



卓正医疗
Distinct HealthCare

卓正医疗控股有限公司
Distinct Healthcare Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2677



GLOBAL OFFERING

Joint Sponsors, Joint Sponsor-Overall Coordinators, Joint Overall Coordinators,
Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers



國泰海通
GUOTAI HAITONG

海通國際
HAITONG

浦銀國際 SPDBI

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

CMBI 招銀國際

中國銀河國際
CHINA GALAXY INTERNATIONAL

建銀國際
CCB International

IMPORTANT

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



Distinct Healthcare Holdings Limited

卓正医疗控股有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 4,750,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 475,000 Shares (subject to reallocation)
Number of International Offer Shares	: 4,275,000 Shares (subject to reallocation and the Over-allotment Option)
Maximum Offer Price	: HK\$66.60 per Offer Share, plus brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: USD0.001 per Share
Stock code	: 2677

Joint Sponsors, Joint Sponsor-Overall Coordinators, Joint Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers



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ICBC 工銀國際

China Renaissance 華興資本

ZTSC 中泰國際

富途證券
FUTU Securities International

Joint Bookrunners, Joint Lead Managers

XCAP
PARTNERS

富德證券
FUND SECURITIES

老虎證券
TIGER BROKERS

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus. A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Documents on Display" in this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The SFC and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between us, and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) on or about Wednesday, February 4, 2026 and, in any event, not later than 12:00 noon on Wednesday, February 4, 2026. The Offer Price will not be more than HK\$66.60 per Offer Share and is expected to be not less than HK\$57.70 per Offer Share, unless otherwise announced. Applicants for Hong Kong Offer Shares may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$66.60 per Offer Share for each Hong Kong Offer Share together with brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the Offer Price as finally determined is less than HK\$66.60 per Offer Share. If, for any reason, the Offer Price is not agreed between us and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) on or before 12:00 noon on Wednesday, February 4, 2026, the Global Offering (including the Hong Kong Public Offering) will not proceed and will lapse.

The Joint Sponsor-Overall Coordinators may, for themselves and on behalf of the Underwriters, where considered appropriate and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause there to be published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and on the website of our Company at www.distinctclinic.com. Please refer to the sections headed "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" for more details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors as set out in the section headed "Risk Factors" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting" in this prospectus. It is important that you refer to that section for further details.

ATTENTION

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

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

January 29, 2026

IMPORTANT

IMPORTANT NOTICE TO INVESTORS FULLY ELECTRONIC APPLICATION PROCESS

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

This Prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under “HKEXnews > New Listings > New Listing Information” and our website at www.distinctclinic.com. If you require a printed copy of this Prospectus, you may download and print from the website addresses above.

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Thursday, January 29, 2026 to 11:30 a.m. on Tuesday, February 3, 2026 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, February 3, 2026 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC’s FINI system in accordance with your instructions.	Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant’s stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

IMPORTANT

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

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

Please refer to “How to Apply for Hong Kong Offer Shares” for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel must be for a minimum of 50 Hong Kong Offer Shares and in one of the numbers set out in the table below. If you are applying through the **HK eIPO White Form** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares. If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
50	3,363.58	600	40,363.00	4,000	269,086.64	40,000	2,690,866.45
100	6,727.17	700	47,090.16	4,500	302,722.47	50,000	3,363,583.06
150	10,090.74	800	53,817.33	5,000	336,358.30	60,000	4,036,299.65
200	13,454.33	900	60,544.50	6,000	403,629.97	70,000	4,709,016.26
250	16,817.91	1,000	67,271.66	7,000	470,901.63	80,000	5,381,732.88
300	20,181.50	1,500	100,907.49	8,000	538,173.29	90,000	6,054,449.49
350	23,545.08	2,000	134,543.33	9,000	605,444.95	100,000	6,727,166.10
400	26,908.67	2,500	168,179.16	10,000	672,716.61	150,000	10,090,749.16
450	30,272.24	3,000	201,814.98	20,000	1,345,433.22	237,500 ⁽¹⁾	15,977,019.49
500	33,635.83	3,500	235,450.81	30,000	2,018,149.84		

Notes:

- (1) The maximum number of Hong Kong Offer Shares you may apply for, which is 50% of the Offer Shares initially available for subscription under the Hong Kong Public Offering.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee. If your application is successful, the brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

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

EXPECTED TIMETABLE⁽¹⁾

Should there be any changes to the dates mentioned in the following expected timetable of the Hong Kong Public Offering, an announcement will be made and published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.distinctclinic.com of the revised timetable.

Hong Kong Public Offering commences 9:00 a.m. on
Thursday, January 29, 2026

Latest time for completing electronic applications under the
HK eIPO White Form service through the designated
website at www.hkeipo.hk 11:30 a.m. on
Tuesday, February 3, 2026

Application lists open⁽³⁾ 11:45 a.m. on
Tuesday, February 3, 2026

Latest time for (a) completing payment for **HK eIPO White Form**
applications by effecting internet banking transfer(s)
or PPS payment transfer(s) and (b) giving **electronic**
application instructions to HKSCC 12:00 noon on
Tuesday, February 3, 2026

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

Application lists close⁽³⁾ 12:00 noon on
Tuesday, February 3, 2026

Expected Price Determination Date⁽⁴⁾ on or before 12:00 noon on
Wednesday, February 4, 2026

Announcement of the final Offer Price, the level of applications
in the Hong Kong Public Offering, the level of indications of
interest in the International Offering and the basis of allocation
of the Hong Kong Offer Shares to be published on the website
of the Stock Exchange at www.hkexnews.hk and our website
at www.distinctclinic.com by⁽⁵⁾ 11:00 p.m. on
Thursday, February 5, 2026

EXPECTED TIMETABLE⁽¹⁾

Results of allocation in the Hong Kong Public Offering to be available through a variety of channels as described in “How to Apply for Hong Kong Offer Shares — B. Publication of Results,” including through:

- (1) from the “Allotment Results” page at the designated results of allocation website at www.tricor.com.hk/ipo/result or www.hkeipo.hk/IPOResult with a “search by ID” function from 11:00 p.m. on **Thursday, February 5, 2026** to 12:00 midnight on **Wednesday, February 11, 2026**
- (2) the allocation results telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from **Friday, February 6, 2026** to **Wednesday, February 11, 2026** on a business day

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁶⁾⁽⁷⁾ **Thursday, February 5, 2026**

HK eIPO White Form e-Auto Refund payment instructions or refund checks in respect of wholly or partially unsuccessful applications (or wholly successful applications, if applicable) to be dispatched on or before⁽⁸⁾ **Friday, February 6, 2026**

Dealings in Shares on the Stock Exchange to commence at 9:00 a.m. on **Friday, February 6, 2026**

EXPECTED TIMETABLE⁽¹⁾

Notes:

- (1) All dates and times refer to Hong Kong local dates and times.
- (2) You will not be permitted to submit your application under the **HK eIPO White Form** service through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is/are a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning signal and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on **Tuesday, February 3, 2026**, the application lists will not open or close on that day. See “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements.”
- (4) The Offer Price is expected to be determined on or about **Wednesday, February 4, 2026** (which, at the earliest, could be **Tuesday, February 3, 2026**) and in any event not later than 12:00 noon on **Wednesday, February 4, 2026**. If, for any reason, the Offer Price is not agreed between the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on **Wednesday, February 4, 2026**, the Global Offering will not proceed and will lapse.
- (5) None of the websites or any of the information contained on the websites forms part of this Prospectus.
- (6) Applicants who have applied through the **HK eIPO White Form** service for 200,000 or more may collect any Share certificate(s) in person from the Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, from 9:00 a.m. to 1:00 p.m. on **Friday, February 6, 2026**. Applicants being individuals must not authorize any other person to collect on their behalf. Applicants being corporations must attend by their respective authorized representative bearing a letter of authorization from the corporation stamped with the corporation’s chop. Evidence of identity acceptable to the Hong Kong Share Registrar, must be produced at the time of collection. Uncollected Share certificate(s) will be sent to the addresses specified in the relevant application instructions by ordinary post at the applicants’ own risk. See “How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of Share Certificates and Refund of Application Monies.”
- (7) The Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be **Friday, February 6, 2026**, provided that the Global Offering has become unconditional in all respects and the right of termination described in “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or prior to the Share certificates becoming valid evidence of title do so entirely at their own risk.
- (8) **HK eIPO White Form** e-Auto Refund payment instructions or refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and in respect of wholly successful applications in the event that the Offer Price is less than the price payable per Share on application. Part of the applicant’s identification document number, or, if the application is made by joint applicants, part of the identification document number of the first-named applicant, provided by the applicant(s) may be printed on the refund check, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant’s identification document number before encashment of the refund check. Inaccurate completion of an applicant’s identification document number may invalidate or delay encashment of the refund check.

