonable likelihood to, privatise the Company.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 21.3% (the lower public float percentage according to the waiver in respect of public float requirement the Company has been granted by the Stock Exchange on the Listing Date) of the issued Shares (excluding treasury shares, if any), are held by the public, or if the Stock Exchange believes that: (a) a false market exists or may exist in the trading of the Shares; or (b) that there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares. The Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offers as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

LETTER FROM UBS

COMPULSORY ACQUISITION

The Offeror does not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the close of the Offers.

GENERAL

To ensure equality of treatment of all the Independent Shareholders and Optionholders, those Independent Shareholders and Optionholders who hold Shares and Options as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares and Options whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

All documents and remittances will be sent to the Independent Shareholders and Optionholders by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders and Optionholders at their respective addresses as stated on the relevant Forms of Acceptance or if no such address is stated, as appeared in the register of members or optionholders or in the case of joint Independent Shareholders or joint Optionholders, to such Independent Shareholders and Optionholders whose name appears first in the register of members or optionholders of the Company. None of the Offeror, UBS, the Registrar or any of their respective ultimate beneficial owners, directors, officers, employees, agents or associates or any other parties involved in the Offers will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

RECOMMENDATIONS AND ADDITIONAL INFORMATION

The Independent Shareholders and Option holders are strongly advised to carefully consider the recommendations and information contained in the “*Letter from the Board*”, the “*Letter from the Independent Board Committee*” and the “*Letter from the Independent Financial Adviser*”, as well as information contained in the accompanying Forms of Acceptance and the appendices as contained in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offers.

Yours faithfully,
For and on behalf of
UBS AG Hong Kong Branch

Samson Lo
Managing Director

Michael Wong
Executive Director

LETTER FROM THE BOARD

PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

Executive Directors:

Mr. Dou Li (*Chairman and Chief Executive Officer*)

Mr. Jun Wu

Non-executive Directors:

Mr. Michael Guo

Ms. Fangfang Cai

Ms. Xin Fu

Mr. Ziyang Zhu

Independent Non-executive Directors:

Mr. Yunwei Tang

Mr. Tianyong Guo

Dr. Wing Kin Anthony Chow

Headquarters and principal place of business in the PRC:

5-8/F, Building B

INNO KIC

No. 298 Guo Xia Road

Yangpu District

Shanghai

the PRC

Principal place of business in Hong Kong:

Room 1922

19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

Registered Office:

The offices of Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

27 January 2025

To the Independent Shareholders and the Optionholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY UBS
FOR AND ON BEHALF OF THE OFFEROR
(I) TO ACQUIRE ALL ISSUED SHARES (OTHER THAN THOSE ALREADY
OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)
AND
(II) TO CANCEL ALL OUTSTANDING OPTIONS**

INTRODUCTION

References are made to the Joint Announcement and the joint announcement of Company and the Offeror dated 16 January 2025 in relation to the satisfaction of the pre-condition to the Offers.

The purpose of this letter is to provide you with, among others, further information relating to the Group.

LETTER FROM THE BOARD

MANDATORY UNCONDITIONAL CASH OFFERS

As a result of the election for scrip dividend by the Offeror under the Scrip Dividend Scheme, the Offeror is making a mandatory general offer for all the Offer Shares pursuant to Rule 26 of the Takeovers Code and an appropriate offer for all outstanding Options in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options (whether vested or unvested). The Share Offer will be made to the Independent Shareholders and the Option Offer will be made to the Optionholders.

UBS, as the financial adviser to the Offeror, for and on behalf of the Offeror, is making the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Share Offer

For each Share HK\$6.12 in cash

The offer price of the Share Offer of HK\$6.12 per Share is equal to the reference price per Share under the Scrip Dividend Scheme, which was calculated as equivalent to the average closing price of one existing Share as stated in the daily quotation sheet of the Stock Exchange for the three consecutive trading days commencing from the first day the Shares traded ex dividend on the Stock Exchange, being Friday, 6 December 2024 to Tuesday, 10 December 2024 (each day inclusive). For further details, please refer to the Scrip Dividend Circular.

The Option Offer

As at the Latest Practicable Date, the Company has 6,871,672 outstanding Options granted under the Employee Incentive Scheme with an exercise price within the range of HK\$0 to HK\$37.84, comprising 1,770,750 Vested Options and 5,100,922 Unvested Options. The holders of Vested Options may exercise the Vested Options at their own discretion from the first exercisable date to the end of the validity period, which shall be 10 years commencing from the date of grant. The first exercisable date of the Options shall not be more than eight years from the date of grant but shall not be earlier than 12 months from the Listing Date. The Board shall determine the actual exercisable date. The underlying Shares will be transferred to the holders of Vested Options upon exercise of the Vested Options.

LETTER FROM THE BOARD

The rules of the Employee Incentive Scheme did not specify whether the Unvested Options will be accelerated for vesting or cancelled in case of a general offer. Accordingly, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Offeror proposes the outstanding Options will be treated as follows:

Exercise price per Option	Number of outstanding Options	“See-through” Option offer price
<i>Vested Options</i>		
HK\$0	50,236	HK\$6.12
HK\$5.95	800	HK\$0.17
HK\$26.47	561,528	HK\$0.1
HK\$36.21	83,500	HK\$0.1
HK\$37.84	1,074,686	HK\$0.1
<i>Unvested Options</i>		
HK\$0	5,100,922	HK\$6.12

Under the Option Offer, the Offeror is offering the Optionholders the “see-through” price (being the offer price of the Share Offer minus the relevant exercise price of the outstanding Options) for cancellation of every Option (vested or unvested). For outstanding Options having exercise prices above the offer price of the Share Offer, such outstanding Options are out of money and the cancellation price for such outstanding Option is at a nominal amount of HK\$0.1.

For holders of Unvested Options, the Unvested Options shall continue to vest in accordance with, and subject to, the existing schedule and conditions of grant under the Employee Incentive Scheme. Pursuant to the Employee Incentive Scheme, unless otherwise determined by the Board, the Unvested Options granted will vest in four years, subject to a maximum of 25% each year. The first vesting date will be the first anniversary of the date of grant of the Unvested Options. Further, the vesting of the Unvested Options is also subject to the satisfaction of specific performance targets, including fulfillment of the key performance indicators by the Company overall as a group and the grantees. Hence, the cancellation price will be paid to the holders of the Unvested Options following the vesting of the respective Unvested Options. The Offeror has applied to the Executive prior to the date of the Composite Document for a waiver from strict compliance with Rule 20.1 of the Takeovers Code for settlement to holders of Unvested Options under the Option Offer.

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced. Outstanding Options not tendered for acceptance under the Option Offer will be vested and exercised in accordance with their respective original terms and conditions. If any Vested Option is exercised by the Optionholders in accordance with the Employee Incentive Scheme prior to the close of the Offers, any Shares transferred for the benefit of the Optionholders as a result of such exercise will be subject to the Share Offer.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1833). The Group is principally engaged in the provision of online and offline medical, healthcare and senior care services, leveraging abundant health and senior care service payer resources (F-end commercial insurers/financial service providers, B-end enterprises, etc.), widespread service provider networks, well-developed service standards, and strong support from Ping An Group's ecosystem. The Group has implemented the "managed care" strategy, focuses on "family doctors" and "senior care" concierges and has become a professional, comprehensive, high-quality, one-stop health and senior care management service provider.

Public float and shareholdings in the Company

Set out below is the shareholding structure of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the public float of the Company was approximately 45.64%.

Shareholders	No. of Shares held as at the Latest Practicable Date	Percentage of shareholding of the total issued Shares as at the Latest Practicable Date (%) ^(Note 3)
Offeror ^(Note 1)	1,139,970,587	52.74
UBS Asset Management Life Limited ^(Note 5)	37,999	0.00
UBS Financial Services Inc. ^(Note 5)	118	0.00
Offeror and persons acting in concert with it	1,140,008,704	52.74
Le An Xin ^(Note 2)	34,848,875	1.61
Hopson Development Holdings Limited ^(Note 6)	128,133,062	5.92
Other shareholders	858,453,079	39.71
Total	2,161,443,720	100.00

LETTER FROM THE BOARD

Notes:

1. The Offeror is indirectly wholly-owned by Ping An Group. As such, Ping An Group is deemed to be interested in the Shares held by the Offeror.
2. Le An Xin acts as a special vehicle to hold the Shares as trustee on behalf of the beneficiaries under the Employee Incentive Scheme, and the Shares are held by Le An Xin for the purpose of the Options which shall be transferred to the beneficiaries upon exercise of the Options. As the Company has the power to govern the relevant activities of Le An Xin and can derive benefits from the contributions of the eligible directors, employees and other persons who are awarded under the Employee Incentive Scheme, the assets and liabilities and results of Le An Xin are consolidated into the Company's consolidated financial statements.

Such Shares were issued prior to the listing of the Company and held for the benefit of the beneficiaries under the Employee Incentive Scheme, which primarily consist of the employees and directors of the Company. As of the Latest Practicable Date, having considered that there were 6,871,672 outstanding Options granted under the Employee Incentive Scheme, Le An Xin held 27,977,203 Shares in excess of those required to satisfy existing outstanding Options. The Shares held by Le An Xin will be subject to the Share Offer, but given Le An Xin holds the Shares for the purpose of the Employee Incentive Scheme, the Company does not intend to give any instruction to Le An Xin to accept the Share Offer. The Company and Le An Xin confirm that there is currently no plan for Le An Xin to further acquire any Shares. Pursuant to Rule 17.05A of the Listing Rules, Le An Xin is not entitled to exercise any voting rights in the Shares held by it on trust for the beneficiaries. None of the employees, directors and shareholders of the Offeror and parties acting in concert with it are directors or shareholders of Le An Xin and the issuance of such Shares under the Employee Incentive Scheme were not funded by them.

3. The calculation is based on the total number of 2,161,443,720 Shares issued and outstanding as of the Latest Practicable Date.
4. As of the Latest Practicable Date, Mr. Dou Li and Mr. Jun Wu, each an executive Director, were entitled to 300,000 Shares and 226,520 Shares underlying the Options, respectively, which were granted pursuant to the Employee Incentive Scheme and will be transferred to them upon exercise of the Options pursuant to the terms and conditions of the Employee Incentive Scheme. Other than the foregoing, none of the Directors was interested in any Shares as of the Latest Practicable Date.
5. UBS is the financial adviser to the Offeror in connection with the Offers. Accordingly, UBS and the relevant members of the UBS group which hold Shares on an own account basis or manage Shares on a discretionary basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of "acting in concert" under the Takeovers Code (except in respect of the Shares held by members of the UBS group which are exempt principal traders or exempt fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code). As of the Latest Practicable Date, UBS Asset Management Life Limited and UBS Financial Services Inc., companies within the UBS group, held 37,999 and 118 Shares, respectively, including 23,299 Shares issued to UBS Asset Management Life Limited under the Scrip Dividend Scheme. Members of the UBS group which are exempt principal traders and exempt fund managers which are connected for the sole reason that they control, are controlled by or are under the same control as UBS are not presumed to be acting in concert with the Offeror.
6. According to the form of disclosure of interest dated 23 January 2025 filed by Hopson Development Holdings Limited ("Hopson Development" a company whose shares are listed on the Stock Exchange, stock code: 0754) in relation to the relevant event on 20 January 2025), Hopson Development, through a series of corporations controlled by it, was interested in an aggregate of 128,133,062 Shares of the Company. Based on publicly available information, Hopson Development is controlled by Sounda Properties Limited, which in turn wholly-owned by Mr. Chu Mang Yee. Mr. Ziyang Zhu, a non-executive Director, is the vice president of Hopson Development. To the best of our Directors' knowledge, information and belief, each of Hopson Development, Sounda Properties Limited and Mr. Chu Mang Yee is an independent third party of the Company.
7. The percentage figures have been rounded down to two decimal places. Accordingly, figures shown as totals in the above table may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in the above table between the total shown and the sum of the amounts listed are due to rounding.

LETTER FROM THE BOARD

Securities of the Company

As at the Latest Practicable Date, the Company has no other outstanding dividend or other distributions which remains unpaid. The Company has no intention in declaring any dividend or making other distributions during the offer period (as defined under the Takeovers Code).

As at the Latest Practicable Date, save for the outstanding Options to subscribe for up to 6,871,672 Shares granted under the Employee Incentive Scheme, the Company does not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares.

ADDITIONAL INFORMATION

You are advised to read the “Letter from UBS” in and Appendix I to this Composite Document and the accompanying Form(s) of Acceptance for information relating to the Offers and the acceptance and settlement procedures of the Offers. Your attention is also drawn to the additional information contained in other appendices to this Composite Document.

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in “Letter from UBS” in this Composite Document. The Board (other than Mr. Michael Guo, Ms. Fangfang Cai and Ms. Xin Fu, being the non-executive Directors, who hold certain positions in Ping An Group and are therefore considered to have conflicts of interest in respect of the Offers) notes the intention of the Offeror and is willing to cooperate with the Offeror and acts in the best interests of the Company and the Shareholders as a whole. The Board (other than Mr. Michael Guo, Ms. Fangfang Cai and Ms. Xin Fu) is of the view that the Offeror’s intentions in relation to the Group and its employees are reasonable as it would ensure continuity and stability of the Group’s business operations going forward. Such intentions of the Offeror is not expected to have a material adverse impact on the existing businesses of the Group.

RECOMMENDATIONS

The Independent Financial Adviser has advised the Independent Board Committee that, despite the Offeror’s compliance with the Takeovers Code and considering that its obligation to make the mandatory general offer arises only from the result of the election of the Scrip Dividend Scheme by the Offeror, the Independent Financial Adviser considers the offer price under the Share Offer to be not fair and not reasonable so far as the Independent Shareholders are concerned; and the cancellation price under the Option Offer to be also not fair and not reasonable so far as the Optionholders are concerned. Accordingly, the Independent Financial Adviser advises the Independent Board Committee to recommend the Independent Shareholders and the Optionholders NOT to accept the Offers. The Independent Board Committee, having been so advised, considers the offer price under the Share Offer and the

LETTER FROM THE BOARD

cancellation price under the Option Offer to be not fair and not reasonable so far as the Independent Shareholders and the Optionholders are concerned, and accordingly, recommends the Independent Shareholders and the Optionholders NOT to accept the Offers.

Your attention is drawn to the letters from the Independent Board Committee and the Independent Financial Adviser, respectively, which set out their recommendations and opinions in relation to the Offers and the principal factors considered by them before arriving at their recommendations.

FURTHER INFORMATION

In considering what action to take in connection with the Offers, the Independent Shareholders and the Optionholders should consider their own tax position and, if they are in doubt, they should consult their own professional advisers.

You are recommended to read the “Letter from UBS” set out in this Composite Document and the additional information set out in the Appendices, which form part of this Composite Document.

By order of the Board
**PING AN HEALTHCARE AND
TECHNOLOGY COMPANY LIMITED**
Li Dou
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

PING AN HEALTHCARE AND TECHNOLOGY COMPANY LIMITED

平安健康醫療科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1833)

27 January 2025

To the Independent Shareholders and the Optionholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFERS BY UBS
FOR AND ON BEHALF OF THE OFFEROR
(I) TO ACQUIRE ALL ISSUED SHARES (OTHER THAN THOSE ALREADY
OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)
AND
(II) TO CANCEL ALL OUTSTANDING OPTIONS**

INTRODUCTION

We refer to the composite offer and response document (the “**Composite Document**”) jointly issued by the Company and the Offeror dated 27 January 2025, of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to constitute the Independent Board Committee to consider the Offers and to make recommendations to the Independent Shareholders and the Optionholders as to whether or not, in our opinion, the Offers are fair and reasonable and to make recommendations as to acceptance thereof. We have declared that we are independent and have no direct or indirect interests in the Offers, and therefore are able to consider the Offers and to make recommendations to the Independent Shareholders and the Optionholders.

Octal Capital Limited has been appointed as the Independent Financial Adviser with our approval to make recommendations to us in respect of the Offers and, in particular, whether the Offers are fair and reasonable and to make recommendations in respect of the acceptance of the Offers. Details of its advice and recommendations, together with the principal factors and reasons which it has considered before arriving at such recommendations, are set out in the “Letter from the Independent Financial Adviser” in this Composite Document. We also wish to draw your attention to the “Letter from the Board” and the additional information set out in the Appendices to this Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATIONS

Having considered the Offers, taking into account the information contained in this Composite Document and the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser”, we understood that the mandatory general offer arises only from the result of the election of the Scrip Dividend Scheme by the Offeror in compliance with the Takeovers Code, we concur with the view of the Independent Financial Adviser that the offer price under the Share Offer is not fair and not reasonable so far as the Independent Shareholders are concerned; and the cancellation price under the Option Offer is also not fair and not reasonable so far as the Optionholders are concerned. Accordingly, we recommend the Independent Shareholders and the Optionholders NOT to accept the Offers.

Notwithstanding our recommendations, the Independent Shareholders and the Optionholders are strongly advised that the decision to realize or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders and the Optionholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders and the Optionholders who wish to accept the Offers are recommended to read carefully the procedures for accepting the Offers as detailed in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,

For and on behalf of

the Independent Board Committee of

Ping An Healthcare and Technology Company Limited

Mr. Ziyang Zhu

Non-executive Director

Mr. Yunwei Tang

Independent Non-executive Director

Mr. Tianyong Guo

Independent Non-executive Director

Dr. Wing Kin Anthony Chow

Independent Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Octal Capital Limited to the Independent Board Committee in respect of the Offers which has been prepared for the purpose of incorporation in the Composite Document.



Octal Capital Limited
801-805, 8/F, Nan Fung Tower
88 Connaught Road Central
Hong Kong

To the Independent Board Committee, the Independent Shareholders and the Optionholders

27 January 2025

Dear Sirs,

MANDATORY UNCONDITIONAL CASH OFFERS BY UBS FOR AND ON BEHALF OF THE OFFEROR

**(I) TO ACQUIRE ALL ISSUED SHARES (OTHER THAN THOSE ALREADY
OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

AND

(II) TO CANCEL ALL OUTSTANDING OPTIONS

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee, the Independent Shareholders and the Optionholders in respect of the Offers. Details of the Offers are set out in the composite document (the “**Composite Document**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

As a result of, the election for scrip dividend by the Offeror under the Scrip Dividend Scheme, the Offeror is making a mandatory general offer for all the Offer Shares pursuant to Rule 26 of the Takeovers Code and an appropriate offer for all outstanding Options in compliance with Rule 13 of the Takeovers Code to cancel all outstanding Options (whether vested or unvested). The Share Offer has been made to the Independent Shareholders and the Option Offer has been made to the Optionholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Share Offer

For each Share HK\$6.12 in cash

The offer price of the Share Offer of HK\$6.12 per Share is equal to the reference price per Share under the Scrip Dividend Scheme.

The Option Offer

As at the Latest Practicable Date, the Company has 6,871,672 outstanding Options granted under the Employee Incentive Scheme with an exercise price within the range of HK\$0 to HK\$37.84, comprising 1,770,750 Vested Options and 5,100,922 Unvested Options.

The rules of the Employee Incentive Scheme did not specify whether the Unvested Options will be accelerated for vesting or cancelled in case of a general offer. Accordingly, in accordance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code, the Offeror has made an appropriate offer to the Optionholders as follows:

Exercise price per Option	“See-through” Option offer price
HK\$0	HK\$6.12
HK\$5.95	HK\$0.17
HK\$26.47	HK\$0.1
HK\$36.21	HK\$0.1
HK\$37.84	HK\$0.1

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all non-executive Directors (excluding those who are considered being not independent to be members of the Independent Board Committee) of the Company, has been established, for the purpose of advising (i) the Independent Shareholders as to whether the Share Offer is fair and reasonable and as to their acceptances; and (ii) the Optionholders as to whether the Option Offer is fair and reasonable and as to their acceptances pursuant to Rule 2.1 of the Takeovers Code.

Mr. Michael Guo, Ms. Fangfang Cai and Ms. Xin Fu, being the non-executive Directors, who hold certain positions in Ping An Group and are therefore considered being not independent to be members of the Independent Board Committee and have declared their respective interest to the Board accordingly.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Octal Capital Limited, have been appointed as the Independent Financial Adviser to the Independent Board Committee, the Independent Shareholders and the Optionholders in relation to the Offers, in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. Our appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

During the last two years, there has been no other engagement entered into between the Company and us. As at the Latest Practicable Date, we are not connected with the Group and the Offeror, or where applicable, any of the respective substantial shareholders, directors or chief executives, or any of their respective subsidiaries or associates. Apart from normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company or the directors, chief executive and substantial shareholders of the Company, the Group or the Offeror or any of their respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. Accordingly, we considered that we are independent to act as the Independent Financial Adviser pursuant to Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the accuracy of the information and representations contained in the Composite Document and have assumed that all information and representations made or referred to in the Composite Document were true at the time they were made and continue to be true as at the Latest Practicable Date. We have also relied on our discussion with the Directors and the management of the Company regarding the Group, including the information and representations contained in the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Directors and the management of the Company in the Composite Document were reasonably made after due enquiry. We considered that we have reviewed sufficient information, among other things, (i) the Joint Announcement and the Composite Document; (ii) the annual report of the Company for the year ended 31 December 2022 and 31 December 2023 (the “**2022 Annual Report**” and “**2023 Annual Report**”, respectively) and the interim report of the Company for the six months ended 30 June 2024 (the “**2024 Interim Report**”); and (iii) the relevant market data and information available from public sources, to reach an informed view and justify our reliance on the accuracy of the information contained in the Composite Document and to provide a reasonable basis for our advice.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or the Offeror or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document were true, accurate and complete in all material respects and not misleading or deceptive up to the time of the Latest Practicable Date, and there are no other matters the omission of which would make any statement herein or the Composite Document misleading.

Should there be any subsequent material changes which occur during the period from the date of the Composite Document up to the close of the Offers, we will notify the Independent Board Committee, the Independent Shareholders and the Optionholders as soon as possible.

We have not considered the tax implications on the Independent Shareholders and the Optionholders of their acceptances or non-acceptances of the Offers (as the case may be) since these are particular to their own individual circumstances. In particular, the Independent Shareholders and the Optionholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Offers and, if in any doubt, should consult their own professional advisers.

Please be advised that our role as an independent financial adviser and the services we provide are subject to the requirements of the Takeovers Code. Our opinion may only be relied upon by, and our responsibilities are strictly limited to, parties to the extent and as required under the Takeovers Code. We shall not be held accountable for decisions made by parties not entitled to rely on our opinion.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE OFFERS

In arriving at our opinion in respect of the Offers and in giving our recommendations to the Independent Board Committee, the Independent Shareholders and the Optionholders, we have taken into account the following principal factors and reasons:

1. Background of the Share Offer and the Option Offer

Based on the election for scrip dividend under the Scrip Dividend Scheme, a total of 1,042,630,820 new Shares will be allotted and issued as the Special Dividend. Definitive certificates for such new Shares were despatched on 24 January 2025 and dealing of such new Shares on the Stock Exchange will commence at 9:00 a.m. on 27 January 2025 (Hong Kong time).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Among these new Shares, 698,970,587 new Shares have been allotted and issued to the Offeror. Immediately upon completion of the allotment and issue of such new Shares as the Special Dividend under the Scrip Dividend Scheme, the total number of Shares controlled by the Offeror will increase from 441,000,000 Shares (representing approximately 39.41% of the total issued Shares as at the date of the Joint Announcement) to 1,139,970,587 Shares (representing approximately 52.74% of the enlarged total issued Shares immediately after the allotment and issue of the new Shares under the Scrip Dividend Scheme as at the Latest Practicable Date). Accordingly, the Company will become an indirect non-wholly-owned subsidiary of Ping An Group and the financial results of Group will be consolidated into the consolidated financial statements of Ping An Group.

The offer price of the Share Offer of HK\$6.12 per Share is equal to the reference price per Share under the Scrip Dividend Scheme. With reference to the Scrip Dividend Circular, the reference price per Share under the Scrip Dividend Scheme was HK\$6.12 per Share, which was calculated as equivalent to the average closing prices of three consecutive trading days commencing from the first day the Shares traded ex dividend on the Stock Exchange, being 6 December 2024 (the “**Ex-Dividend Date**”) to 10 December 2024 (both days inclusive).

Details of the Offers are set out in the “Letter from UBS” and the “Letter from the Board” of the Composite Document. Further details of the terms of the Offers and the procedures of acceptance and settlement of the Offers are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance.

2. Background of the Group

Listed on the Stock Exchange in 2018, the Group is principally engaged in the provision of online and offline medical, healthcare and senior care services, leveraging abundant health and senior care service payer resources (F-end commercial insurers/financial service providers, B-end enterprises, etc.), widespread service provider networks, well-developed service standards, and strong support from Ping An Group’s ecosystem. The Group has implemented the “managed care” strategy, focuses on “family doctors” and “senior care” concierges and has become a professional, comprehensive, high-quality, one-stop health and senior care management service provider.

3. Historical financial performance of the Group

The table below sets out the audited financial information of the Group for the year ended 31 December 2021, 31 December 2022 and 31 December 2023 (“**FY2021**”, “**FY2022**” and “**FY2023**”) and the unaudited financial information of the Group for the six months ended 30 June 2023 and 30 June 2024 (“**6M2023**” and “**6M2024**”) extracted from the 2022 Annual Report, the 2023 Annual Report and the 2024 Interim Report.

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	FY2021	FY2022 (Restated ¹)	FY2023	6M2023	6M2024
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue					
– Medical services	2,496,013 ²	2,592,376	2,075,382	1,031,559	1,062,743
– Health services	4,838,201 ²	3,612,706	2,598,180	1,175,093	983,392
– Senior care services	N/A ³	N/A ³	N/A ³	15,525 ³	47,314 ³
	<u>7,334,214</u>	<u>6,205,082</u>	<u>4,673,562</u>	<u>2,222,177</u>	<u>2,093,449</u>
Gross profit	1,706,861	1,671,231	1,508,513	715,362	673,798
Gross profit margin	23.3%	26.9%	32.3%	32.2%	32.2%
Selling and marketing expenses	(1,756,828)	(1,120,400)	(835,796)	(450,346)	(366,722)
Administrative expenses	(1,846,413)	(1,748,350)	(1,480,884)	(756,671)	(394,613)
Operating loss	(1,896,380)	(1,197,519)	(808,167)	(491,655)	(87,537)
Finance income – net	158,641	156,478	243,116	115,242	102,436
Other income and other gains (net) ⁴	252,905	471,181	232,907	134,565	46,021
Others	(54,565)	(69,733)	(2,714)	(3,019)	(291)
(Loss)/Profit for the year/period	<u>(1,539,399)</u>	<u>(639,593)</u>	<u>(334,858)</u>	<u>(244,867)</u>	<u>60,629</u>
Half yearly revenue analysis:					
1st half of the year	52.1%	45.6%	47.5%	N/A	N/A
2nd half of the year	47.9%	54.4%	52.5%	N/A	N/A
	100.0%	100.0%	100.0%	N/A	N/A

Source: 2022 Annual Report, 2023 Annual Report and 2024 Interim Report

Notes:

- The Group adopted the new IFRS 17 Insurance Contracts, which has been effective from 1 January 2023, retrospectively. The Group reviewed the Health Membership Plans contracts and concluded that those contracts meet the conditions of scope exemption of IFRS 17, the Group chose to apply IFRS 15 Revenue from Contracts with Customers to measure those contracts. Thus, the Group restated the comparative figures for FY2022 in relation to the Group's Health Membership Plans.
- As disclosed in the 2022 Annual Report, as chief operating decision-maker changed the structure of internal organization, the composition of the Group's reportable segments changed in FY2021, and medical services was subsequently extended to including medical related merchandise in FY2022. Thus, the segment revenue for FY2021 was restated.
- As disclosed in the 2024 Interim Report, the senior care services business is an important part of the Company's strategic layout, which contributes to a new business growth. Thus, the Company started to disclosed a new segment (i.e. senior care services) to better reflect the Company's business strategy in 6M2024 and only comparative figures for 6M2023 are disclosed in the 2024 Interim Report.