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

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

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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

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

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in this prospectus. As this is a summary, it does not contain all the information that may be important to you and we urge you to read the entire prospectus carefully before making your investment decision. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a private healthcare service provider in China, with a strategic focus on serving the mid- to high-end healthcare service market, targeting mass affluent and wealthy population that generally has stronger purchasing power and a preference for more personalized care. The mass affluent and wealthy population refers to a demographic group with a per capita annual disposable income exceeding RMB200,000. China’s healthcare service market can be broadly divided into the affordable healthcare service market and the mid- to high-end healthcare service market. Mid- to high-end healthcare services refer to comprehensive and customized services that emphasize on patient experience and service quality and can be further categorized into public mid- to high-end healthcare services and private mid- to high-end healthcare services. In 2024, private mid- to high-end healthcare service institutions contributed approximately 66.5% of the total revenue of the mid- to high-end healthcare service market in China and approximately 5.6% of the total revenue of the PRC healthcare service industry. According to Frost & Sullivan, the total revenue of private mid- to high-end healthcare service market in China increased at a CAGR of 21.9% from RMB193.0 billion in 2020 to RMB426.3 billion in 2024, and is forecasted to continue to grow at a CAGR of 14.3% from 2024 to 2029 to reach RMB831.4 billion in 2029. Within the private mid- to high-end healthcare service market, service providers can be further categorized based on their service scope into comprehensive healthcare service providers⁽¹⁾ and non-comprehensive healthcare service providers. Within the private mid- to high-end comprehensive healthcare service segment, we are the third largest private mid- to high-end comprehensive healthcare service provider in China in terms of revenue in 2024, with a market share of 2.0%, according to Frost & Sullivan. In the broader mid- to high-end healthcare service market, our market share was approximately 0.1% in 2024. We may also compete with public and non-comprehensive healthcare service providers to some extent.

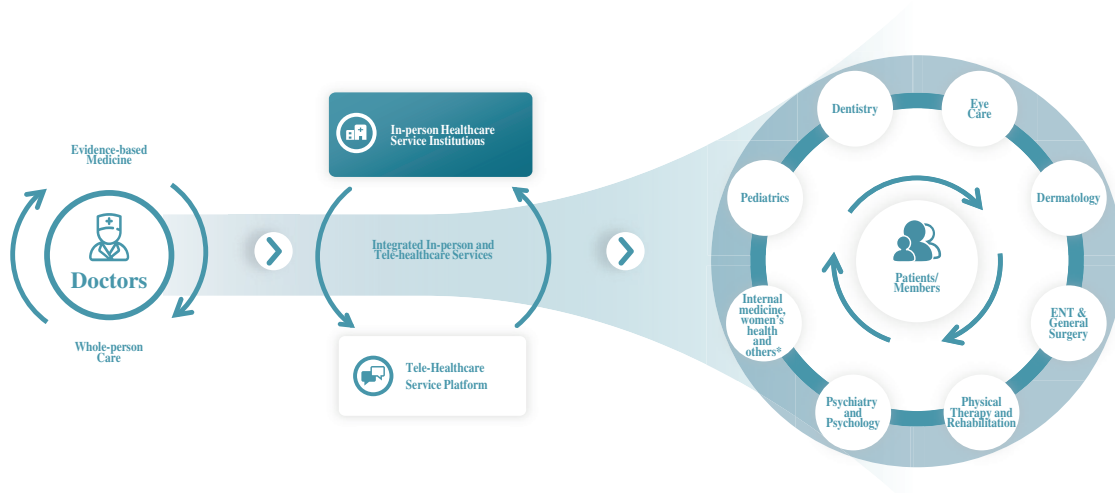
Note:

- (1) Private mid- to high-end comprehensive healthcare service providers refer to private mid- to high-end healthcare service providers that can cover at least five specialties with revenue derived from any single specialty not exceeding 50% of total revenue. See “Industry Overview — Overview of the Private Mid- to High-End Comprehensive Healthcare Service Market in China.”

SUMMARY

We started our business in 2012. Leveraging our centralized, standardized and digitalized management system, we have established a network covering some of the most economically developed cities in China, including Shenzhen, Guangzhou, Beijing, Chengdu, Suzhou, Changsha, Shanghai, Chongqing, Hangzhou and Wuhan. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions across China, including 17 clinics and two hospitals. In addition, as of the Latest Practicable Date, we operated four general practice clinics in Singapore and one general practice clinic in Malaysia. We intend to continue to expand our healthcare service institution network through organic growth and strategic acquisitions and penetrate additional New Tier-One Cities.

Guided by a whole-person care approach, we have adopted a whole-family care model integrating in-person and tele-healthcare services. Leveraging our range of specialties including pediatrics, dentistry, eye care, dermatology, ENT & general surgery, women's health, and internal medicine as well as close collaborations among specialists, we are able to serve the diverse medical needs of patients and their whole families, which allows us to continuously increase patient satisfaction and generate cross-referral opportunities. We believe that the integration of in-person and tele-healthcare services brings us synergistic benefits to our healthcare service quality and enables us to consolidate medical resources and expand our patient coverage across regions in a cost-effective manner.



* including health check-ups and other specialties.

We attribute our leading market position to our adherence to patient-oriented principles and our corporate culture that upholds the essence of health care. Guided by the principle of evidence-based medicine, we strive to avoid unnecessary medical intervention and prioritize the well-being of our patients above all else. As a testament to the quality of our healthcare services, we have built a growing patient base. For the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2024 and 2025, the total number of patients who received services in our healthcare service institutions in China during the relevant period was 162,393, 201,335, 242,549, 190,685 and 212,180, respectively, while the total number of paid

SUMMARY

patient visits of our healthcare service institutions and tele-healthcare service platform was 529,829, 733,397, 905,825, 595,070 and 642,132, respectively. Our Patient Return Rate was 75.7%, 78.2%, 80.0% and 82.7%, respectively, for the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2025.

We are committed to attracting, retaining and cultivating a team of qualified and experienced doctors through our structured talent development framework, which we believe, combined with our stringent clinical quality control, are critical to ensure patient safety and satisfaction. As of August 31, 2025, we had 387 full-time doctors, who had on average approximately 15 years of post-qualification practicing experience and approximately 79% of whom practiced in top Grade A Class III hospitals before joining us.

We believe that our centralized, standardized and digitalized management system plays a significant role in ensuring the consistency of our service quality and the scalability and operational efficiency of our business. Our integrated information technology and data infrastructure provides us with versatility and robustness to support business operations across different regions and has enabled us to digitalize, streamline and standardize substantially all aspects of our business operations, internally for operational and financial management and externally for patient management and service offerings.

We are committed to leveraging advanced AI technologies to innovate healthcare delivery and operational efficiency. Our patient-first philosophy, supported by a highly qualified and dynamic medical team and an integrated care model spanning tele-healthcare platform and offline institutions nationwide, positions us to capitalize on emerging opportunities. Through strategic investments in digital infrastructure and key partnerships, we aim to enhance patient care and drive sustainable growth, reinforcing our competitive position in the evolving healthcare sector.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are critical to our current success and crucial to our future growth:

- Third largest private mid- to high-end comprehensive healthcare service provider in China in terms of revenue in 2024 with established brand recognition
- A whole-family care model integrating in-person and tele-healthcare services that enables us to build a growing patient base
- A professional and stable team of doctors with a structured talent development framework
- Centralized, standardized and digitalized management system and early adoption of AI technologies to ensure service quality, operational efficiency and scalability

SUMMARY

- Stable and dedicated senior management team with extensive and diverse industry experience

OUR BUSINESS STRATEGIES

We plan to implement the following business strategies:

- Leverage innovative AI and digital technologies to transform healthcare delivery and enhance operational efficiency and medical quality
- Enhance our child and adult health management service capabilities through multidisciplinary collaboration and AI empowerment
- Continue to grow our doctor team and expand our network of healthcare service institutions
- Continue to expand our patient base through collaborations with commercial insurance companies, third-party administrators and corporate customers, offering international medical assistance services and enhancing brand awareness
- Explore opportunities to acquire established healthcare service institutions

OUR HEALTHCARE SERVICE OFFERINGS

We are dedicated to providing patients with professional healthcare services that cover a range of specialties through our private healthcare service institutions and tele-healthcare service platform. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions (comprising 17 clinics and two hospitals), strategically covering 11 cities across China, and four general practice clinics in Singapore and one general practice clinic in Malaysia. All of our healthcare service institutions are private for-profit healthcare service institutions operated under our brand name “Distinct HealthCare (卓正醫療).” We derive our revenue primarily from the provision of healthcare services, mainly including in-person healthcare services and tele-healthcare services.



SUMMARY



Healthcare Services

We derive our revenue mainly from providing healthcare services through our private healthcare service institutions and tele-healthcare service platform, covering a range of specialties including pediatrics, dentistry, eye care, dermatology, ENT & general surgery, women's health, and internal medicine. We offer a broad range of healthcare services, such as general consultation, diagnostic and preventive healthcare services, treatments, and sales of pharmaceuticals.

To better serve our patients and deepen patient relationships, in December 2020, we launched our annual fee-based “Distinct membership program” across our healthcare service institutions. This program offers a variety of benefits to up to six members for one account, including, among others, priority booking, discounted prices for and exclusive packages of certain healthcare services and products, and a fixed number of complimentary nurse counseling sessions. As of August 31, 2025, we had an aggregate of 116,542 Distinct membership accounts. Please see “Business — Our Healthcare Service Offerings — Healthcare Services — Healthcare Membership Programs” for more details.

Leveraging our medical resources, expertise and track record accumulated in operating our private healthcare service institutions, we expanded into on-campus and corporate healthcare management service business in 2014. As of August 31, 2025, we were providing on-campus and corporate healthcare management services to 35 international schools in China. We expanded our on-campus and corporate healthcare management services to a large enterprise customer in October 2025. We plan to continue to expand such services to large enterprise customers and other institutions. Typically, we enter into cooperation agreements with these customers, pursuant to which we assign bilingual licensed nurses to support and ensure the smooth operations of healthcare clinics on their premises. In addition, we also provide medical concierge and escort services tailored to patients with unique needs, preferences and health conditions. Please see “Business — Our Healthcare Service Offerings — Healthcare Services — Off-Network Healthcare Services” for more details.

Other Businesses

During the Track Record Period, we also generated revenue from other businesses, primarily comprising sales of healthcare products. Since March 2022, we have generated revenue from sales of healthcare products through our online mall named “Distinct Selected (卓正嚴選),” which is accessible through our official WeChat account and mini-program.

SUMMARY

IN-PERSON AND TELE-HEALTHCARE SERVICE NETWORK

As a patient-oriented healthcare service provider, we place a high priority on meeting the demands and expectations of our patients. We are focused on delivering professional healthcare services and achieving enhanced patient experience and patient satisfaction. Through years of dedicated efforts in upholding these commitments, we offer “integrated in-person and tele-healthcare services” to ensure medical convenience and accessibility for our patients.

All of our healthcare service institutions are private for-profit healthcare service institutions operated under our brand name “Distinct HealthCare (卓正醫療).” As of the Latest Practicable Date, 22 of our healthcare service institutions were established by us, and two healthcare service institutions, including one hospital and one clinic, were acquired by us. Please see “Business — In-Person and Tele-Healthcare Service Network — Healthcare Service Institution Network” for more details.

The following table sets forth in-person healthcare service revenue generated from our healthcare service institutions in operation by geographic locations for the years/periods indicated:

No.	Location	City Tier	Year Ended December 31,			Eight Months Ended August 31,	
			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						<i>(unaudited)</i>	
1 . . .	Shenzhen	Tier-One	123,881	175,007	231,406	149,401	162,048
2 . . .	Beijing	Tier-One	27,657	47,565	67,579	42,207	56,045
3 . . .	Shanghai	Tier-One	16,085	31,588	44,719	28,295	38,178
4 . . .	Guangzhou	Tier-One	97,975	146,678	181,897	120,362	126,057
5 . . .	Chengdu	New Tier-One	43,983	62,119	87,715	55,875	65,506
6 . . .	Hangzhou	New Tier-One	17,093	24,728	31,090	20,111	23,861
7 . . .	Chongqing	New Tier-One	8,697	16,419	18,079	12,359	14,378
8 . . .	Wuhan	New Tier-One	15,055	23,435	116,812 ⁽²⁾	66,915	81,622
9 . . .	Suzhou	New Tier-One	12,359	24,868	40,894	25,836	32,270
10 . .	Changsha	New Tier-One	22,367	28,542	35,940	22,955	26,902
11 . .	Ningbo	New Tier-One	810	— ⁽¹⁾	—	—	—
12 . .	Foshan	Tier-two	4,772	6,968	9,662	5,251	9,595
13 . .	Singapore	N/A	2,035	4,574	6,571	4,410	4,528
Total			392,769	592,492	872,364	553,977	640,990

Notes:

- (1) In light of the underperformance of operations in Ningbo during the COVID-19 pandemic, we closed our clinic in Ningbo in 2022 for cost saving purpose.
- (2) We acquired Wuhan Dragon World in March 2024. For more details, please see “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World.” Therefore, there was a significant increase in our in-person healthcare service revenue from Wuhan in 2024.

SUMMARY

The following table sets forth the key information of our healthcare service institutions in operation by geographic locations as of the dates indicated:

Number of Healthcare Service Institutions in Operation				GFA				Number of Full-time Doctors as of August 31, 2025	Number of Other Medical Professionals as of August 31, 2025 ⁽¹⁾		
No	Location	Nature	Time of Commencement of Operations	As of December 31,			As of August 31, 2025			As of the Latest Practicable Date	
				2022	2023	2024					
				2022	2023	2024	sq. m.	sq. m.	sq. m.		
1 . . .	Shenzhen	Clinic	December 2012	3	3	3	5,589	8,931	8,931	84	127
2 . . .	Beijing	Clinic	December 2015	2	2	2	3,842	3,842	4,385	34	42
3 . . .	Shanghai	Clinic	April 2019	2	3	2 ⁽³⁾	1,632	2,909	3,403	33	37
4 . . .	Guangzhou	Clinic/hospital	December 2014	2	3	3	5,278	10,874 ⁽²⁾	10,874	65	98
5 . . .	Chengdu	Clinic	October 2016	2	2	2	3,613	3,613	3,613	39	63
6 . . .	Hangzhou	Clinic	September 2020	1	1	1	1,594	1,594	1,594	14	22
7 . . .	Chongqing	Clinic	June 2019	1	1	1	2,036	2,036	2,036	12	17
8 . . .	Wuhan	Clinic/hospital	November 2019	1	1	4 ⁽⁴⁾	2,702	2,702	11,005 ⁽⁴⁾	48	88
9 . . .	Suzhou	Clinic	September 2018	1	1	1	3,083	3,083	3,083	24	33
10 . .	Changsha	Clinic	January 2018	1	1	1	2,236	2,236	2,206	21	26
11 . .	Foshan	Clinic	September 2019	1	1	1	661	661	1,360	8	16
12 . .	Singapore	Clinic	January 2022	2	3	3	125	160	160	5	-
13 . .	Malaysia	Clinic	September 2025	-	-	-	-	-	-	-	-
Total .				19	22	24	32,390	42,641	52,650	387	569

Notes:

- Our other medical professionals primarily comprise nurses, pharmacists and technicians in our healthcare service institutions.
- We opened a new hospital in Guangzhou in January 2023, therefore, the GFA increased significantly.
- In 2023, we opened a new flagship institution in Shanghai. For structural adjustment and cost control purposes, we then closed a nearby non-flagship institution in Shanghai in early 2024.
- We acquired Wuhan Dragon World in March 2024. For more details, please see “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World.” We closed one clinic owned by Wuhan Dragon World due to our efforts to optimize our healthcare service institution network in Wuhan, as a result of which, Wuhan Dragon World owned one hospital and one clinic as of the Latest Practicable Date. The rest of our healthcare service institutions were all established by us.

SUMMARY

Recognizing the tremendous growth potential in internet healthcare, we have strategically expanded into the tele-healthcare service offerings, with the aim to attract more patients and doctors, enhance our industry influence in China and explore more benefits brought by the integration of in-person and tele-healthcare services. This primarily involves operating our proprietary tele-healthcare service platform. Through our tele-healthcare service platform, our patients are able to conveniently check the availability of, and make appointment with, their selected doctors for in-person consultation, diagnosis or treatment. While certain services, such as treatments, tests, and examinations, are inherently provided only in in-person healthcare service institutions, others, including follow-up consultation and pharmaceutical prescription, can be delivered either online or in-person. See “Business — In-Person and Tele-Healthcare Service Network — Tele-Healthcare Service Platform.”

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily comprise patients who receive our healthcare services and/or purchase healthcare products provided by us, substantially all of whom are individuals in the PRC, and none of these individual patients contributed more than 1% of our total revenue in each year/period comprising the Track Record Period. Additionally, we also generated revenue from certain corporate customers during the Track Record Period, mainly including international schools for our on-campus and corporate healthcare management services. None of these corporate customers contributed more than 1% of our total revenue in each year/period comprising the Track Record Period. Due to the dispersed nature of our customer base, we do not have a concentration risk. During each year/period comprising the Track Record Period, the revenue contributed by our five largest customers accounted for less than 1.5% of our total revenue.

The suppliers required in our operations primarily comprise providers of pharmaceuticals, medical consumables, medical equipment and healthcare products. During the Track Record Period, we did not experience any interruption in our supplies, shortage of supplies, early termination of supply agreements, or failure to secure sufficient supplies that had any material adverse impact on our business or results of operations. Our suppliers generally offer us a credit term of 30 to 50 days. We typically settle trade payable obligations with respect to our suppliers through bank transfers. In 2022, 2023 and 2024 and the eight months ended August 31, 2025, purchases from our five largest suppliers in each year/period comprising the Track Record Period amounted to RMB30.5 million, RMB51.7 million, RMB89.0 million and RMB50.9 million, respectively, representing approximately 27.7%, 33.8%, 36.8% and 31.9%, respectively, of our total purchases for the respective year/period, and purchases from our largest supplier in each year/period comprising the Track Record Period amounted to RMB8.8 million, RMB15.3 million, RMB22.6 million and RMB16.0 million, respectively, representing 8.0%, 10.0%, 9.3% and 10.0%, respectively, of our total purchases for the respective year/period.

SUMMARY

PRICING

Pursuant to the applicable PRC laws and regulations, private for-profit healthcare service institutions and tele-healthcare service platforms are generally entitled to set the prices of their healthcare services and products at their own discretion. We price our healthcare services and products provided by our private healthcare service institutions or tele-healthcare service platform based on certain factors, including complexity of the service, operating costs, local market conditions and competitors' pricing of similar services and products.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION AND KEY OPERATIONAL METRICS

The following tables set forth summary of financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this prospectus.