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4. Major items of the other income and other gains (net) were summarized as follow:

	FY2021 <i>(Audited)</i> RMB'000	FY2022 <i>(Audited)</i> RMB'000	FY2023 <i>(Audited)</i> RMB'000	6M2023 <i>(Unaudited)</i> RMB'000	6M2024 <i>(Unaudited)</i> RMB'000
Interest on financial assets					
at amortized cost	140,990	101,461	12,077	12,077	–
Government grants	66,799	81,819	110,306	29,983	1,610
Investment income on					
short-term investments					
placed with banks	66,982	37,289	20,562	13,214	16,674
Net gains on disposals of a					
joint venture	–	277,604	12,211	12,211	–
Net fair value gains on					
financial assets at fair					
value through profit or					
loss	47,145	130,680	100,997	56,148	80,469
(Provision)/reversal for					
outstanding litigations	–	(97,107)	1,592	–	–
Impairment					
(provision)/reversal for					
financial assets	(22,159)	(67,338)	(36,191)	5,272	(63,576)
Others	(46,852)	6,773	11,353	5,660	10,844
	<u>252,905</u>	<u>471,181</u>	<u>232,907</u>	<u>134,565</u>	<u>46,021</u>

FY2021 vs FY2022

The revenue of the Group for FY2022 was approximately RMB6,205.1 million, representing a decrease of approximately 15.4% as compared to that for FY2021. The Group recorded approximately RMB2,592.4 million of revenue from the medical services for FY2022, representing an increase of approximately 3.9% as compared to that for FY2021. Such increase was mainly due to a higher revenue generated from drug diagnosis services. The Group's revenue from the health services was approximately RMB3,612.7 million for FY2022, representing a decrease of approximately 25.3% as compared to that for FY2021. Such decrease was mainly attributable to a lower revenue contribution from sales of some physical products that are less correlated with the managed care strategy and have low profitability. Although the revenue of the Group declined, the gross profit margin improved from approximately 23.3% for FY2021 to approximately 26.9% for FY2022. The improvement in gross profit margin was mainly due to the product mix optimization and the decrease of revenue contribution from physical goods which have lower profitability. The Group recorded operating loss of approximately RMB1,197.5 million for FY2022 because the Group incurred a substantial amount of selling and marketing expenses and administrative expenses. The selling and marketing expenses and administrative expenses of the Group are mainly commission expenses, advertising and promotion expenses used for business development, employee benefit expenses and consulting expenses.

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Other income and other gains (net) of the Group for FY2022 was approximately RMB471.2 million which mainly comprised of (i) interest on financial assets at amortized cost of approximately RMB101.5 million; (ii) government grants of approximately RMB81.8 million; (iii) net fair value gains on financial assets at fair value through profit or loss of approximately RMB130.7 million; and (iv) net gains on disposal of a joint venture of approximately RMB227.6 million, and was partially offset by (i) provision for outstanding litigations of approximately RMB97.1 million; and (ii) impairment provision for financial assets of approximately RMB67.3 million.

In view of the operating loss position, the Group took initiatives to reduce the Group expenditure. The Group successfully reduced its net loss from approximately RMB1,539.4 million for FY2021 to approximately RMB639.6 million for FY2022. Such improvement was mainly due to (i) the decrease in selling and marketing expenses by approximately RMB636.4 million as a result of cessation of customer acquisition activities with high customer acquisition costs and the continuous optimization of production efficiency; and (ii) the decrease in administrative expenses by approximately RMB98.1 million from the continuous improvement in staffing efficiency. The total workforce of the Group was streamlined from 3,425 for FY2021 to 2,556 for FY2022.

FY2022 vs FY2023

The revenue of the Group for FY2023 was approximately RMB4,673.6 million, representing a decrease of approximately 24.7% as compared to that for FY2022. The Group recorded approximately RMB2,075.4 million of revenue from the medical services for FY2023, representing a decrease of approximately 19.9% as compared to that for FY2022. Such decrease was mainly due to the focus of the Group on resource development and the decline in revenue contribution from medical services with low strategic synergies. The Group's revenue from the health services was approximately RMB2,598.2 million for FY2023, representing a decrease of approximately 28.1% as compared to that for FY2022. Such decrease was mainly attributable to a lower revenue contribution from sales of some physical products that are less correlated with the managed care strategy and have low profitability. Although the revenue of the Group declined, the gross profit margin improved from approximately 26.9% for FY2022 to approximately 32.3% for FY2023. The increase in gross profit margin was mainly due to the change in the business portfolio with higher proportion in medical services which have a higher profitability. The Group's operating loss reduced to approximately RMB808.2 million for FY2023 due to the substantial decrease in selling and marketing expenses and administrative expenses. The Group was still in the process improving its resource allocation efficiency and staff efficiency with an objective to further reduce such expenses.

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Other income and other gains (net) of the Group for FY2023 was approximately RMB232.9 million which mainly comprised of (i) government grants of approximately RMB110.3 million; and (ii) net fair value gains on financial assets at fair value through profit or loss of approximately RMB101.0 million, and was partially offset by the impairment provision for financial assets of approximately RMB36.2 million.

The net loss of the Group decreased from approximately RMB639.6 million for FY2022 to approximately RMB334.9 million for FY2023, representing a reduction in loss of approximately 47.6%. The decrease in net loss of the Group for FY2023 was mainly due to (i) the decrease in selling and marketing expenses by approximately RMB284.6 million as a result of the continuous optimization of resource allocation efficiency; and (ii) the decrease in administrative expenses by approximately RMB267.5 million primarily from staff cost resulting from the continuous improvement in staffing efficiency. The total workforce of the Group was streamlined from 2,556 for FY2022 to 1,753 for FY2023.

6M2023 vs 6M2024

The revenue of the Group for 6M2024 was approximately RMB2,093.4 million, representing a decrease of approximately 5.8% as compared to that for 6M2023. The Group recorded approximately RMB1,062.7 million of revenue from the medical services for 6M2024, representing an increase of approximately 3.0% as compared to that for 6M2023. The slight increase was mainly due to the reason that the Group continuously deepened cooperation with Ping An Group's integrated finance business for the purpose of diversifying medical services centered on family doctors, including medical consultation, chronic disease management and medical visit assistance. The Group's revenue from the health services was approximately RMB983.4 million for 6M2024, representing a decrease of approximately 16.3% as compared to that for 6M2023. Such decrease was mainly attributable to ongoing realignment of the business of some physical products that is less correlated with the managed care strategy and has low profitability, and the fulfillment of several service contracts in FY2022 having been delayed causing the relevant revenue being recognized in 6M2023. The gross profit margin for 6M2024 and 6M2023 maintained at the same level of approximately 32.2%. The Group has successfully implemented the cost control policies and the operating loss situation of the Group for 6M2024 has been significantly improved. The operating loss of the Group reduced to approximately RMB87.5 million for 6M2024.

Other income and other gains (net) of the Group for 6M2024 was approximately RMB46.0 million which mainly comprised of (i) investment income on short-term investments placed with banks of approximately RMB16.7 million; and (ii) net fair value gains on financial assets at fair value through profit or loss of approximately RMB80.5 million, and was partially offset by the impairment provision for financial assets of approximately RMB63.6 million.

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The Group turned from net loss position of approximately RMB244.9 million for 6M2023 to net profit position of approximately RMB60.6 million for 6M2024. The turnaround into profitable position of the Group was mainly due to (i) the decrease in selling and marketing expenses by approximately RMB83.6 million as a result of continuously strengthening of input-output management and enhancing of resource allocation efficiency; and (ii) the decrease in administrative expenses by approximately RMB362.1 million primarily from staff cost resulting from the continuous improvement in staffing efficiency. The total workforce of the Group was streamlined from 1,753 for FY2023 to 1,446 for 6M2024.

Major items of the consolidated financial position of the Group as at 31 December 2023 and 30 June 2024 extracted from the 2023 Annual Report and the 2024 Interim Report are summarized in the following table.

	As at	
	31 December 2023	30 June 2024
	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets		
Goodwill	1,677,692	1,677,692
Term deposits	1,196,614	1,412,320
Other non-current assets	318,334	258,360
	3,192,640	3,348,372
Current assets		
Financial assets at fair value through profit or loss	5,330,666	5,938,934
Restricted cash	84,796	75,074
Term deposits	4,149,327	2,209,771
Cash and cash equivalents	1,866,511	3,008,655
Other current assets	1,896,101	1,614,417
	13,327,401	12,846,851
Non-current liabilities		
Lease liabilities	49,989	19,734
Trade and other payables	10,990	11,242
Provision	95,000	95,000
	155,979	125,976
Current liabilities		
Trade and other payables	2,201,371	1,707,102
Contract liabilities	852,084	967,128
Lease liabilities	43,621	29,016
	3,097,076	2,703,246

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	As at	
	31 December 2023 <i>(Audited)</i> <i>RMB'000</i>	30 June 2024 <i>(Unaudited)</i> <i>RMB'000</i>
Net current assets	10,230,325	10,143,605
Total assets	16,520,041	16,195,223
Total liabilities	3,253,055	2,829,222
Net assets	13,266,986	13,366,001
Gearing ratio¹	19.7%	17.5%

Source: 2023 Annual Report and 2024 Interim Report

Note:

1. *The gearing ratio was calculated by dividing the total liabilities by the total assets.*

As at 30 June 2024, total assets of the Group were approximately RMB16,195.2 million. Total assets of the Group mainly comprise of financial assets at fair value through profit or loss which mainly include the wealth management products issued by Ping An Asset Management Co., Ltd. and Ping An Wealth Management Co., Ltd (both of which are controlled by Ping An Group) with an amount of approximately RMB5,938.9 million, representing approximately 36.7% of the total assets of the Group. These financial assets are not related to the main business model of the Group which include provision of online medical and healthcare services. The term deposits and cash and cash equivalents in aggregate, amounted to approximately RMB6,630.7 million, representing approximately 40.9% of the total assets of the Group.

The total liabilities of the Group as at 30 June 2024 were approximately RMB2,829.2 million which mainly comprise of trade and other payables and contract liabilities, in aggregate, representing approximately 94.9% of the total liabilities of the Group. As at 30 June 2024, the Group recorded net current assets and net assets of approximately RMB10,143.6 million and RMB13,366.0 million, respectively. As at 30 June 2024, the Group did not have any outstanding loans due to independent third parties and banks. With net current assets over RMB10 billion and a low gearing ratio of approximately 17.5% as at 30 June 2024, we considered that the Group maintained a healthy and liquid financial position.

The net asset value attributable to owners of the Company as at 30 June 2024 was approximately RMB13,378.7 million which has not reflected the cash dividend payment for the Special Dividend. The cash dividend amounted to approximately HK\$4,471.6 million (equivalent to approximately RMB4,132.0 million) which was calculated based on the number of Shares elected for the cash dividend, multiplied by the dividend per Share of HK\$9.7, and has been paid to Shareholders on 24 January 2024. The net asset value attributable to owners of the Company as at 30 June 2024 after adjustment for settlement of the cash dividend is approximately RMB9,246.7 million (the “**Adjusted NAV**”).

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Industry Outlook and Outlook of the Group

The healthcare industry in the PRC is undergoing rapid transformation, driven by technological advancements, policy support, and changing public health awareness. With the population becoming more focused on preventative care rather than just disease treatment, demand for comprehensive and proactive health services is growing. According to the press conference of National Health Commission of China on 20 September 2022, the aging population is projected to exceed 400 million by 2035. The growth in aging population in the PRC creates significant opportunities in health and senior care services, as people increasingly prioritize longevity and diverse health needs. Government initiatives, such as integrating commercial insurance with basic medical insurance and promoting health management services, are further fueling the development of the healthcare sector. Corporate health management is also emerging as a key market, with enterprises investing heavily in employee wellness, creating a long-term market potential. According to the “Opinion on Promoting Commercial Insurance Development in Social Services” jointly issued by 13 ministries and commissions of the PRC Government in 2020, the market size of the commercial insurance sector in PRC is projected to achieve RMB2 trillion in 2025. The said opinion is the latest available version with no further update and is jointly issued by the 13 ministries and commissions of the PRC Government, including (i) China Banking and Insurance Regulatory Commission; (ii) National Development and Reform Commission; (iii) Ministry of Education of the PRC; (iv) Ministry of Civil Affairs of the PRC; (v) Ministry of Justice of the PRC; (vi) Ministry of Finance of the PRC; (vii) Ministry of Human Resources and Social Security of the PRC; (viii) Ministry of Natural Resources of the PRC; (ix) Ministry of Housing and Urban-Rural Development of the PRC; (x) Ministry of Commerce of the PRC; (xi) National Health Commission; (xii) State Taxation Administration of the PRC; and (xiii) National Healthcare Security Administration.

In 2024, the Group upgraded its flagship “Ping An Family Doctor” services, offering a proactive “1-1-3-12” health management system which is developed by the Group and includes 1 team of professional and authoritative family doctors, 1 world-class standard service process, 3 proactive health management service solutions, and 12 scarce medical resources, that covers prevention, diagnosis, treatment and rehabilitation. With over 14 million users benefiting from family doctor services, the Group continues to enhance user experience and expand its reach. The Group is also integrating its services with commercial insurance, benefiting both individual customers and corporate clients. By providing insurers with tools to attract new customer, enhance customer retention and improve customer’s value, and helping enterprises enhance employee health, the Group is creating synergies that strengthen its market position. Additionally, the Group is expanding its home-based senior care services to address the needs of the aging population. By aligning with national policies, the Group aims to develop a unique “managed care” model tailoring to the PRC’s healthcare market.

As disclosed in the announcement of the Company dated 14 November 2024, the Company announced its change in use of proceeds which were raised from its initial listing in 2018 and placing in 2020. Among the total unutilized net proceeds of HK\$9,486.7 million, 87.2% of these net proceeds will be re-allocated for working capital and general corporate purposes (including distribution of the Special Dividend in cash), 7.0% of which will be used

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business expansion and potential investments or acquisitions in the PRC or overseas for the current financial year of 2025 and the remaining portion will be assigned for further developing core business of the Group before 31 December 2030. The Company mentioned in the aforesaid announcement that investments in or acquisitions of the companies may bring potential risks to the Group's existing business operations and financial performance if there arises any significant deviation between the expectation before acquisition and the actual situation which is unidentified during due diligence process. Thus, the Company plans to put its strategic focus on organic growth.

After the cash payment of Special Dividend, the Group retains around HK\$3,804.5 million for the working capital and general corporate purpose. We understand that identifying a new investment opportunity with complementary business lines with the Group will take a considerable effort to conduct due diligence exercise and feasibility study and it is uncertain whether those potential opportunities may bring synergistic effect to the Group. We concur with the Board that it is commercially justifiable for the Group to focus on its core businesses and this could minimize business risk exposure to existing business and operation of the Group.

Looking ahead, as disclosed in 2024 Interim Report, China's health and senior care industries are expected to maintain sustained and steady growth with vast market potential and provide valuable development opportunities for the Group. The Company believe that extensive engagement in the healthcare and home-based senior care sectors will bring valuable growth to the Group.

4. Information of the Offeror and Ping An Group

As disclosed in the Letter from UBS in this Composite Document, the Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is indirectly wholly-owned by Ping An Group. It is a controlling shareholder of the Company.

Ping An Group is a company established as a joint stock company under the laws of PRC on 21 March 1988. The business of Ping An Group and its subsidiaries covers insurance, banking, investment, finance technology, medical technology and other sectors. It is listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock code: 2318 (HKD counter) and 82318 (RMB counter)). It is a controlling shareholder of the Company.

5. Intention of the Offeror in respect of the Group

Following the close of the Offers, the Offeror intends that the Group will continue its existing principal business. The Offeror has no intention to redeploy any fixed assets of the Group (other than in the ordinary and usual course of business of the Group) or to discontinue the employment of the employees of the Group. The Offeror has no intention to, and believes there is no reasonable likelihood to privatize the Company.

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6. Share Offer

The following are the principal factors which we have been taken into account in assessing the fairness and reasonableness of the terms of the Share Offer.

(a) Comparison of Share Offer Price

The Share Offer Price of HK\$6.12 per Share is equal to the reference price per Share under the Scrip Dividend Scheme and the Share Offer Price represents:

- (i) a discount of approximately 58.20% to the closing price of HK\$14.64 per Share as quoted on the Stock Exchange on the date of the Initial Announcement;
- (ii) a discount of approximately 2.86% to the closing price of HK\$6.30 per Share as quoted on the Stock Exchange on the date of the Joint Announcement;
- (iii) a discount of approximately 1.58% to the average closing price of HK\$6.218 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the date of Joint Announcement;
- (iv) a discount of approximately 4.23% to the average closing price of HK\$6.39 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the date of the Joint Announcement;
- (v) a discount of approximately 5.70% to the average closing price of HK\$6.49 per Share as quoted on the Stock Exchange for the Ex-Dividend Period (as defined below);
- (vi) a discount of approximately 0.33% to the closing price of HK\$6.14 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a discount of approximately 7.97% to the audited net asset value per Share of approximately HK\$6.65 as at 31 December 2023, calculated based on the Group's audited consolidated total equity attributable to the owners of the Company as at 31 December 2023 of RMB13,284 million (equivalent to approximately HK\$14,376 million), divided by 2,161,443,720, being the number of the enlarged total issued Shares immediately after the allotment and issue of the new Shares as the Special Dividend;
- (viii) a discount of approximately 8.66% to the unaudited net asset value per Share of approximately HK\$6.70 as at 30 June 2024, calculated based on the Group's unaudited consolidated total equity attributable to the owners of the Company as at 30 June 2024 of RMB13,379 million (equivalent to approximately HK\$14,478 million), divided by 2,161,443,720, being the number of the enlarged total issued Shares immediately after the allotment and issue of the new Shares as the Special Dividend; and

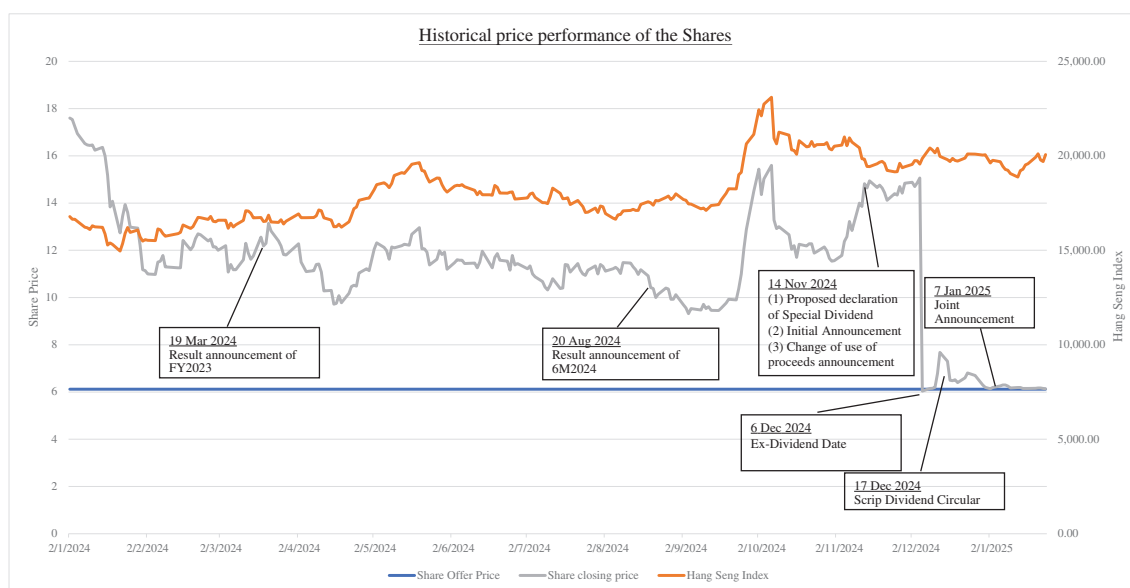
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- (ix) a premium of approximately 32.18% over the Adjusted NAV per Share of approximately HK\$4.63 as at 30 June 2024, calculated based on the Adjusted NAV as at 30 June 2024 of approximately RMB9,246.7 million (equivalent to approximately HK\$10,006.6 million), divided by 2,161,443,720, being the number of the enlarged total issued Shares immediately after the allotment and issue of the new Shares as the Special Dividend.

(b) *Historical Price Performance*

In order to assess the fairness and reasonableness of the Share Offer Price, we have performed a review on the daily closing prices and trading volume of the Shares for the following periods (i) from 2 January 2024 up to and including 5 December 2024 (being the date immediately prior to the Ex-Dividend Date) (the “**Cum-Dividend Period**”); (ii) from the Ex-Dividend Date (i.e. 6 December 2024) up to and including the date of Joint Announcement (i.e. 7 January 2025) (the “**Ex-Dividend Period**”); and (iii) from 8 January 2025 to the Latest Practicable Date (the “**Post-Announcement Period**”, and collectively “**Review Period**”). The Cum-Dividend Period, which illustrates the general trend and level of movement of the daily closing price and trading volume of the Shares prior to the Ex-Dividend Date, is for illustrative purpose only. We considered that the comparison between the Share Offer Price and the daily closing prices of the Ex-Dividend Period is more relevant for our analysis as (i) the Offer Shares are no longer entitled to the Special Dividend; and (ii) the Share Offer Price was determined with reference to the average closing prices of three consecutive trading days commencing from the first day the Shares traded ex dividend on the Stock Exchange, being 6 December 2024 to 10 December 2024 (both days inclusive).

The graph below illustrates the closing prices of the Shares during the Review Period.



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Cum-Dividend Period

The Shares were traded at a price ranging from HK\$9.32 on 4 September 2024 (the “**Lowest Share Price**”) to HK\$17.60 on 2 January 2024 (the “**Highest Share Price**”) during the Cum-Dividend Period. The Share Offer Price represents a discount of approximately 65.2% to the Highest Share Price and a discount of approximately 34.3% to the Lowest Trading Price. The average closing price per Share for the Cum-Dividend Period was approximately HK\$12.06 and the Share Offer Price represents a discount of approximately 49.3% to such average closing price.

The closing price of the Shares was on a downward trend and dropped to HK\$12.18 on 19 March 2024 on which the Group announced its audited annual result of FY2023 and recorded net loss of approximately RMB334.9 million. After the publication of annual result of FY2023, the closing price of the Shares further declined to HK\$9.72 on 16 April 2024. Subsequently, the closing price of the Shares rebounded to HK\$12.96 on 20 May 2024. The Group announced its interim result of 6M2024 on 20 August 2024. However, the closing prices of the Shares kept moving downward to HK\$9.32 on 4 September 2024 even though the Group has been profit-making during 6M2024. The closing prices of Shares surged to HK\$15.6 in early October 2024. The price of the Shares closed at HK\$14.94 on 15 November 2024 (the first trading day after the declaration of Special Dividend). The closing prices of Shares were hovering between HK\$14.12 and HK\$15.06 during the period from 15 November 2024 to 5 December 2024.

Ex-Dividend Period

On the Ex-Dividend Date (i.e. 6 December 2024), the closing price of Shares dropped to HK\$6.04 and fluctuated between HK\$6.14 and HK\$7.68 before the Joint Announcement with an average closing price of approximately HK\$6.50, which is higher than the Share Offer Price by approximately 6.2%. As at the date of the Joint Announcement, the price of Shares closed at HK\$6.3, which was higher than the Share Offer Price by approximately 2.9%.

Post-Announcement Period

After the date of the Joint Announcement, the Shares were trading in the range of HK\$6.15 to HK\$6.3 with an average price of approximately HK\$6.19, which is higher than the Share Offer Price by approximately 1.1%. The price of the Shares closed at HK\$6.14 as at the Latest Practicable Date and is higher than the Share Offer Price by 0.33%.

As illustrated in the sections headed “Comparison of Share Offer Price” and the analysis on historical price performance of the Shares above, it can be observed that:

- a. the Share Offer Price represents a discount of approximately 5.70% to the average closing price of HK\$6.49 for the Ex-Dividend Period; and
- b. there was only one trading day (i.e. 6 December 2024) on which the closing price of Shares is lower than the Share Offer Price during the Ex-Dividend Period.

As at Latest Practicable Date, the Company had not issued any profit alert or profit warning announcement in relation to the financial results for the year ended 31 December 2024 and the annual results announcement is expected to be published in March 2025. We remind the Shareholders and Optionholders that the interim results of the Group for 6M2024 will not be able to indicate the financial performance of the Company for the year ended 31 December 2024.

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Shareholders should note that the above analysis is not an indication of the future price performance of the Shares and there is no guarantee that the prevailing price level of the Shares will sustain during and after the Offer Period.

(c) Trading liquidity

The table below summarizes the trading volume of the Shares for the following period:

Month	Total trading volume of Shares <i>(Shares)</i>	Number of trading days <i>(days)</i>	Approximate average daily trading volume of the Shares ¹ <i>(Shares)</i>	Approximate% of average daily trading volume to the total number of issued Shares held by public Shareholders ²
2024				
January	112,245,575	22	5,102,072	0.75
February	132,635,763	19	6,980,830	1.03
March	105,554,536	20	5,277,727	0.78
April	114,472,341	20	5,723,617	0.84
May	118,202,024	21	5,628,668	0.83
June	90,390,403	19	4,757,390	0.70
July	86,345,352	22	3,924,789	0.58
August	113,702,409	22	5,168,291	0.76
September	196,851,140	19	10,360,586	1.53
October	151,195,753	21	7,199,798	1.06
November	286,639,900	21	13,649,519	2.01
December	644,069,220	20	32,203,461	4.75
2025				
1 January to the Latest Practicable Date	234,448,627	17	13,791,096	2.03

Notes:

1. *Average daily trading volume was calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the months/period.*
2. *The number of Shares held by the public Shareholders represent the total number of issued Shares deducting the Shares held by Offeror as at the end of the corresponding month/period.*

As shown in the table above, the average trading volume of the Shares held by public Shareholders ranged from 0.58% to 4.75% during Review Period. The average daily trading volume of November 2024, December 2024 and January 2025 (up to the Latest Practicable Date) were much higher than that of the other months of the Review Period. During the Review Period, the lowest average daily trading volume is around 3,900,000 Shares in July 2024 and the highest average daily trading volume is around 32,000,000 in December 2024. We noted

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that there was a surge in trading volume on 15 November 2024 up to 90,950,575 Shares after the Initial Announcement. On the ex-dividend date (i.e. 6 December 2024), the daily trading volume increased to 124,282,024 Shares. We considered that such short-term increment in the trading volume in December 2024 may be caused by the market anticipation of the favorable effects in relation to the possible mandatory general offer mentioned in the Initial Announcement.