Summary of Our Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years/periods indicated:

	Year Ended December 31,			Eight months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(unaudited)</i>				
Revenue	473,184	690,435	958,578	614,804	695,667
Cost of revenue	(429,204)	(556,933)	(732,575)	(462,388)	(528,396)
Gross profits	43,980	133,502	226,003	152,416	167,271
Selling expenses	(12,927)	(8,199)	(15,956)	(9,853)	(12,713)
Administrative expenses	(183,334)	(191,872)	(264,452)	(176,698)	(139,669)
Net impairment losses on					
financial assets	(99)	(220)	(1,282)	(605)	(1,488)
Other income	4,730	457	1,282	964	1,061
Other gains/(losses) – net	10,064	(601)	7,528	3,882	(1,732)
Operating (loss)/profit	(137,586)	(66,933)	(46,877)	(29,894)	12,730
Finance income	1,168	10,148	8,619	6,402	1,721
Finance costs	(15,543)	(16,044)	(16,642)	(11,188)	(8,743)
Finance costs – net	(14,375)	(5,896)	(8,023)	(4,786)	(7,022)
Fair value (loss)/gain of					
convertible redeemable					
preference shares	(87,371)	(289,365)	128,797	80,036	77,321

SUMMARY

	Year Ended December 31,			Eight months Ended August 31,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>				
Fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date	–	–	5,990	5,990	–
Share of results of associates	–	–	(143)	(143)	–
(Loss)/profit before income tax .	(239,332)	(362,194)	79,744	51,203	83,029
Income tax benefit	17,810	8,949	483	960	182
(Loss)/profit for the year/period .	(221,522)	(353,245)	80,227	52,163	83,211
Attributable to:					
– Owners of the Company	(215,496)	(350,669)	83,805	53,556	85,452
– Non-controlling interests	(6,026)	(2,576)	(3,578)	(1,393)	(2,241)

Non-IFRS Measure

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

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

SUMMARY

The table below sets forth the reconciliation of our non-IFRS measure presented in accordance with IFRS for the years/periods indicated:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
(Loss)/profit for the					
year/period	(221,522)	(353,245)	80,227	52,163	83,211
Adjustment:					
Fair value gain/(loss) of					
convertible redeemable					
preference shares	87,371	289,365	(128,797)	(80,036)	(77,321)
Share-based compensation					
expenses	11,142	9,256	38,362	38,362	–
Listing expenses.	–	11,050	20,908	13,927	4,557
Adjusted net profit or loss					
(a non-IFRS measure)	<u>(123,009)</u>	<u>(43,574)</u>	<u>10,700</u>	<u>24,416</u>	<u>10,447</u>

As of January 1, 2022, we carried accumulated losses of RMB1,219.0 million. This comprised (i) RMB830.9 million in certain non-cash items, including fair value changes of convertible redeemable preference shares and share-based payment expenses; and (ii) RMB388.1 million, which was mainly accumulated loss from our operations prior to 2022 and driven by two factors: (a) the significant investments for our geographic expansion, which started in the end of 2014 when we opened our first clinic outside of Shenzhen. By the end of 2021, we had grown to have healthcare service institutions in 13 cities. This cross-city expansion necessitated upfront expenditures for hiring doctors and entering into new leases. This expansion also required investments in labor and other resources at our headquarters to ensure efficient management across different cities. However, it took time to build brand awareness, grow patient base, and achieve operating leverage in these new markets. As a result, despite significant revenue expansion, we had accumulated losses during this period; and (b) the negative impact of the COVID-19 pandemic in 2020, which also contributed to our accumulated losses before 2022.

During the Track Record Period, we recorded adjusted net losses (a non-IFRS measure) of RMB123.0 million and RMB43.6 million in 2022 and 2023, respectively, and had an adjusted net profit (a non-IFRS measure) of RMB10.7 million, RMB24.4 million and RMB10.4 million in 2024 and the eight months ended August 31, 2024 and 2025. The adjusted net losses (a non-IFRS measure) in 2022 and 2023 were primarily due to (i) the optimization and expansion of our healthcare service institutions, which involved a structural adjustment in 2022 and the relocation/expansion of certain other healthcare service institutions during the Track Record Period. The GFA of our healthcare service institutions increased from 32,390 sq.m. as

SUMMARY

of December 31, 2022 to 42,641 sq.m. as of December 31, 2023, with the number of full-time doctors growing from 267 to 297 for the same period. This expansion led to increased costs and expenses, such as depreciation & amortization and employee salaries, despite revenue growth, as we needed time to ramp up our institutions and achieve economies of scale; and (ii) the negative impact of the COVID-19 pandemic. In particular, in 2022, enhanced pandemic mitigation measures were imposed in major cities across China, and as a result, many patients delayed treatments or opted for tele-healthcare services. This affected the performance and revenue of our healthcare service institutions in those regions, and thus contributed to our relatively higher adjusted net loss (a non-IFRS measure) in 2022. As the impact of COVID-19 pandemic eased, our revenue rebounded and our adjusted net loss (a non-IFRS measure) decreased significantly in 2023, and we achieved an adjusted net profit (a non-IFRS measure) in 2024 and the eight months ended August 31, 2025.

In 2022 and 2023, we recorded net losses of RMB221.5 million and RMB353.2 million, respectively, which were attributable to the reasons mentioned above for our adjusted net losses (a non-IFRS measure), as well as the significant impact of non-cash items such as the fair value loss of convertible redeemable preference shares and share-based compensation expenses. Specifically, the fair value loss of convertible redeemable preference shares and share-based compensation expenses in aggregate amounted to RMB98.5 million and RMB298.6 million in 2022 and 2023, respectively. In 2024 and the eight months ended August 31, 2025, following the substantial revenue growth, we achieved an adjusted net profit (a non-IFRS measure) of RMB10.7 million and RMB10.4 million. However, our adjusted net profit (a non-IFRS measure) in 2024 and the eight months ended August 31, 2025 was lower than the profit for the year/period of RMB80.2 million and RMB83.2 million, which were mainly due to a fair value gain of convertible redeemable preference shares of RMB128.8 million and RMB77.3 million recorded in 2024 and the eight months ended August 31, 2025, respectively, resulting from the decreased valuation of these preference shares. Our convertible redeemable preference shares will be converted into ordinary Shares upon the Listing, and we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preference shares thereafter.

SUMMARY

Revenue

The following table sets forth the components of our revenue by business segment for the years/periods indicated:

	Year Ended December 31,						Eight months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Healthcare services										
– In-person healthcare services ⁽¹⁾	392,769	83.0	592,492	85.8	872,364	91.1	553,977	90.1	640,990	92.1
– Tele-healthcare services ⁽²⁾	21,233	4.5	22,459	3.3	22,960	2.4	15,483	2.5	14,678	2.1
– Membership programs ⁽³⁾	18,606	3.9	20,821	3.0	22,372	2.3	14,968	2.4	14,756	2.1
– Off-network healthcare services ⁽⁴⁾	34,104	7.2	44,215	6.4	32,830	3.4	25,285	4.1	19,787	2.8
<i>Subtotal</i>	<i>466,712</i>	<i>98.6</i>	<i>679,987</i>	<i>98.5</i>	<i>950,526</i>	<i>99.2</i>	<i>609,713</i>	<i>99.1</i>	<i>690,211</i>	<i>99.1</i>
Others⁽⁵⁾	6,472	1.4	10,448	1.5	8,052	0.8	5,091	0.9	5,456	0.9
Total	473,184	100.0	690,435	100.0	958,578	100.0	614,804	100.0	695,667	100.0

Notes:

- (1) Representing revenue generated from our healthcare service institutions.
- (2) Representing revenue generated from our tele-healthcare service platform.
- (3) Representing revenue generated from annual membership fees.
- (4) Representing revenue generated from on-campus and corporate healthcare management services and medical concierge and escort services.
- (5) Primarily comprising the sales of healthcare products. The healthcare products we offer primarily include (i) skincare items, (ii) oral health products, (iii) nutritional supplements, and (iv) eye and nose care products.

SUMMARY

The following table sets forth a breakdown of the number of paid patient visits and the average patient spending per visit for our in-person healthcare services and tele-healthcare services for the years/periods indicated.

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
In-person healthcare services					
Paid patient visits . . .	387,190	565,430	730,291	473,669	541,020
Average spending per patient visit (RMB)	1,014	1,048	1,195	1,170	1,185
Tele-healthcare services					
Paid patient visits . . .	142,639	167,967	175,534	121,401	101,112
Average spending per patient visit (RMB)	149	134	131	128	145
Total paid patient visits	<u>529,829</u>	<u>733,397</u>	<u>905,825</u>	<u>595,070</u>	<u>642,132</u>

Note: A patient visit refers to a visit by a patient to one of our healthcare institutions or to our tele-healthcare service platform for the purpose of receiving our services. An individual patient may contribute more than one patient visits within a given period, including a combination of patient visits for in-person and tele-healthcare healthcare services. Each patient visit is recorded separately as a patient visit either for in-person healthcare services or for tele-healthcare healthcare services, with no overlap between the two.

From 2022 to 2024, the number of paid patient visits for in-person and tele-healthcare services experienced a continued increase, reflecting our efforts and ability to grow customer base. The fluctuations in average spending per patient visit in healthcare service institutions were primarily attributed to the changes in the service mix, particularly the shifts in the proportion of various specialties which had different pricing and spending per visit. In particular, the increase in the average spending per patient visit for internal medicine in 2024 was partially due to the introduction of certain more complex and higher-priced services as part of our offerings of subspecialties and diagnoses/treatments of certain medical conditions, such as various chronic diseases. Additionally, the increase in the average spending per patient visit for pediatrics, ENT and general surgery in 2024 was mainly attributable to the inpatient services offered by Wuhan Dragon World, which we acquired in 2024. The average spending per patient visit on our tele-healthcare service platform decreased from 2022 to 2023, which was primarily due to our pricing adjustments to offer more competitive prices for our tele-healthcare services, in response to customer demand for accessible healthcare services and to broaden our online patient base while strengthening our competitive position in the tele-healthcare service market. In 2024, the average spending per patient visit on our tele-healthcare service platform remained relatively stable.