During the Review Period, there were daily share transactions for all trading days with the lowest daily trading of Shares of around 1,200,000 Shares and the highest daily trading of Shares of around 124,000,000 Shares.

Based on the above observation, in particular, there are daily trading of Shares from 1 January 2024 up to the Latest Practicable Date, we are of the view that the trading of Shares are considered liquid and the Independent Shareholders shall have a chance to dispose of their Shares in the market with a reasonable time range if they wish to. However, the Share Offer can also provide an exit alternative for the Independent Shareholders who would like to realize their investments in the Shares, especially for those holding a large block of the Shares, at the Share Offer Price during the Offer Period.

(d) Market comparable analysis

We have attempted to assess the fairness and reasonableness of the Share Offer Price from the perspective of price-to-earnings ratio (“**P/E Ratio**”), price-to-earnings before interest, tax, depreciation and amortization (“**P/EBITDA Ratio**”) and price-to-book ratio (“**P/B Ratio**”). However, due to the fact that the Group recorded loss after tax of approximately RMB334.9 million and negative EBITDA for FY2023, both P/E ratio and P/EBITDA Ratio are not applicable for our analysis. On the other hand, P/B Ratio is commonly used in valuing asset-intensive entity. As disclosed in the 2024 Interim Report, the Group recorded total assets of approximately RMB16,195.2 million, being an asset-intensive enterprise.

The Group has two core operating segments, which are medical services and health services. The revenue stream of the medical services is primarily derived from (i) provision of medical services to corporate customers or individual users through its mobile app or offline clinics; and (ii) pharmaceuticals and medical devices sales. The revenue stream of the health services is primarily derived from selling the standardized healthcare service packages to individual customers or corporate customers.

Given the revenue model and business model of the Group, we have tried to identify companies which (i) are listed on the Main Board of the Stock Exchange; (ii) the shares are trading and are not suspended at the Latest Practicable Date; and (iii) are principally engaged in the provision of medical and healthcare services through online platforms in the PRC with relevant revenue accounting for more than 50% of the total revenue. Based on the above criteria, we have identified an exhaustive list of two companies which are Alibaba Health Information Technology Limited (Stock Code: 241) and JD Health International Inc (Stock Code: 6618) (the “**Comparable Companies**”). Notwithstanding that the operations and

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prospects of the Comparable Companies are not the same as the Company, we are of the view that the Comparable Companies serve as a reference in assessing the fairness and reasonableness of the Share Offer Price as compared to their peers in the same industry. Details of the Comparable Companies are summarized in the table below:

Stock code	Company name	The relevant revenue to the total revenue (%)	Market capitalization	P/E Ratio as the	P/B Ratio as the
			as at the date of the Joint Announcement (HK\$ Billion)	date of the Joint Announcement ³ (times)	date of the Joint Announcement ⁴ (times)
241 ¹	Alibaba Health Information Technology Limited	91.4	52.0	54.36	3.14
6618 ²	JD Health International Inc	85.3	88.8	38.29	1.57
1833	the Company		7.1	N/A ⁵	0.49 ⁶
	The Share Offer Price		Implied value of the Share Offer 13.2 ⁷	Implied P/E Ratio N/A ⁵	Implied P/B Ratio 1.32 ⁸

Notes:

1. Principally engaged in the pharmaceutical direct sales business, pharmaceutical e-commerce platform business and healthcare and digital services business.
2. Principally engaged in a comprehensive “Internet + Healthcare” ecosystem, providing pharmaceutical and healthcare products, Internet healthcare, health management, intelligent healthcare solutions to the customers, and a variety of marketing services to the business partners.
3. P/E Ratios of the Comparable Companies are calculated by way of dividing the market capitalization as at the date of the Joint Announcement by the latest published net profit attributable to owners of the relevant companies.
4. P/B Ratios of the Comparable Companies are calculated by way of dividing the market capitalization as at the date of the Joint Announcement by the latest published net assets attributable to owners of the relevant companies.
5. The Group recorded net loss attributable to owners of the Company for FY2023.
6. P/B Ratio of the Company is calculated by way of dividing the market capitalization as at the date of the Joint Announcement by the net assets attributable to owners of the Company as at 30 June 2024.
7. The implied value of the Share Offer is calculated based on the Share Offer Price (i.e. HK\$6.12) times the number of the enlarged total issued Shares immediately after the allotment and issue of the new Shares as the Special Dividend (i.e. 2,161,443,720 Shares).
8. The implied PB Ratio of the Share Offer Price is calculated based on the implied value of the Share Offer of HK\$13.2 billion divided by the Adjusted NAV of HK\$10.0 billion.
9. The conversion of the financial information between RMB and HK\$ are based on the exchange rate of HK\$1 = RMB0.92406 as announced by the People’s Bank of China on the last business date before the date of the Joint Announcement.

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As summarized above,

1. the P/B Ratio of the Company as at the date of the Joint Announcement is 0.49; and
2. The P/B Ratio implied by the Share Offer Price and the Adjusted NAV is 1.32 which is based on the net asset value attributable to the shareholders of the Company as at 30 June 2024 after adjustment for the settlement of cash payment of the Special Dividend and the completion of allotment and issue of the new Shares,

which are both lower than the P/B Ratios of the Comparable Companies as at the date of the Joint Announcement. Therefore, we considered that the Share Offer Price is not acceptable.

7. Option Offer

We noted that the cancellation prices under the Option Offer were calculated in compliance with Rule 13 of the Takeovers Code and Practice Note 6 to the Takeovers Code and represent the “see-through” prices, which are the difference between the Share Offer Price and the respective exercise prices for the Options.

As at the Latest Practicable Date, the Company has 6,871,672 outstanding Options granted under the Employee Incentive Scheme with an exercise price within the range of HK\$0 to HK\$37.84, comprising 1,770,750 Vested Options and 5,100,922 Unvested Options. Details of the outstanding Options and their respective “see-through” prices are summarized in the table below:

Exercise price per Option	Number of outstanding Options	“See-through” Option offer price
<i>Vested Options</i>		
HK\$0	50,236	HK\$6.12
HK\$5.95	800	HK\$0.17
HK\$26.47	561,528	HK\$0.1
HK\$36.21	83,500	HK\$0.1
HK\$37.84	1,074,686	HK\$0.1
<i>Unvested Options</i>		
HK\$0	5,100,922	HK\$6.12

As shown in the above table, for the Options with exercise price of HK\$0 and HK\$5.95 which are lower than the Share Offer Price, the cancellation prices under the Option Offer are HK\$6.12 and HK\$0.17, respectively. Given that the exercise prices of Options ranging from HK\$26.47 to HK\$37.84 are significantly higher than the Share Offer Price, these Options are deeply out of the money and the cancellation prices under the Option Offer for each of these out-of-the-money Options were set at a nominal amount of HK\$0.1.

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We further observed that the cancellation prices for the Options that are out of the money are at a nominal amount of HK\$0.1, as applying the “see-through” price would result in the cancellation prices for such Options being negative. The nominal amount, although in compliance with the Takeovers Code, does not account for the time value of such Options. The time value represents the probability that the option will increase in price before its expiration date. If the market trading price of Shares moves favourably in the long run, not accepting the Option Offer would allow the holder to capture potential gains if and when the market trading price of Shares rises above its exercise price. Conversely, if the market trading price of Shares moves unfavourably, the Optionholder’s position will not worsen, as their loss will be limited to the nominal amount of HK\$0.1 per out of the money Option, representing the opportunity cost for not accepting the Option Offer.

Based on our view that the Share Offer Price is NOT fair and NOT reasonable for the reasons discussed in the section headed “OPINIONS AND RECOMMENDATIONS” below, we are of the view that the cancellation prices under the Option Offer, being the “see-through” prices based on the Share Offer Price, are NOT fair and NOT reasonable so far as the Optionholders are concerned.

We wish to highlight that, as disclosed in the Composite Document, the Offeror has no intention to privatize the Company and intends to maintain the listing of the Shares on the Stock Exchange. Consequently, the Options which are not tendered under the Option Offer will not lapse upon the close of the Option Offer. Thus, the Optionholders will have time to monitor the market trading price of the Shares when deciding when and whether to exercise the Options instead of accepting the Option Offer for a nominal amount.

OPINIONS AND RECOMMENDATIONS

In making our recommendation, we have considered the foregoing and, in particular, the following principal reasons:

Share Offer

- (i) the Share Offer Price is lower than the closing prices of the Shares during the Ex-Dividend Period (except for the closing price of HK\$6.04 on 6 December 2024), and represents a discount of approximately 5.70% to the average closing price of the Shares of HK\$6.49 for the Ex-Dividend Period;
- (ii) the trading of the Shares has been liquid during the Review Period, which mean that those Independent Shareholders, who wish to realize all or part of their investment in the Shares, can choose to exit in the open market, rather than relying the exit opportunity from the Offers;
- (iii) despite the Share Offer Price represents a premium over the Adjusted NAV per Share, the P/B Ratio implied by the Share Offer Price is lower than the P/B Ratios of the Comparable Companies as at the date of the Joint Announcement;

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- (iv) the Group achieved a turnaround from net loss position of approximately RMB244.9 million for 6M2023 to net profit position of approximately RMB60.6 million for 6M2024;
- (v) the Group maintained a stable, healthy and liquid financial position with net current asset of HK\$10,230.3 million and HK\$10,143.6 million as at 31 December 2023 and 30 June 2024, respectively, and has no outstanding loans due to other independent third parties and banks; and
- (vi) due to the increasing public health awareness and the increasing aging population, the growing demand of healthcare and medical services provides a positive prospect on the healthcare industry.

In light of the above, we are of the opinion that the Share Offer Price is NOT fair and NOT reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders NOT to accept the Share Offer.

Option Offer

For the Option Offer, we are of the view that the cancellation prices under the Option Offer are also NOT fair and NOT reasonable so far as the Optionholders are concerned and consequently advise the Independent Board Committee to recommend the Optionholders NOT to accept the Option Offer.

Notwithstanding our recommendation that the Share Offer Price and cancellation prices of the Options are NOT fair and NOT reasonable, the Independent Shareholders and Optionholders, who are less optimistic about the outlook and future prospects of the Group and may wish to realize their investment, may consider the following ways to do so:

- for the Independent Shareholders, they may consider closely monitoring market price movements and selling their Shares in the open market should such sale proceeds (net of all transaction costs) exceed the amount receivable under the Share Offer. However, if the market price of Shares falls below the Share Offer Price toward the end of the Offer Period, they may consider tendering all or part of their holdings to the Offeror under the Share Offer, should they still wish to realize their investment;
- for the Optionholders with Vested Options which are in the money, they may closely monitor market price movement and evaluate whether to exercise the Vested Options and sell those Shares in the open market, if the sale proceeds (net of all transaction costs and exercise price of the Vested Options) exceed the amount receivable under the Option Offer. However, if the market price of Shares falls below the Share Offer Price toward the end of the Offer Period, they may consider tendering all or part of their holdings for cancellation under the Option Offer, should they wish to realize their investment; and

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- for the Optionholders with Unvested Options which are in the money, as they may not be able to freely realize their investment in the market until the existing schedule and conditions of grant under the Employee Incentive Scheme are fulfilled, their intention to realize all or part of their investment may be more effectively achieved through accepting the Option Offer. However, the Optionholders could only receive the cancellation price of the Unvested Options following the vesting of the respective Unvested Options. This acceptance effectively locks the value of their Options at the cancellation price. Although the cancellation prices of the Options are considered to be NOT fair and NOT reasonable, it could shield the value of Unvested Options from any future price volatility of the underlying Shares throughout the vesting period. However, it is important to note that this acceptance means forfeiting any potential gains if the market trading price of Shares further increase upon the completion of vesting of the Unvested Options.

We also remind the Shareholders and Optionholders, who have a relatively long term investment horizon, that they may retain their investment in the Shares/Options by not accepting the Offers. These Independent Shareholders and Optionholders should monitor and follow the announcements of the Company, the development of the Group and the market price of the Shares during and after the Offer Period. There is no guarantee that the prevailing price level of the Shares will sustain during and after the Offer Period. The Independent Shareholders are strongly advised that the decision to realize or to continue to hold their investments in the Shares is subject to individual circumstances and investment objectives.

As different holders of the Shares and the Options would have varying investment criteria, objectives, risk appetites and profiles, we recommend that the Independent Board Committee reminds the Independent Shareholders and the Optionholders, who may require advice in relation to any aspect of the Composite Document or concerning the action to be taken, to consult with a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional advisers.