SUMMARY

In the first eight months of 2025, the number of patient visits for our tele-healthcare services decreased, mainly because (i) for common and minor medical conditions, an increased number of patients opted for third-party AI-assisted consultations rather than our health counseling services; and (ii) as compared to the first eight months of 2024, the incidence rate of infectious diseases in the first eight months of 2025 was lower, resulting in reduced demand for health counseling related to disease prevention. In the first eight months of 2025, the average spending per patient visit on our tele-healthcare service platform increased, mainly because (i) an increase in the proportion of revenue generated from certain higher-priced services, such as online psychological consultations; and (ii) we introduced a new form of prepaid package under which a designated doctor team provides to patients with health counselling over an annual or quarterly service period. Compared to our normal tele-healthcare service, upon purchase of the prepaid package, the designated doctor team conducts a more comprehensive assessment of the patient's health conditions, formulates a tailored health management plan, and offers continuous follow-up and regular feedback to support disease prevention. This new form of prepaid package is priced higher than the normal one-off health counseling sessions and contributed to the overall increase in average spending.

A majority of our revenue was derived from in-person healthcare services, which represented 83.0%, 85.8%, 91.1%, 90.1% and 92.1% of our total revenue in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. The following table sets forth a breakdown of revenue from in-person healthcare services by key specialties during the Track Record Period:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
Total Patient Visit					
– Pediatrics	139,968	210,364	247,467	162,289	158,894
– Dentistry	82,035	107,744	134,514	90,606	102,882
– Eye Care	33,178	61,533	98,961	64,804	87,991
– Dermatology	38,108	47,591	56,996	36,480	41,320
– ENT & General Surgery	21,559	36,977	62,312	39,450	46,344
– Internal Medicine	31,365	49,989	64,670	42,141	49,027
– Women's Health	18,810	21,892	26,441	17,176	17,358
– Others ⁽¹⁾	22,167	29,340	38,930	20,723	37,204
Total	387,190	565,430	730,291	473,669	541,020
Revenue (RMB'000)					
– Pediatrics	81,872	133,043	203,194	131,157	123,793
– Dentistry	92,556	112,723	148,450	98,358	114,186
– Eye Care	25,196	51,696	83,644	55,174	77,015
– Dermatology	101,274	148,305	190,022	115,159	134,966
– ENT & General Surgery	17,739	32,132	88,011	54,818	72,792
– Internal Medicine	21,054	41,039	66,731	43,310	51,211
– Women's Health	22,271	28,829	35,370	23,231	21,945
– Others ⁽¹⁾	30,807	44,725	56,942	32,770	45,082
Total	392,769	592,492	872,364	553,977	640,990

SUMMARY

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
Average Spending Per Patient Visit (RMB)					
– Pediatrics	585	632	821	808	779
– Dentistry	1,128	1,046	1,104	1,086	1,110
– Eye Care	759	840	845	851	875
– Dermatology	2,658	3,116	3,334	3,157	3,266
– ENT & General Surgery	823	869	1,412	1,390	1,571
– Internal Medicine	671	821	1,032	1,028	1,045
– Women’s Health	1,184	1,317	1,338	1,353	1,264
– Others ⁽¹⁾	1,390	1,524	1,463	1,581	1,212
Total	1,014	1,048	1,195	1,170	1,185

Notes:

- (1) Others included health check-ups and other specialties, such as physical therapy and rehabilitation, and psychiatry and psychology.
- (2) Our in-person healthcare services comprise outpatient services and inpatient services. Our inpatient services were mainly provided by the hospital in Wuhan that we acquired in 2024. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we recorded revenue from inpatient services, mainly in pediatrics and general surgery specialties, of nil, nil, RMB42.5 million, RMB23.9 million and RMB37.7 million, respectively. The number of our paid inpatient visits was nil, nil, 2,137, 1,217 and 1,868, for the same periods. The average spending per inpatient visit was nil, nil, RMB19,902, RMB19,622 and RMB20,172, in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

During the Track Record Period, our total revenue experienced continued growth, primarily driven by an increase in revenue from in-person healthcare services, and to a lesser extent, an increase in revenue from other business segments, mainly including tele-healthcare services, membership programs and off-network healthcare services.

Our revenue from in-person healthcare services increased from RMB392.8 million in 2022 to RMB592.5 million in 2023, primarily due to increases in revenue from pediatrics, dentistry, eye care, dermatology and internal medicine. These increases were primarily attributable to the continuous ramping-up of our existing healthcare institutions, growth in our membership base and the resumption of normal operations following the COVID-19 pandemic.

Our revenue from in-person healthcare services increased from RMB592.5 million in 2023 to RMB872.4 million in 2024, primarily due to increases in revenue from pediatrics, dentistry, eye care, dermatology, internal medicine and ENT & general surgery. These increases were driven by the continuous ramping-up of our existing healthcare service institutions, growth in our membership base, and the expansion of our healthcare service institution network through expanding our existing clinics and the acquisition of Wuhan Dragon World.

SUMMARY

Our revenue generated from in-person healthcare services increased from RMB554.0 million for the eight months ended August 31, 2024 to RMB641.0 million for the eight months ended August 31, 2025, primarily due to increases in revenue from eye care, ENT & general surgery, internal medicine, dentistry and dermatology, which were primarily attributable to the number of paid patient visits in these specialties. These increases were further due to the continuous ramping up of our existing healthcare service institutions, and the expansion of our healthcare service institution network through expanding our existing clinics and the acquisition of Wuhan Dragon World.

For further discussion on the fluctuations in revenue, see “Financial Information — Period to Period Comparison of Results of Operations” in this prospectus.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
Healthcare services										
– In-person healthcare services	8,157	2.1	90,212	15.2	190,927	21.9	125,830	22.7	142,822	22.3
– Tele-healthcare services	3,131	14.7	3,056	13.6	4,974	21.7	3,493	22.6	3,797	25.9
– Membership programs	16,636	89.4	19,803	95.1	20,922	93.5	13,992	93.5	13,681	92.7
– Off-network healthcare services	14,993	44.0	17,825	40.3	4,835	14.7	6,397	25.3	3,409	17.2
<i>Subtotal</i>	42,917	9.2	130,896	19.2	221,658	23.3	149,712	24.6	163,709	23.7
Others⁽¹⁾	1,063	16.4	2,606	24.9	4,345	54.0	2,704	53.1	3,562	65.3
Total	<u>43,980</u>	<u>9.3</u>	<u>133,502</u>	<u>19.3</u>	<u>226,003</u>	<u>23.6</u>	<u>152,416</u>	<u>24.8</u>	<u>167,271</u>	<u>24.0</u>

Note:

(1) Mainly included the sales of healthcare products.

SUMMARY

Our gross profit margin increased from 9.3% in 2022 to 19.3% in 2023, and further increased to 23.6% for 2024. The increases in our gross profit margin were primarily due to increases in gross profit margins of in-person healthcare services, which were mainly attributable to our enhanced operating efficiency and greater economies of scale we enjoyed due to the increased number of patient visits. Specifically, with the significant rebound of our revenue following the COVID-19 pandemic, a substantial portion of the components of cost of revenue remained relatively stable or increased by a comparatively smaller degree. Our gross profit margin remained relatively stable at 24.8% and 24.0% for the eight months ended August 31, 2024 and 2025, respectively.

For further discussion on the fluctuations in gross profit and gross profit margin, see “Financial Information — Period to Period Comparison of Results of Operations” in this prospectus.

(Loss)/profit for the Year/period

Our net loss increased from RMB221.5 million in 2022 to RMB353.2 million in 2023, primarily due to (i) an increase in fair value loss of convertible redeemable preference shares of RMB202.0 million, mainly attributable to an increase in our Company’s equity value, and (ii) an increase in cost of revenue of RMB127.7 million, mainly driven by the addition of doctors and other medical professionals, and an increase in the number of our paid patient visits, which are in line with our business expansion.

We recorded net loss of RMB353.2 million in 2023 and net profit of RMB80.2 million in 2024, primarily due to (i) a change in the fair value of convertible redeemable preference shares from a loss of RMB289.4 million in 2023 to a gain of RMB128.8 million in 2024, mainly attributable to a decrease in the valuation of fair values of such shares, and (ii) an increase in revenue of RMB268.1 million, mainly attributable to an increase in the number of paid patient visits resulting from the ramping up of our existing healthcare service institutions and the expansion of our healthcare service institution network.

Our net profit increased from RMB52.2 million for the eight months ended August 31, 2024 to RMB83.2 million for the eight months ended August 31, 2025, primarily due to (i) an increase in revenue of RMB80.9 million, mainly attributable to an increase in the number of paid patient visits resulting from the ramping up of our existing healthcare service institutions and the expansion of our healthcare service institution network, and (ii) a decrease in administrative expenses of RMB37.0 million, mainly attributable to a decrease in employee salary and benefit expenses, primarily resulting from a decrease in share-based compensation expenses.

SUMMARY

Summary of Our Consolidated Statements of Financial Position

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	576,273	544,957	730,746	693,288
Total current assets	524,169	573,718	594,577	621,994
Total assets	1,100,442	1,118,675	1,325,323	1,315,282
Total non-current liabilities . .	242,860	243,745	268,969	281,749
Total current liabilities	2,262,308	2,636,259	2,815,779	2,704,143
Total liabilities	2,505,168	2,880,004	3,084,748	2,985,892
Net current liabilities	(1,738,139)	(2,062,541)	(2,221,202)	(2,082,149)
Equity attributable to owners				
of the Company	(1,412,295)	(1,766,310)	(1,797,980)	(1,706,924)
Non-controlling interests . . .	7,569	4,981	38,555	36,314
Total deficit	(1,404,726)	(1,761,329)	(1,759,425)	(1,670,610)

Our net current liabilities increased from RMB1,738.1 million as of December 31, 2022 to RMB2,062.5 million as of December 31, 2023, primarily attributable to an increase of RMB310.4 million in convertible redeemable preference shares, which was further due to an increase in our Company's equity value and fluctuations in the exchange rate between Renminbi and U.S. dollars.