Yours faithfully
For and on behalf of
Octal Capital Limited

Alan Fung
Managing Director

Wong Wai Leung
Executive Director

Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 30 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to the compliance to the Takeovers Code of listed companies in Hong Kong. Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) regulated activities since 2008 and is also a responsible officer of Type 9 (asset management) regulated activities. Mr. Wong has accumulated experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER

To accept the Share Offer, which is open to all Independent Shareholders whether resident in or outside of Hong Kong, you should complete and sign the accompanying **WHITE** Form of Acceptance of the Share Offer in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Offer. You should insert the total number of the Offer Shares for which the Share Offer is accepted. If no number is inserted in the box titled “Number of Shares to be transferred” or the number of Offer Shares inserted is greater than the number of Offer Shares held by you or is greater or smaller than the number of the Shares represented by the certificate for Offer Shares tendered for acceptance of the Share Offer, the form will be returned to you for correction and resubmission. Any corrected form must be resubmitted by you and received by the Registrar on or before the latest time for acceptance of the Share Offer. Your Offer Shares sold to the Offeror by way of acceptance of the Share Offer will be registered under the name of the Offeror or its nominee.

By signing and returning the **WHITE** Form of Acceptance of the Share Offer, you warrant to the Offeror, UBS, the Company and parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, employees, agents or associates or any other person involved in the Offers that you have not taken or omitted to take any action which will or may result in the Offeror, UBS, the Company or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, employees, agents or associates or any other person involved in the Offers acting in breach of the legal or regulatory requirements of any territory in connection with the Share Offer or your acceptance thereof.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name and you wish to accept the Share Offer in respect of Offer Shares held by you (whether in full or in part), you must send the duly completed and signed **WHITE** Form of Acceptance of the Share Offer together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Offer Shares in respect of which you intend to accept the Share Offer, to the Registrar, by post or by hand to Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, in an envelope marked “**Ping An Healthcare and Technology Company Limited – Share Offer**”, as soon as possible, and, in any event no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Share Offer in full or in part, you must either:

- (a) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorizing it to accept the Share Offer on your behalf and requesting it to deliver the duly completed and signed **WHITE** Form of Acceptance of the Share Offer together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Offer Shares in respect of which you intend to accept the Share Offer to the Registrar; or
- (b) arrange for the Offer Shares to be registered in your name by the Company, through the Registrar, and send the duly completed and signed **WHITE** Form of Acceptance of the Share Offer together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
- (c) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (d) if your Offer Shares have been lodged with your Investor Participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.

If the number of the Share(s) shown in the share certificate is not wholly accepted by you, new share certificate representing the number of the Share(s) to be transferred shown in the **WHITE** Form of Acceptance of the Share Offer must be applied for.

If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Offer Shares, the **WHITE** Form of Acceptance of the Share Offer should nevertheless be duly completed and signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Offer Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Share Offer in respect of your Offer Shares, you should nevertheless complete and sign the **WHITE** Form of Acceptance of the Share Offer and deliver it to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to UBS and/or the Offeror or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it/they were delivered to the Registrar with the **WHITE** Form of Acceptance of the Share Offer.

An acceptance of the Share Offer may not be counted as valid unless:

- (a) it is received by the Registrar on or before 4:00 p.m. on the Closing Date or such time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (b) below have been so received; and
- (b) the **WHITE** Form of Acceptance of the Share Offer is duly completed and signed and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt (s) and/or other document (s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Offer Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Shares; or

- (ii) from a registered Independent Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Offer Shares which are not taken into account under the other sub-paragraphs of this paragraph (b)); or
- (iii) certified by the Registrar or the Stock Exchange.

If the **WHITE** Form of Acceptance of the Share Offer is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

No acknowledgment of receipt of any **WHITE** Form of Acceptance of the Share Offer, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

2. PROCEDURES FOR ACCEPTANCE OF THE OPTION OFFER

To accept the Option Offer, you should complete and sign the accompanying **PINK** Form of Acceptance of the Option Offer in accordance with the instructions printed thereon, which instructions form part of the terms of the Option Offer. You should insert the total number of Options for which the Option Offer is accepted. If no number is inserted in the box title “Number of Options surrendered for cancellation” or a number of Options inserted is greater than the number of your registered holding of Options or those physical Options tendered for acceptance of the Option Offer, the form will be returned to you for correction and resubmission. Any corrected form must be resubmitted and received by the HR Department of the Company on or before the latest time for acceptance of the Option Offer.

The duly completed and signed **PINK** Form of Acceptance of the Option Offer should be forwarded, together with the relevant option certificate(s) (and/or satisfactory indemnity or indemnities required in respect thereof) (if applicable) you intend to tender, stating the number of Options in respect of which you intend to accept the Option Offer, to the HR Department of the Company by email to dept_jkhlwrsxzb@pingan.com.cn marked “**Ping An Healthcare and Technology Company Limited – Option Offer**” as soon as possible and in any event so as to reach the HR Department of the Company by not later than 4:00 p.m. on the Closing Date, or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.

If the option certificate(s) (if applicable) is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Option Offer, the **PINK** Form of Acceptance of the Option Offer should nevertheless be completed and delivered to the HR Department of the Company together with a letter stating that you have lost one or more of your Option certificate(s) (if applicable) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the HR

Department of the Company as soon as possible thereafter. If you have lost your Option certificate(s) (if applicable), you should also write to the HR Department of the Company requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the HR Department of the Company.

Acceptance of the Option Offer and the receipt of the cancellation price of the Option Offer may trigger tax obligations (such as withholding tax in the PRC) of the Optionholder and/or the Company on behalf of the Optionholder. The cancellation price of the Option Offer will be paid to the Optionholder net of any withholding tax applicable to the Optionholder and required to be withheld by the Company. All Optionholders are recommended to consult their professional advisers if in any doubt as to the tax implications of the Option Offer.

If the Share Offer is withdrawn or lapses, the Option Offer will be withdrawn or lapse too. In such case, the Offeror shall, at the Optionholders' own risk as soon as possible but in any event within seven (7) business days thereof, return by ordinary post the relevant option certificate(s) (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) lodged with the **PINK** Form of Acceptance of the Option Offer to the relevant Optionholders.

No acknowledgment of receipt of any **PINK** Form of Acceptance of the Option Offer and/or option certificate(s) (if applicable) will be given.

References to the Offers in this Composite Document and in the **PINK** Form of Acceptance of the Option Offer shall include any extension and/or revision thereof.

In making their decision, the Optionholders must rely on their own examination of the Group and the terms of the Option Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the **PINK** Form of Acceptance of the Option Offer, shall not be construed as any legal or business advice on the part of any of the Offeror, the Company, UBS, the Independent Financial Adviser, or their respective professional advisers. The Optionholders should consult their own professional advisers for professional advice.

3. SETTLEMENT

Share Offer

If you accept the Share Offer, payment in cash of the consideration in respect of acceptance of the Share Offer (less the seller's ad valorem stamp duty (if applicable) payable by the Independent Shareholders who accept the Share Offer, further details of which are set out in section headed "9. Hong Kong Stamp Duty" under Appendix I to this Composite Document) will be made no later than seven (7) business days following the date of receipt of duly completed and valid acceptance of the Share Offer. Relevant documents of title must be received by or on behalf of the Offeror to render each acceptance of the Share Offer complete

and valid. Each cheque will be despatched by ordinary post to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company, or in case of joint holders, to the Independent Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying **WHITE** Form of Acceptance of the Share Offer completed, returned and received by the Registrar to the address specified on the relevant Independent Shareholder's **WHITE** Form of Acceptance of the Share Offer at his/her own risk.

Option Offer – Vested Options

For holders of Vested Options, if you accept the Option Offer, settlement of the cancellation price (net of any applicable fees, expenses and taxes) will be made by the Offeror to the Company as the agent of the holders of the Vested Options as soon as possible but in any event no later than seven (7) business days following the date of receipt of duly completed and valid acceptance, whichever is earlier, and the Company, being agent of the holders of the Vested Options, will make payment to respective holders of the Vested Options as soon as possible thereafter.

Option Offer – Unvested Options

For holders of the Unvested Options, if you accept the Option Offer, settlement of the cancellation price (net of any applicable fees, expenses and taxes) will be made by the Offeror on a staggered basis and in accordance with the existing schedule and conditions of grant under the Employee Incentive Scheme, as follows:

- (a) no later than three (3) business days following the completion of each of the vesting, the Company will send to the Offeror a summary of vesting details and payment directions (the "**Vesting Notice**"); and
- (b) as soon as possible and no later than four (4) business days after the date of receipt of the Vesting Notice by the Offeror, settlement of the cancellation price will be made by the Offeror in accordance with the payment directions as stated in the Vesting Notice.

Based on the existing vesting schedule under the Employee Incentive Scheme, the settlement of the cancellation price payable to holders of Unvested Options under the Option Offer will not be made no later than seven (7) business days after the date of receipt of duly completed and valid acceptance in accordance with Rule 20.1(a) of the Takeovers Code. The Offeror has applied to the Executive for and the Executive has granted a waiver from strict compliance with Rule 20.1(a) of the Takeovers Code so that payment in respect of Unvested Options under the Option Offer may be made no later than 7 business days after the vesting of the Unvested Options.

Additional Settlement Terms and Procedures for the Offers

Relevant documents of title must be received by or on behalf of the Offeror to render each acceptance of the Offer(s) complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable will be rounded up to the nearest cent.

4. ACCEPTANCE PERIOD AND REVISIONS

Pursuant to Rule 15.1 of the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days after the date of this Composite Document. Unless the Offers have previously been revised or extended with the consent of the Executive, to be valid, the Forms of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.

The Offeror has the right to extend the Offers until such date as they may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date or a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Independent Shareholders and Optionholders who have not accepted the Offers, and an announcement will be released jointly by the Offeror and the Company. The revised Offers will be kept open for at least 14 days thereafter.

If the Closing Date is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

5. ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision and extension of the Offers. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether the Offers have been revised, extended or expired. The announcement will state the following:

- (a) the total number of Offer Shares and Options and rights over Offer Shares and Options for which acceptances of the Offers have been received;
- (b) the total number of the Shares and Options and rights over the Shares and Options held, controlled or directed by the Offeror before the Offer Period;

- (c) the total number of Offer Shares and Options and rights over Offer Shares and Options acquired or agreed to be acquired during the Offer Period by the Offeror; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in which any member of the Offeror have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of voting rights represented by these numbers of Shares (or Offer Shares, as the case may be) and Options.

In computing the total number of Offer Shares and Options represented by acceptances, only valid acceptances that are complete, in good order and fulfil the requirements set out in this Appendix I, and which have been received by the Registrar or the HR Department of the Company (as the case may be) no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offers, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Listing Rules.

6. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Shares, whose investments are registered in the names of nominees, to accept the Share Offer, it is essential that they provide instructions of their intentions with regard to the Share Offer to their nominees.

7. RIGHT OF WITHDRAWAL

Acceptance of the Offers tendered by the Independent Shareholders and the Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the following paragraph.

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offers set out in section headed “5. Announcements” under Appendix I to this Composite Document, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when any Independent Shareholder and the Optionholder withdraw acceptance(s), the Offeror shall, at the own risk of the respective Independent Shareholder and the Optionholder, as soon as possible but in any event within seven (7) business days thereof, return by ordinary post the relevant share certificate(s), option certificate(s) (if applicable) and/or other document(s) of title (and/or satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent Shareholder and the Optionholder.

8. EFFECT OF ACCEPTANCE OF THE OFFERS

By accepting the Share Offer, the relevant Independent Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

By accepting the Option Offer, the relevant Optionholder will be deemed to agree to the cancellation of the Options to be tendered by such person under the Option Offer and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of despatch of the Composite Document.

Acceptance of the Offers will be irrevocable and will not be capable of being withdrawn, except as permitted under the Takeovers Code.

9. HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty (if applicable) payable by the Independent Shareholders, who accept the Share Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty (if applicable) on behalf of the relevant Independent Shareholders accepting the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty (if applicable) in connection with the acceptance of the Share Offer.

No stamp duty is payable in connection with the acceptance of the Option Offer.

10. TAXATION ADVICE

Independent Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer(s). None of the Offeror, the Company, UBS and their respective ultimate beneficial owners, directors, officers, employees, agents or associates or any other person involved in the Offer(s) accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer(s).

11. INDEPENDENT SHAREHOLDERS AND OPTIONHOLDERS WHO ARE RESIDENTS OUTSIDE HONG KONG

The availability of the Offers to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders and/or Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders and/or Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders and/or Overseas Optionholders in respect of such jurisdiction).

This Composite Document will not be registered under any securities laws or regulations in any jurisdiction (including Hong Kong or overseas) and may only be despatched to Overseas Shareholders and/or Overseas Optionholders pursuant to an exemption from the registration or selling restriction requirements of the applicable securities laws or regulations of the relevant jurisdiction.

According to the register of members of the Company as at the Latest Practicable Date, there are two Overseas Shareholders with registered addresses located in Macau and Singapore. The Company and the Offeror have made enquiries and obtained legal advice that there is no registration requirement or legal restriction under the laws of or the requirements of the relevant regulatory bodies in Macau and Singapore with respect to the making of Share Offer and dispatch of Composite Document to such Overseas Shareholders, and will do so accordingly.

Acceptances of the Offers by any Overseas Shareholders and/or Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and/or Overseas Optionholders to the Offeror and its advisers (including UBS as financial adviser to the Offeror in connection with the Offers) that the local laws and requirements have been complied with. The Overseas Shareholders and/or Overseas Optionholders should consult their professional advisers in case of any doubt.