Our net current liabilities increased from RMB2,062.5 million as of December 31, 2023 to RMB2,221.2 million as of December 31, 2024, primarily attributable to an increase of RMB73.8 million in convertible redeemable preference shares, which was further due to the subsequent issue of 1,849,100 Series D Preferred Shares in March 2024 to acquire the equity interest in Wuhan Dragon World as detailed in "History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World."

Our net current liabilities decreased from RMB2,221.2 million as of December 31, 2024 to RMB2,082.1 million as of August 31, 2025, mainly attributable to a decrease of RMB85.8 million in convertible redeemable preference shares, primarily as a result of a change in our Company's equity value.

We had total liabilities of RMB2,505.2 million, RMB2,880.0 million, RMB3,084.7 million and RMB2,985.9 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively. The changes in total liabilities were primarily attributable to the convertible redeemable preference shares that we issued to Pre-IPO Investors. The convertible redeemable preference shares will be converted into ordinary Shares and accounted for as an increase in share capital and share premium upon the Listing, after which we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preference shares. For more details, please see "History, Reorganization and Corporate Structure —

SUMMARY

Pre-IPO Investments — Special Rights of the Pre-IPO Investors” and Note 27 to the Accountant’s Report in Appendix I to this prospectus. As the convertible redeemable preference shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary Shares upon Listing, we expect our net liability and net current liability positions would turn into net asset and net current asset positions.

We recorded total deficit of RMB1,404.7 million, RMB1,761.3 million, RMB1,759.4 million and RMB1,670.6 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively. Our total deficit increased from RMB1,404.7 million as of December 31, 2022 to RMB1,761.3 million as of December 31, 2023, primarily due to a loss for the year of RMB353.2 million in 2023, partially offset by (i) a fair value change on convertible redeemable preference shares due to own credit risk of RMB15.6 million and (ii) share-based compensation expenses of RMB9.3 million. Our total deficit remained relatively stable at RMB1,761.3 million as of December 31, 2023 and RMB1,759.4 million as of December 31, 2024. Our total deficit then decreased to RMB1,670.6 million as of August 31, 2025, primarily due to a profit for the period of RMB83.2 million in the first eight months of 2025, partially offset by a fair value change on convertible redeemable preference shares due to own credit risk of RMB19.8 million.

Summary of Our Statements of Cash Flows

The following table sets forth our consolidated statements of cash flows for the years/period indicated.

	Year Ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Cash generated from					
operations	5,708	115,244	164,829	84,310	111,333
Interest received	1,168	8,581	7,017	5,945	1,502
Income taxes paid . . .	<u>(15)</u>	<u>(60)</u>	<u>(508)</u>	<u>(507)</u>	<u>(386)</u>
Net cash generated					
from operating					
activities	6,861	123,765	171,338	89,748	112,449
Net cash (used					
in)/generated from					
investing activities .	(209,053)	(1,477)	85,982	55,243	(179,454)
Net cash used in					
financing activities .	(52,383)	(72,430)	(150,253)	(90,569)	(79,793)

SUMMARY

	Year Ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Net					
(decrease)/increase					
in cash and					
cash equivalents . . .	(254,575)	49,858	107,067	54,422	(146,798)
Cash and cash					
equivalents at the					
beginning of the					
year/period	383,288	146,335	198,327	198,327	307,970
Exchange					
gains/(losses) on					
cash and cash					
equivalents	<u>17,622</u>	<u>2,134</u>	<u>2,576</u>	<u>2,236</u>	<u>(2,674)</u>
Cash and cash					
equivalents at end					
of the year/period .	<u>146,335</u>	<u>198,327</u>	<u>307,970</u>	<u>254,985</u>	<u>158,498</u>

During the Track Record Period, we funded our operations primarily with cash generated from operating activities and funds raised from equity financings. We manage our cash flow and working capital mainly through closely monitoring our operations and expansion plans. We also diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations and expansion plans.

Taking into account the financial resources available to us, including cash flow from operating activities and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus. For more details, please see “Financial Information — Liquidity and Capital Resources” in the prospectus.

SUMMARY

Key Financial Ratios

The table below sets forth our key financial ratios as of the dates and for the years/periods indicated.

	For the Year Ended December 31,			For the Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	<i>(unaudited)</i>				
Gross profit margin ⁽¹⁾	9.3%	19.3%	23.6%	24.8%	24.0%
Operating margin ⁽²⁾	(29.0%)	(9.7%)	(4.9%)	(4.9%)	1.8%
Net (loss)/profit margin ⁽³⁾	(46.8%)	(51.2%)	8.4%	8.5%	12.0%
Adjusted net (loss)/profit margin (a non-IFRS measure) ⁽⁴⁾	(26.0%)	(6.3%)	1.1%	4.0%	1.5%

Notes:

- (1) Gross profit margin equals gross profit divided by revenue.
- (2) Operating margin equals operating (loss)/profit divided by revenue.
- (3) Net (loss)/profit margin equals (loss)/profit divided by revenue.
- (4) Adjusted net (loss)/profit margin (a non-IFRS measure) equals adjusted net (loss)/profit (a non-IFRS measure) divided by revenue.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
Current ratio ⁽¹⁾	0.2	0.2	0.2	0.2

Notes:

- (1) Current ratio equals total current assets divided by total current liabilities.

For more information on our key financial ratios, please see the paragraphs headed “Financial Information — Key Financial Ratios” in this prospectus.

SUMMARY

RISK FACTORS

There are certain risks relating to an investment in our Shares. A detailed discussion of the risk factors is set forth in the section headed “Risk Factors”. A summary of key risk factors is set forth below. Any of the following developments may have a material and adverse effect on our business, financial condition, results of operations and prospects:

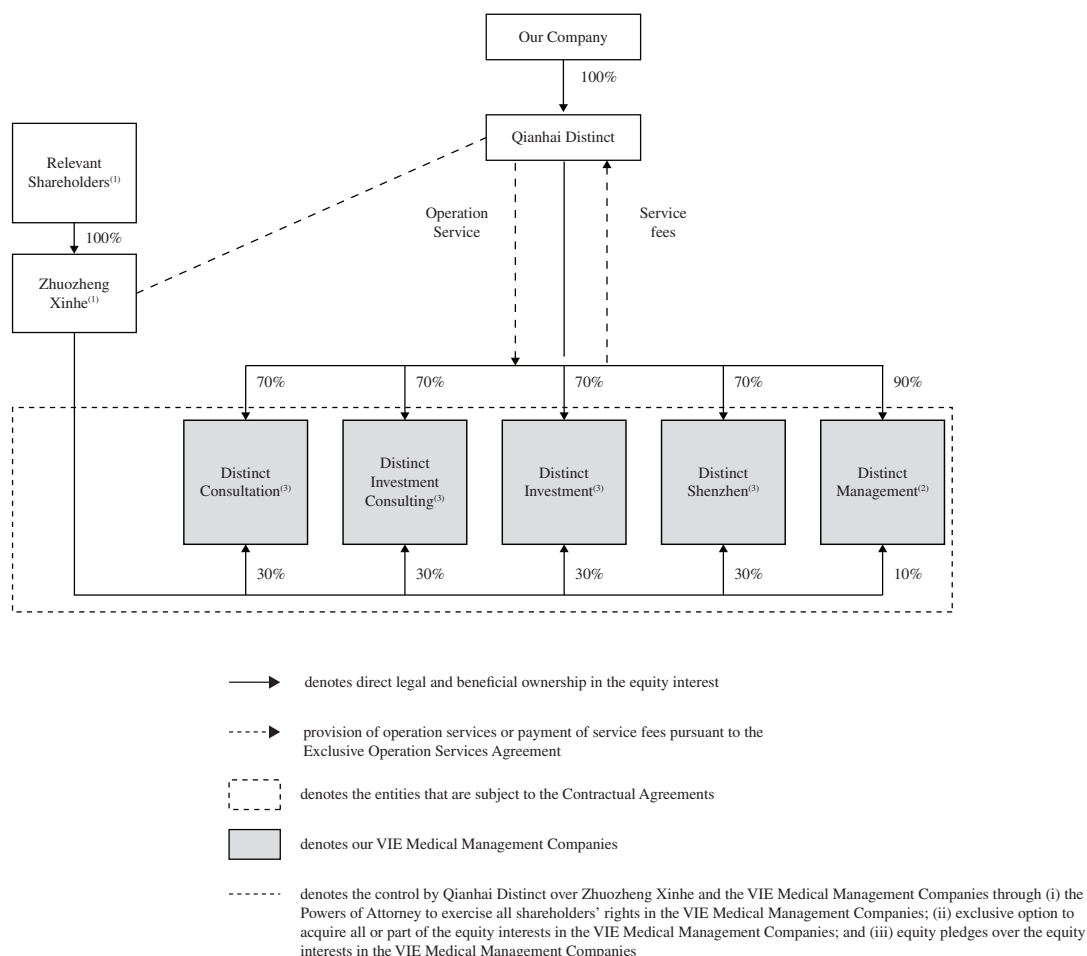
- We operate in a heavily regulated industry and are subject to extensive and evolving regulatory requirements.
- We could become the subject of patient complaints, claims and legal proceedings in the course of our operations, which could result in costs and materially and adversely affect our brand image, reputation and results of operations.
- As we provide mid- to high-end healthcare services, our business, financial condition and results of operations are subject to changes in patient preference, spending power, consumer sentiment and general economic conditions in our respective markets.
- Any negative publicity about us could harm our brand image and reputation and trust in our services, which could result in a material and adverse impact on our business and prospects.
- If we are unable to continue to attract and retain patients, provide superior patient experience and maintain patients’ trust in us, our business, financial condition and results of operations may be materially and adversely affected.
- We operate in a competitive industry. If we do not compete successfully against new or existing competitors, our business, financial condition and results of operations may be materially and adversely affected.
- Opening of new healthcare service institutions could result in fluctuations in our short-term financial performance.
- Newly opened and acquired healthcare service institutions may not achieve normal operation as anticipated, which could adversely affect our business, results of operations, financial condition and prospects.
- If we are unable to recruit and retain a sufficient number of qualified doctors and other medical professionals, our business and results of operations could be materially and adversely affected.

You should read the entire section headed “Risk Factors” in this prospectus before you decide to invest in the Offer Shares.

SUMMARY

CONTRACTUAL ARRANGEMENTS

We have entered into a series of Contractual Arrangements with the five VIE Medical Management Companies and Zhuozheng Xinhe and the Relevant Shareholders. Through our shareholdings and the Contractual Arrangements, our Company controls the economic benefit of 100% of equity interest in our VIE Medical Management Companies. For more details, see the section headed “Contractual Arrangements.” The following diagram illustrates the flow of economic benefits from our VIE Entities to our Group under the Contractual Arrangements. The transactions contemplated under the Contractual Arrangements constitute non-exempt continuing connected transactions under the Listing Rules upon Listing. See the section headed “Continuing Connected Transactions” for details.



Notes:

- (1) The Relevant Shareholders are Mr. Zhou, Dr. Zhu and Ms. Qiu, who hold 33.5%, 33.5% and 33% equity interest in Zhuozheng Xinhe, respectively.
- (2) Distinct Management is the holding company of our VIE Medical Institutions located in Sichuan Province.
- (3) Distinct Consultation, Distinct Investment Consulting, Distinct Investment, and Distinct Shenzhen are the holding companies of our VIE Medical Institutions (other than the Sichuan Institutions).

SUMMARY

SHAREHOLDER INFORMATION

Upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited are our Controlling Shareholders who will be able to exercise an aggregate of 30.79% voting rights in the Company through (i) the Acting-in-Concert Agreement, (ii) the Cheuk Sing Ho Agreement, (iii) the trust deed of Distinct Trust I, and (iv) the Voting Proxy Agreements. Pursuant to the Cheuk Sing Ho Agreement, Mr. Wang, as the sole director of Cheuk Sing Ho, has the sole right and power to determine and vote on behalf of Cheuk Sing Ho in all matters with respect to the Company. Pursuant to trust deed of Distinct Trust I, the trustee of Distinct Trust I shall exercise voting power in our Company in accordance with Mr. Wang's instruction. Pursuant to the Acting-in-Concert Agreement, the Concert Parties have confirmed that they had been acting in concert by aligning their votes and following Cheuk Sing Ho's directions when exercising their voting rights at the Shareholders' meetings in our Company. Pursuant to the Voting Proxy Agreements, the Proxy Shareholders agreed to appoint Cheuk Sing Ho, a company whose voting rights are controlled by Mr. Wang, as their attorney and proxy to exercise the voting rights attached to the Proxy Shares held by them at the general meeting of our Company. For more details, please refer to the sections headed "History, Reorganization and Corporate Structure — Voting Agreements" and "Relationship with Our Controlling Shareholders" in this prospectus.

Our Group operates independently of our Controlling Shareholders. Apart from their interest in our Company, our Controlling Shareholders do not currently have any interest in a business that competes or is likely to compete, either directly or indirectly, with our Group's business.

Furthermore, we have completed several rounds of Pre-IPO Investments from 2014 to 2021, and our major Pre-IPO Investors include Tencent, H Capital, Waterwood and Tiantu. We utilized most of the proceeds from the Pre-IPO Investments for the development and operation of our principal business of our Group, including but not limited to the expansion of our healthcare institutions and other general working capital purposes. For details, please see the section headed "History, Reorganization and Corporate Structure — Pre-IPO Investments."

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, our Shares, including (i) our Shares in issue (including the Shares to be converted from the Preferred Shares), and (ii) the Shares to be issued pursuant to the Global Offering, including the Shares which may be issued pursuant to the exercise of the Over-allotment Option. We satisfy the market capitalization/revenue/cash flow test under Rule 8.05(2) of the Listing Rules with reference to (i) our revenue of RMB958.6 million for the year ended December 31, 2024 which exceeds HK\$500 million as required by Rule 8.05(2) of the Listing Rules; (ii) our expected market capitalization at the time of Listing, which, based on the low end of the Offer Price range, exceeds HK\$2 billion as required by Rule 8.05(2) of the Listing Rules; and (iii) our positive cash flow from operating activities of over HK\$100 million in aggregate for the three years ended December 31, 2024 as required by Rule 8.05(2) of the Listing Rules.

SUMMARY

DIVIDEND

No dividend has been paid or declared by the Company during the Track Record Period. We do not have a formal dividend policy or a fixed dividend payout ratio.

Subject to our Articles of Association and the Cayman Companies Act, through a general meeting, we may declare dividends, but no dividend may be declared unless out of either profit or share premium account and no dividend shall exceed the amount recommended by our Board. Any declaration of dividends will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. We cannot guarantee in what form dividends will be paid in the future. As advised by our Cayman legal adviser, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our PRC subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

GLOBAL OFFERING STATISTICS

All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

	Based on the Offer Price of HK\$57.70	Based on the Offer Price of HK\$66.60
Market capitalization of our Shares ⁽¹⁾	HK\$3,714.98 million	HK\$4,288.00 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾	HK\$13.04	HK\$13.73

SUMMARY

Notes:

- (1) The calculation of market capitalization is based on the assumption that 64,384,350 Shares will be in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), including 4,750,000 Shares to be issued pursuant to the Global Offering.
- (2) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on the adjustments mentioned in the “Financial Information — Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets,” assuming that 59,384,350 Shares were in issue. This calculation also assumes that the Global Offering and the conversion of the convertible redeemable preference shares to Shares on a 1:1 basis had been completed on August 31, 2025 (for the purpose of this unaudited pro forma financial information excluding 5,000,000 Shares issued and reserved to be delivered to eligible participants under the RSU Scheme). It does not consider any Shares that might be issued upon the exercise of the Over-allotment Option, nor any Shares that might be issued or repurchased by the Company pursuant to the general mandates granted to the Directors, as described in the section headed “Share Capital” of this prospectus.

No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to August 31, 2025.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$219.1 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming the Over-Allotment Option being not exercised and an Offer Price of HK\$62.15 per Share, which is the mid-point of the indicative Offer Price range stated in this prospectus.

Assuming an Offer Price at the mid-point of the Offering Price range, we currently intend to apply these net proceeds for the following purposes:

- 35%, or approximately HK\$76.7 million, for deploying advanced AI technologies to innovate healthcare delivery and operational efficiency through developing a specialized talent pool for healthcare AI applications, strategic collaborations with leading technology institutions and companies and external procurement, along with improvements to our own information technology systems by our in-house information and data technology department. Please see “Business — Information Technology Systems” for more details;
- 30%, or approximately HK\$65.7 million, for upgrading our existing healthcare service institutions and establishing new healthcare service institutions, including (i) 20% for relocating one of our existing healthcare service institutions in Shenzhen; and (ii) 10% for opening new healthcare service institutions in Hangzhou and Shanghai. Please see “Business — Our Future Expansion — Expansion of Healthcare Service Institution Network — Organic Growth” for more details;

SUMMARY

- 25%, or approximately HK\$54.8 million, for acquiring healthcare service institutions in Tier-One Cities and New Tier-One Cities that have demonstrated a good track record of performance, when appropriate opportunities arise. Please see “Business — Our Future Expansion — Expansion of Healthcare Service Institution Network — Strategic Acquisitions” for more details; and
- 10%, or approximately HK\$21.9 million for working capital and other general corporate purposes.

For details, see “Future Plans and Use of Proceeds.”

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

We have prepared the following profit estimate for the year ended December 31, 2025.

Estimated consolidated profit attributable to owners of the parent for the year ended December 31, 2025 ⁽¹⁾	Not less than RMB130 million (equivalent to approximately HK\$144 million)

Notes:

- (1) The bases on which the above profit estimate has been prepared are summarized in Part A of Appendix IIB to this Prospectus. The Directors have prepared the estimated consolidated profit attributable to owners of the Company for the year ended December 31, 2025 based on the audited consolidated results of our Group for the eight months ended August 31, 2025 and the unaudited consolidated results based on the management accounts of our Group for the four months ended December 31, 2025. The profit estimate has been prepared on a basis consistent in all material respects with our accounting policies, as presently adopted and as set out in the Accountant’s Report of the Group, the text of which is set out in Appendix I to this Prospectus.
- (2) The estimated consolidated profit attributable to owners of the parent is converted into Hong Kong dollars at the exchange rate of HK\$1 to RMB0.8978. No presentation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

LISTING EXPENSES

Based on the mid-point of our indicative Offer Price range and assuming the Over-allotment Option is not exercised, the listing expenses to be borne by us are estimated to be approximately RMB68.3 million and are expected to represent approximately 25.8% of the gross proceeds of the Global Offering, comprising (i) underwriting-related expenses, including underwriting commissions and other expenses, of approximately RMB10.6 million; and (ii) non-underwriting-related expenses of approximately RMB57.7 million (including (a) fees and expenses of legal advisers and reporting accountant of approximately RMB39.6 million; and (b) other fees and expenses of approximately RMB18.1 million). During the Track Record

SUMMARY

Period, we incurred listing expenses of RMB39.7 million, of which RMB36.5 million was charged to our consolidated statements of profit or loss, while RMB3.2 million was directly attributable to the issue of Shares and will be deducted from equity upon completion of the Global Offering.