12. GENERAL

- (a) All communications, notices, Forms of Acceptance, share certificates, option certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from Independent Shareholders and the Optionholders will be delivered by or sent to or from them, or their designated agents, through post at their own risk, and none of the Offeror, the Company (including the HR Department of the Company), UBS, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, employees, agents, associates or any other person involved in the Offers accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Forms of Acceptance form part of the terms of the Offers.
- (c) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror and/or UBS (or any of their respective ultimate beneficial owners, directors, officers, employees, agents or associates) to complete, and execute any document on behalf of the Independent Shareholder and Optionholder who accepts the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror (or such person or persons as it may direct) the Offer Shares or cancelling the Options in respect of which such person has accepted the Offers.
- (d) The accidental omission to despatch this Composite Document and/or the Forms of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (e) To the extent permissible, the Offers and all acceptances thereof will be governed by and construed in accordance with the laws of Hong Kong.
- (f) The settlement of the consideration to which any Independent Shareholder or Optionholder is entitled under the Offers will be implemented in full in accordance with the terms of the Offers without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder and the Optionholder.
- (g) Any Independent Shareholder or Optionholder accepting the Offers will be responsible for payment of any transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.

- (h) In making their decision, Independent Shareholders and Optionholders must rely on their own examination of the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Forms of Acceptance, shall not be construed as any legal or business advice on the part of the Offeror, the Company, UBS or their respective professional advisers. Independent Shareholders and Optionholders should consult their own professional advisers for professional advice.

- (i) References to the Offers in this Composite Document and in the Forms of Acceptance shall include any extension and/or revision thereof.

This Composite Document has been prepared for the purposes of compliance with the legislative and regulatory requirements applicable in respect of the Offers in Hong Kong, including the Takeovers Code, and the operating rules of the Stock Exchange.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial information of the Group for each of the years ended 31 December 2021, 2022 and 2023 as extracted from the relevant annual reports of the Company and unaudited consolidated financial information of the Group for the six months ended 30 June 2023 and 2024 as extracted from the interim report of the Company:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended		Year ended 31 December		
	30 June				
	2024	2023	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
				(Restated)	
Revenue	2,093,449	2,222,177	4,673,562	6,205,082	7,334,214
Cost of sales	(1,419,651)	(1,506,815)	(3,165,049)	(4,533,851)	(5,627,353)
Gross profit	673,798	715,362	1,508,513	1,671,231	1,706,861
Selling and marketing expenses	(366,722)	(450,346)	(835,796)	(1,120,400)	(1,756,828)
Administrative expenses	(394,613)	(756,671)	(1,480,884)	(1,748,350)	(1,846,413)
Other income	18,284	55,274	142,945	220,569	274,771
Other gains – net	27,737	79,291	89,962	250,612	(21,866)
Operating loss	(41,516)	(357,090)	(575,260)	(726,338)	(1,643,475)
Finance income	103,977	119,285	250,002	167,591	169,471
Finance costs	(1,541)	(4,043)	(6,886)	(11,113)	(10,830)
Finance income – net	102,436	115,242	243,116	156,478	158,641
Share of profits/(losses) of associates and joint ventures	(268)	(2,415)	251	(66,323)	(38,773)
Profit/(Loss) before income tax	60,652	(244,263)	(331,893)	(636,183)	(1,523,607)
Income tax expense	(23)	(604)	(2,965)	(3,410)	(15,792)
Profit/(Loss) for the year/period	60,629	(244,867)	(334,858)	(639,593)	(1,539,399)
Profit/(Loss) attributable to:	60,629	(244,867)	(334,858)	(639,593)	(1,539,399)
– Owners of the Company	56,648	(244,618)	(322,594)	(636,058)	(1,538,183)
– Non-controlling interests	3,981	(249)	(12,264)	(3,535)	(1,216)
Earnings/(Loss) per share attributable to owners of the Company					
– Basic (RMB yuan)	0.05	(0.23)	(0.30)	(0.59)	(1.39)
– Diluted (RMB yuan)	0.05	(0.23)	(0.30)	(0.59)	(1.39)

	Six months ended		Year ended 31 December		
	30 June		2023	2022	2021
	2024	2023	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
				(Restated)	
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	8,392	52,139	25,745	111,967	(17,113)
Other comprehensive income for the year/period, net of tax	8,392	52,139	25,745	111,967	(17,113)
Total comprehensive income/(loss) for the year/period	69,021	(192,728)	(309,113)	(527,626)	(1,556,512)
Total comprehensive income/(loss) attributable to:	69,021	(192,728)	(309,113)	(527,626)	(1,556,512)
– Owners of the Company	65,040	(192,479)	(296,849)	(524,091)	(1,555,296)
– Non-controlling interests	3,981	(249)	(12,264)	(3,535)	(1,216)

On 14 November 2024, the Board resolved a special dividend out of the share premium account under the reserves of the Company in the amount of HK\$9.7 per Share, and such special dividend was paid in January 2025 to the Shareholders.

Consolidated Statement of Financial Position

	As at 30 June		As at 31 December		
	2024	2023	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
				(Restated)	
ASSETS					
Non-current assets					
Goodwill	1,677,692	1,677,692	1,677,692	1,677,692	969,929
Right-of-use assets	43,841	119,629	80,951	160,030	196,913
Property, plant and equipment	73,405	93,456	85,682	111,468	140,030
Other intangible assets	32,170	57,542	42,489	74,578	105,587
Investments in associates and joint ventures	108,944	356,634	109,212	356,615	545,619
Financial assets at amortized cost	–	–	–	–	498,193
Financial assets at fair value through profit or loss	–	17,970	–	17,970	17,970
Term deposits	1,412,320	995,478	1,196,614	2,279,986	2,649,317
Total non-current assets	3,348,372	3,318,401	3,192,640	4,678,339	5,123,558
Current assets					
Inventories	125,934	162,552	198,575	246,063	398,073
Trade receivables	956,683	994,886	1,190,392	1,510,336	1,553,645
Contract related assets	190,411	225,618	159,215	193,191	82,129
Prepayments and other receivables	341,389	449,372	347,919	378,002	549,355
Financial assets at amortized cost	–	–	–	497,271	2,096,879
Financial assets at fair value through profit or loss	5,938,934	3,263,450	5,330,666	5,089,556	4,937,084
Restricted cash	75,074	75,000	84,796	75,000	75,092
Term deposits	2,209,771	3,577,402	4,149,327	815,733	–
Cash and cash equivalents	3,008,655	4,595,258	1,866,511	3,700,689	3,064,876
Total current assets	12,846,851	13,343,538	13,327,401	12,505,841	12,757,133
Total assets	16,195,223	16,661,939	16,520,041	17,184,180	17,880,691
EQUITY AND LIABILITIES					
Equity					
Share capital	35	35	35	35	36
Treasury shares	(1)	(1)	(1)	(1)	(367,860)
Reserves	20,536,152	20,487,182	20,497,766	20,423,914	20,808,040
Accumulated losses	(7,157,522)	(7,136,194)	(7,214,170)	(6,891,576)	(6,356,799)
Total equity attributable to owners of the Company	13,378,664	13,351,022	13,283,630	13,532,372	14,083,417
Non-controlling interests	(12,663)	(1,321)	(16,644)	(1,072)	2,463
Total equity	13,366,001	13,349,701	13,266,986	13,531,300	14,085,880
Liabilities					
Non-current liabilities					
Lease liabilities	19,734	70,746	49,989	103,490	120,918
Trade and other payables	11,242	10,736	10,990	43	43
Provisions	95,000	97,107	95,000	97,107	–

	As at 30 June		As at 31 December		
	2024	2023	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
				(Restated)	
Total non-current liabilities	125,976	178,589	155,979	200,640	120,961
Current liabilities					
Trade and other payables	1,707,102	1,991,822	2,201,371	2,240,073	2,641,097
Contract liabilities	967,128	1,077,620	852,084	1,139,165	952,376
Lease liabilities	29,016	64,207	43,621	73,002	80,377
Total current liabilities	2,703,246	3,133,649	3,097,076	3,452,240	3,673,850
Total liabilities	2,829,222	3,312,238	3,253,055	3,652,880	3,794,811
Total equity and liabilities	16,195,223	16,661,939	16,520,041	17,184,180	17,880,691

The consolidated financial statements of the Group for each of the years ended 31 December 2021, 2022 and 2023 were audited by PricewaterhouseCoopers. The consolidated financial statements of the Group for the years ended 31 December 2021, 2022 and 2023 did not contain any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern.

Save as disclosed above, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for the years ended 31 December 2021, 2022 and 2023 and six months ended 30 June 2023 and 2024.

2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out or refer to in this Composite Document the consolidated statements of comprehensive income, consolidated statements of financial position, consolidated statements of changes in equity, consolidated statements of cash flows and any other primary statement as shown in the audited consolidated financial statements of the Company for the years ended 31 December 2021, 2022 and 2023 and the unaudited financial statements of the Company for the six months ended 30 June 2024, together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The unaudited consolidated financial results of the Company for the six months ended 30 June 2024 were set out from pages 33 to 72 in the interim report published by the Company on 28 August 2024 (the “**2024 Interim Report**”) on the websites of the Stock Exchange (<http://www.hkexnews.hk>), and the Company (<https://www.pagd.net/>), and is accessible via the following hyperlink:

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0828/2024082800379.pdf>)

The audited consolidated financial statements of the Company for the year ended 31 December 2023 were set out from page 166 to page 247 in the 2023 annual report published by the Company on 27 March 2024 (the “**2023 Annual Report**”) on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.pagd.net/>), and is accessible via the following hyperlink:

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0327/2024032700942.pdf>)

The audited consolidated financial statements of the Company for the year ended 31 December 2022 were set out from page 137 to page 225 in the 2022 annual report published by the Company on 22 March 2023 (the “**2022 Annual Report**”) on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.pagd.net/>), and is accessible via the following hyperlink:

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0322/2023032200425.pdf>)

The audited consolidated financial statements of the Company for the year ended 31 December 2021 were set out from page 119 to page 198 in the 2021 annual report published by the Company on 24 March 2022 (the “**2021 Annual Report**”) on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.pagd.net/>), and is accessible via the following hyperlink:

(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0324/2022032400836.pdf>)

3. INDEBTEDNESS STATEMENT

As at 31 December 2024, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this Composite Document, the Group had the following outstanding indebtedness:

(1) Borrowings

As at 31 December 2024, Pingan Yingjian Medical Management (Shanghai) Limited, a subsidiary of the Group, has a long-term borrowing of RMB10.5 million with original duration of 36 months from its shareholder Yingjian Enterprise Management Consulting (Shanghai) Co., Ltd., which is unsecured and bears interest rate of 4.75%.

(2) Lease liabilities

As at 31 December 2024, the Group had current and non-current lease liabilities which amounted to approximately RMB28.62 million and RMB16.38 million respectively.

(3) Provisions and contingent liabilities

As at 31 December 2024, the Group was the defendant in certain outstanding litigations. After assessing the status of those outstanding litigations and disputes as well as considering the legal opinions from internal and external legal counsels, the Group considered contingent liabilities of RMB64.08 million and had recognized provisions amount to approximately RMB95 million. The Group recognized the corresponding provisions based on the estimated losses arising from those outstanding litigations and disputes.

Save as aforesaid or otherwise disclosed herein, and apart from the intra-group liabilities, the Directors confirm that the Group did not, as at the close of business on 31 December 2024, have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that save as and except for the below, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2023 (being the date which the latest published audited consolidated financial statements of the Group were made up) up to and including the Latest Practicable Date.

- As disclosed in the interim report of the Group for the six months ended 30 June 2024, the Group recorded net profit after tax of approximately RMB60.6 million as compared to the loss of approximately RMB244.9 million for the six months ended 30 June 2023. The improvement in profitability was mainly attributable to (i) the reduction in the selling and marketing expenses by approximately RMB83.6 million due to continuously strengthened input-output management and enhanced resource allocation efficiency; and (ii) the reduction in the administrative expenses by approximately RMB362.1 million due to the decrease in manpower and related expenses as a result of continuous optimization in staffing efficiency.
- Based on the election results under the Scrip Dividend Scheme, the Company estimates that the cash dividend payable to the Shareholders will be approximately HK\$4,472 million which will be paid on 24 January 2025.
- As disclosed in the announcement of the Company dated 14 November 2024, the Board has resolved to change the intended use of the unutilized net proceeds of approximately HK\$9,486.7 million received by the Company from (i) the global offering of the Company; and (ii) the placing of new shares under general mandate on 30 September 2020 (the “**Net Proceeds**”), among of which HK\$8,276.1 million are re-allocated for the Group’s working capital and general corporate purposes (including payment of the Special Dividend in cash).

1. RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group and Ping An Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

The directors of Ping An Group jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Company in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

For details of interest in the Shares, underlying Shares and other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror and its parties acting in concert, please refer to the section headed “Letter from the Board – Information on the Group – Public float and shareholdings in the Company”.

3. ARRANGEMENTS AND DEALING IN THE COMPANY’S SECURITIES

Save for the election for scrip dividend by the Offeror under the Scrip Dividend Scheme, the Offeror and its parties acting in concert have not dealt in the Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

The Offeror confirms that, as at the Latest Practicable Date:

- (a) save as disclosed in the section headed “Letter from the Board – Information on the Group – Public float and shareholdings in the Company”, the Offeror and its parties acting in concert did not own or have control or direction over any voting rights in the Company or rights over the Shares, convertible securities, warrants, options or derivatives of the Company;
- (b) neither the Offeror nor its parties acting in concert held any convertible securities, warrants or options in respect of the Shares;
- (c) neither the Offeror nor its parties acting in concert had entered into any outstanding derivative in respect of securities in the Company;

- (d) there is no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;
- (e) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares between the Offeror or its parties acting in concert and any other person which might be material to the Offers;
- (f) there is no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror and its parties acting in concert and any Directors or recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (g) no agreement or arrangement existed between (1) the Offeror or its parties acting in concert; and (2) any person which relate to the circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to its offer and the consequences of its doing so;
- (h) neither the Offeror nor its parties acting in concert had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (i) there is no understanding, arrangement or agreement or special deal between: (1) any Shareholder; and (2) the Offeror and its parties acting in concert.

4. EXPERT AND CONSENT

The following are the name and the qualifications of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualifications
UBS AG Hong Kong Branch	a registered institution under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, UBS has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

5. MISCELLANEOUS

As at the Latest Practicable Date,

- (i) The registered address of the Offeror is Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.
- (ii) The Offeror is a wholly-owned subsidiary of An Ke Technology Company Limited, which is in turn indirectly wholly-owned by Ping An Group. Ping An Group has no controlling shareholders.
 - (a) The directors of the Offeror are Gao Song and Dong Yanmei; and
 - (b) the executive directors of Ping An Group are Ma Mingzhe, Xie Yonglin, Michael Guo, Cai Fangfang and Fu Xin; the non-executive directors of Ping An Group are Soopakij Chearavanont, Yang Xiaoping, He Jianfeng and Cai Xun; the independent non-executive directors of Ping An Group are Ng Sing Yip, Chu Yiyun, Liu Hong, Ng Kong Ping Albert, Jin Li and Wang Guangqian.
- (iii) The registered address of UBS in Hong Kong is situated at 52/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (iv) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

6. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the SFC (www.sfc.hk) and the Company (<https://www.pagd.net/>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from UBS, the text of which is set out in this Composite Document; and
- (c) the written consent referred to in the paragraph headed “4. Expert and Consent” in this Appendix.

1. RESPONSIBILITY STATEMENTS

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company of US\$0.000005 each as at the Latest Practicable Date were as follows:

(i) As at 31 December 2024

<i>Authorised</i>		<i>US\$</i>
10,000,000,000	Shares	50,000
<i>Issued</i>		
1,118,812,900	Shares	5,594.0645

(ii) As at Latest Practicable Date

<i>Authorised</i>		<i>US\$</i>
10,000,000,000	Shares	50,000
<i>Issued</i>		
2,161,443,720	Shares	10,807.2186

As at the Latest Practicable Date, the Company has no other outstanding dividend or other distributions which remains unpaid. The Company has no intention in declaring any dividend or making other distributions during the Offer Period in respect of the Offers.

As at the Latest Practicable Date, save for the 6,871,672 outstanding Options, the Company does not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares or which confer rights to require the issue of Shares.

All issued Shares rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital.

3. MARKET PRICES

The table below sets out the closing price of the Shares on the Stock Exchange on (1) the last trading day of each of the calendar months during the Relevant Period; (2) the date of the Initial Announcement, (3) the date of the Joint Announcement; and (4) the Latest Practicable Date:

Date	Closing price of each Share (HK\$)
31 May 2024	11.20
28 June 2024	11.44
31 July 2024	11.40
30 August 2024	10.12
30 September 2024	14.50
31 October 2024	11.54
14 November 2024 (the date of the Initial Announcement)	14.64
29 November 2024	14.84
31 December 2024	6.26
7 January 2025 (the date of the Joint Announcement)	6.30
24 January 2025 (the Latest Practicable Date)	6.14

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$15.60 on 7 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$6.04 on 6 December 2024.

4. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests in the securities of the Company and its associated companies

Save as disclosed below, as at the Latest Practicable Date, so far as is known to the directors of the Company, the interests and/or short positions (as applicable) of the directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, or which were required, to be disclosed under the Takeovers Code in this Composite Document, were as follows:

Name of Director	Nature of interest	Number of Options held	Long positions/ short positions	Approximate percentage of interest in the Company as at the Latest Practicable Date ⁽¹⁾
Mr. Dou Li	Beneficial owner	300,000 ⁽²⁾	Long positions	0.01%
Mr. Jun Wu	Beneficial owner	226,520 ⁽³⁾	Long positions	0.01%

Notes:

- (1) The calculation is based on the total number of Shares in issue of 2,161,443,720 Shares as of the Latest Practicable Date.
- (2) This represents the 300,000 Options granted to Mr. Dou Li pursuant to the Employee Incentive Scheme, the underlying 300,000 Shares will be transferred to Mr. Dou Li upon exercise of the Options pursuant to the Employee Incentive Scheme.
- (3) This represents the 226,520 Options granted to Mr. Jun Wu pursuant to the Employee Incentive Scheme, the underlying 226,520 Shares will be transferred to Mr. Jun Wu upon exercise of the Options pursuant to the Employee Incentive Scheme.

None of the directors of the Company intend to accept the Option Offer in respect of their beneficial interest as disclosed above.

Name of Director	Nature of interest	Number of shares and/or underlying shares of		Long positions/ short positions	Approximate percentage of interest in Ping An Group as at the Latest Practicable Date
		Ping An Group			
Mr. Michael Guo	Beneficial owner	70,123 A shares		Long positions	0.00%
	Other ⁽¹⁾	103,368 A shares			0.00%
		332,194 H shares			
Ms. Fangfang Cai	Beneficial owner	617,741 A shares		Long positions	0.00%
	Other ⁽²⁾	815,519 A shares			0.00%
		301,995 H shares			
Ms. Xin Fu	Beneficial owner	78,509 A shares		Long positions	0.00%
	Other ⁽³⁾	139,893 A shares			0.00%
		241,596 H shares			

Notes:

- (1) 103,368 A shares and 332,194 H shares of Ping An Group were granted to Mr. Michael Guo as part of his payroll under the Long-term Service Plan of Ping An Group. Such shares are held by a trust and will be vested upon his retirement subject to certain conditions.
- (2) 815,519 A shares and 301,995 H shares of Ping An Group were granted to Ms. Fangfang Cai as part of her payroll under the Long-term Service Plan of Ping An Group. Such shares are held by a trust and will be vested upon her retirement subject to certain conditions.
- (3) 139,893 A shares and 241,596 H shares of Ping An Group were granted to Ms. Xin Fu as part of her payroll under the Long-term Service Plan of Ping An Group. Such shares are held by a trust and will be vested upon her retirement subject to certain conditions.

Disclosure of interests of substantial Shareholders

For details of interest in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, please refer to the section headed “Letter from the Board – Information on the Group – Public float and shareholdings in the Company”.

5. OTHER INTERESTS

- (a) As at the Latest Practicable Date, save as disclosed in the section headed “4. DISCLOSURE OF INTERESTS – Directors’ and chief executives’ interests in the securities of the Company and its associated companies”, none of the directors of the Company had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares. During the Relevant Period, save as disclosed below, none of the directors of the Company had dealt for value in any Share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the Share.

Name of Director	Date	Dealings	Price
Jun Wu	3 December 2024	Exercising of 23,370 Options (exercise price HK\$0)	HK\$0 per Option
		Exercising of 70,110 Options (exercise price HK\$0)	HK\$0 per Option
		Selling 23,370 Shares	HK\$14.7397 per Share
		Selling 70,110 Shares	HK\$14.7400 per Share

- (b) As at the Latest Practicable Date, none of the Company and the directors of the Company had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror. During the Relevant Period, none of the Company and the directors of the Company had dealt for value in any share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the share of the Offeror.
- (c) As at the Latest Practicable Date, save as disclosed in the section headed “Letter from the Board – Information on the Group – Public float and shareholdings in the Company”, none of the subsidiary of the Company, pension fund of the Company or of a subsidiary of the Company, or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate (but excluding exempt principal traders and exempt fund managers) had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares. During the Offer Period and up to the Latest Practicable Date, none of such person had dealt for value in any Share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the Share.

- (d) As at the Latest Practicable Date, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between any person and the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of “associate” under the Takeovers Code. During the Offer Period and up to the Latest Practicable Date, none of such person had owned, controlled or dealt for value in any Share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the Share.
- (e) As at the Latest Practicable Date, there was no Share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the Share which was managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company. During the Offer Period and up to the Latest Practicable Date, none of such person had owned, controlled or dealt for value in any Share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the Share.
- (f) As at the Latest Practicable Date, none of the Company and the directors of the Company had borrowed or lent (excluding any borrowed Shares which have been either on-lent or sold) any Share, derivative, option, warrant and conversion right or other similar right which is convertible or exchangeable into the Share.
- (g) As at the Latest Practicable Date, save as disclosed in the section headed “Letter from the Board – Information on the Group – Public float and shareholdings in the Company”, there was no understanding, arrangement or agreement or special deal between: (1) any shareholder of the Company; and (2) the Company, its subsidiaries or associated companies.

6. ARRANGEMENTS AFFECTING DIRECTORS OF THE COMPANY

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) was or would be given to any director of the Company as compensation for loss of office or otherwise in connection with the Offers;
- (b) there was no agreement or arrangement between any director of the Company and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers; and
- (c) there was no material contract entered into by the Offeror in which any director of the Company had a material personal interest.

7. LITIGATION

As at the Latest Practicable Date, save as disclosed in the section headed “Financial Information of the Group – 3. Indebtedness Statement”, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance, and no litigation or claims of material importance is pending or threatened by or against the Company and any of its subsidiaries.

8. MATERIAL CONTRACTS

The Group had not, within the two years prior to the Offer Period and up to and including Latest Practicable Date, entered into any contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which is or may be material.

9. EXPERTS AND CONSENTS

The following are the name and qualifications of the experts whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualifications
Octal Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Morgan Stanley	a corporation licensed to carry on 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) regulated activities under the SFO

As at the Latest Practicable Date, each of Octal Capital Limited and Morgan Stanley has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion herein of its letter, opinion or advice (as the case may be) and the references to its name, logo and/or its qualifications included herein in the form and context in which they appear.

10. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, the Company had entered into the following service agreements and letters of appointment with the Directors:

Each of the executive Directors, namely Mr. Dou Li and Mr. Jun Wu, has entered into a service contract with the Company. The term of appointment is for a term of three years commencing from the date of approval of the first general meeting after the signing date and is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Either party may terminate the agreement by giving a 3-month

written notice. Each of the executive Director is not entitled to any director's fee in relation to his appointment as an executive Director, but will receive other emoluments based on the specific executive positions, the specific amount of which will be determined by the Board as soon as practicable with reference to his qualifications, positions, responsibilities and the remuneration policy of the Company and prevailing market conditions. The executive Directors may also receive Options under the Employee Incentive Scheme.

Each of the non-executive Directors, namely Mr. Michael Guo, Ms. Fangfang Cai, Ms. Xin Fu and Mr. Ziyang Zhu, has entered into a service contract with the Company. The term of appointment is for a term of three years commencing from the date of approval of the first general meeting after the signing date and is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Either party may terminate the agreement by giving a 3-month written notice. Each of the non-executive Director is not entitled to any director's fee or any other remuneration in relation to his/her appointment as a non-executive Director.

Each of the independent non-executive Directors, namely Mr. Yunwei Tang, Mr. Tianyong Guo and Dr. Wing Kin Anthony Chow, has entered into a service contract with the Company. The term of appointment is for a term of three years commencing from the date of approval of the first general meeting after the signing date and is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Either party may terminate the agreement by giving a 3-month written notice. Each of the independent non-executive Director is entitled to a Director's remuneration of HK\$450,000 per annum, which is determined by the Nomination and Remuneration Committee of the Company and the Board with reference to his qualifications, duties, responsibilities and the Company's remuneration policy and the prevailing market conditions. In addition, the standard rate is RMB10,000/meeting as working allowance for each independent non-executive Director if attending the meetings in person (excluding meetings held by way of written communication). However, different meetings attended separately at the same time will not be counted cumulatively and will be counted as one meeting.

Save as disclosed above, none of the emoluments (if any) of the Directors involve variable remuneration.

11. MISCELLANEOUS

- (a) The registered office of the Company is situated at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong registered under Part 16 of the Companies Ordinance is situated at Room 1922, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.
- (c) The headquarter and principal place of business of the Company in China is situated at 5-8/F, Building B, INNO KIC, No. 298 Guo Xia Road, Yangpu District, Shanghai, the PRC.

- (d) As at the Latest Practicable Date, the Board comprised Mr. Dou Li as the Chairman and the executive Director and Mr. Jun Wu as the executive Director; Mr. Michael Guo, Ms. Fangfang Cai, Ms. Xin Fu and Mr. Ziyang Zhu as non-executive Directors; and Mr. Yunwei Tang, Mr. Tianyong Guo and Dr. Wing Kin Anthony Chow as independent non-executive Directors.
- (e) The main business address of Morgan Stanley is 30-32, 35-42 & 45-47 Floor and Part of Floor 3, 8-9, International Commerce Centre, 1 Austin Road West Kowloon, Hong Kong.
- (f) The main business address of Octal Capital Limited is situated at 801-805, 8/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.
- (g) The English text of this Composite Document shall prevail over their respective Chinese text in case of inconsistency.

12. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the websites of the SFC (<http://www.sfc.hk>); and the Company (<https://www.pagd.net/>), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the 2021 Annual Report, the 2022 Annual Report, the 2023 Annual Report and the 2024 Interim Report;
- (c) the letter from the Board, the text of which is set out in this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (f) the written consents referred to in the paragraph headed “9. Experts and Consents” in this Appendix; and
- (g) the service contracts referred to in the paragraph headed “10. Directors’ service contracts” in this Appendix.