We expect to incur additional listing expenses of RMB28.6 million (assuming the Over-allotment Option is not exercised and based on the mid-point of our indicative Offer Price range), approximately RMB17.1 million of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB11.5 million of which is expected to be charged to equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

IMPACT OF COVID-19 EPIDEMIC ON OUR OPERATIONS

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

Our business operations to certain extent had been impacted by the COVID-19 pandemic. Operationally, the outbreak and the resurgence of COVID-19 cases in certain major cities across China throughout 2022 have led to the imposition of various pandemic mitigation measures by the PRC government. These measures have affected the performance and results of operations of some of our healthcare service institutions with business operations in the affected areas, and as a result, many patients delayed their treatments or, where applicable, opted for our tele-healthcare services. Specifically, in light of the underperformance of operations in Ningbo during the COVID-19 pandemic, and considering cost saving, our management decided to terminate operations in Ningbo in 2022. Additionally, our expansion plan during the Track Record Period was affected by the resurgence of the COVID-19. For example, we suspended a planned clinic opening in Shanghai in 2022 but later opened it in 2023 and decided not to proceed with the planned opening of a new dental hospital in Changsha in 2022 to prioritize cash preservation during the COVID-19 resurgence. Financially, the resurgence of COVID-19 negatively affected our revenue growth rate, gross profit and gross profit margin. For more details, please see “Financial Information — Description of Selected Components of Our Consolidated Statements of Profit or Loss” and “Financial Information — Period to Period Comparison of Results of Operations.”

SUMMARY

In 2023, since the PRC government has relaxed anti-pandemic measures nationwide, our healthcare service institutions experienced strong growth and expansion. Therefore, our revenue and the total patient visits of our healthcare service institutions increased significantly in 2023 compared to those in 2022, which further increased in 2024. Our Directors are of the view that it is unlikely that COVID-19 pandemic will have material adverse impact on our business going forward.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we complied with applicable laws and regulations in all material respects and we had not been and were not involved in any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business as a whole.

We may from time to time be involved in legal, arbitral or administrative proceedings arising in our ordinary operations. Our Directors confirmed that, as of the Latest Practicable Date, we were not aware of any ongoing or threatened legal, arbitral or administrative proceedings to which we were, or will be, named as a party and would have a material and adverse effect on our business, financial condition or result of operations.

Due to the subjective nature of the healthcare services, our healthcare service institutions occasionally encounter medical disputes brought by our patients against us. During the Track Record Period, our healthcare service institutions did not experience any medical disputes that could cause a material adverse effect on our business, financial condition or results of operations. See “Business — Compliance and Legal Proceedings — Legal Proceedings — Medical Disputes” for more details.

RECENT DEVELOPMENTS

Recent Development in Our Business Operations

Our healthcare service institutions continued to achieve business growth since the end of the Track Record Period. The total number of paid patient visits of our healthcare service institutions increased from 730,291 in 2024 to 831,611 in 2025.

For more details about our recent development on our financial condition, please refer to “Financial Information — Profit Estimate for the Year Ended December 31, 2025” and “Appendix IIB — Profit Estimate” to this prospectus.

No Material Adverse Change

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since August 31, 2025 (being the date on which the latest audited consolidated financial information of our Company was prepared) and there is no event since August 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountant’s Report in Appendix I to this prospectus.

DEFINITIONS

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

“Accountant’s Report”	the accountant’s report of our Company for the Track Record Period from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus
“Acting-in-Concert Agreement”	the acting-in-concert agreement which was entered into by the Concert Parties on April 25, 2024. For more details, please refer to the section headed “History, Reorganization and Corporate Structure — Voting Agreements” in this prospectus
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong (formerly known as the Financial Reporting Council of Hong Kong)
“Articles” or “Articles of Association”	the articles of association of our Company adopted on December 23, 2025 with effect from the Listing Date and as amended from time to time, a summary of which is set out in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Beijing Zhuokang”	Beijing Zhuokang Clinic Co., Ltd. (北京卓康診所有限公司), a limited liability company established in the PRC on April 9, 2016 and a subsidiary of our Company
“Board of Directors”, “Board” or “our Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open generally for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

DEFINITIONS

“BVI”	the British Virgin Islands
“Capital Market Intermediaries” or “capital market intermediary(ies)” or “CMI(s)”	the capital market intermediaries engaged by our Company as named in the section headed “Directors and Parties Involved in the Global Offering” of this prospectus and has the meaning ascribed thereto under the Listing Rules
“Cayman Companies Act” or “Companies Act”	the Companies Act (As Revised) of the Cayman Islands, Cap. 22 (Law 3 of 1961), as amended or supplemented or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Changsha Zhuorui”	Changsha Zhuorui Outpatient Co., Ltd. (長沙市卓睿門診有限公司), a company established in the PRC on February 25, 2021 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on August 6, 2024
“Chengdu High-tech Distinct”	Chengdu High-tech Zhuojian Outpatient Department Co., Ltd. (成都高新卓健門診部有限公司), a limited liability company established in the PRC on August 2, 2016 and a subsidiary of our Company
“Chengdu Qingyang Distinct”	Chengdu Qingyang Zhuokang Outpatient Department Co., Ltd. (成都青羊卓康門診部有限公司), a limited liability company established in the PRC on October 23, 2017
“Cheuk Sing Ho”	Cheuk Sing Ho Investment Limited, a company incorporated in the British Virgin Islands
“China” or “PRC”	the People’s Republic of China excluding, for the purposes of this prospectus, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Distinct Healthcare Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands on February 13, 2014
“Concert Parties”	Cheuk Sing Ho, Mr. CAO Shaoshan (曹少山), Mr. ZHANG Xiangdong (張向東) and Nineteen Seventy-Seven
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Contractual Arrangements”	a series of contractual arrangements entered into by Qianhai Distinct, the VIE Medical Management Companies, Zhuozheng Xinhe, and the Relevant Shareholders, details of which are described in the section headed “Contractual Arrangements” in this prospectus
“Controlling Shareholder(s)”	Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“Distinct Chiron”	Distinct Chiron Company Limited (卓正楷和有限公司), a company incorporated in Hong Kong on January 26, 2016 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on November 3, 2023
“Distinct Consultation”	Shenzhen Zhuozheng Medical Consulting Co., Ltd. (深圳卓正醫療諮詢有限公司), a limited liability company established in the PRC on November 24, 2017 and one of our VIE Medical Management Companies

DEFINITIONS

“Distinct Digital Tech”	Shenzhen Zhuozheng Digital Technology Co., Ltd. (深圳卓正數智科技有限公司), formerly known as Shenzhen Zhuozheng Medical Digital Technology Co., Ltd. (深圳卓正醫療數字科技有限公司) and Shenzhen Zhouzheng Information Technology Co., Ltd. (深圳卓正網絡科技有限公司), a limited liability company established in the PRC on December 25, 2019 and a wholly-owned subsidiary of our Company
“Distinct Future”	Shenzhen Distinct Future Technology Co., Ltd. (深圳卓正未來科技有限公司), a limited liability company established in the PRC on May 28, 2025 and a wholly-owned subsidiary of our Company
“Distinct Guangzhui”	Shenzhen Distinct Guangzhui Technology Co., Ltd. (深圳卓正光錐科技有限公司), a limited liability company established in the PRC on June 6, 2025 and a wholly owned subsidiary of our Company
“Distinct HK”	Distinct HealthCare (Hong Kong) Limited (卓正醫療(香港)有限公司), a limited liability company incorporated in Hong Kong on April 24, 2012 and a wholly-owned subsidiary of our Company
“Distinct Investment”	Shenzhen Zhuozheng Medical Investment Co., Ltd. (深圳卓正醫療投資有限公司), a limited liability company established in the PRC on January 14, 2016 and one of our VIE Medical Management Companies
“Distinct Investment Consulting”	Shenzhen Distinct Medical Investment Consulting Co., Ltd. (深圳卓正醫療投資諮詢有限公司), a limited liability company established in the PRC on April 12, 2012 and one of our VIE Medical Management Companies
“Distinct Malaysia”	Distinct Healthcare Malaysia Sdn. Bhd., a limited liability company incorporated in Malaysia on December 23, 2024, and a wholly owned subsidiary of our Company
“Distinct Management”	Shenzhen Zhuozheng Hospital Management Co., Ltd. (深圳卓正醫院管理有限公司), a company established in the PRC on April 26, 2024 and one of our VIE Medical Management Companies

DEFINITIONS

“Distinct Ruixiang”	Shenzhen Zhuozheng Ruixiang Management Consulting Co., Ltd. (深圳卓正瑞祥管理諮詢有限公司), a limited liability company established in the PRC on April 22, 2014 and a wholly-owned subsidiary of our Company
“Distinct SG”	Distinct Healthcare Singapore Pte. Ltd., a private company limited by shares incorporated in Singapore on November 9, 2021 and a wholly-owned subsidiary of our Company
“Distinct Shenzhen”	Shenzhen Distinct Hospital Management Consulting Co., Ltd. (深圳卓正醫院管理諮詢有限公司), formerly known as Shenzhen Qianhai Distinct Youshe Hospital Management Co., Ltd. (深圳市前海卓正優社醫院管理有限公司), a limited liability company established in the PRC on April 15, 2022 and one of our VIE Medical Management Companies
“Dr. Zhu”	Dr. ZHU Yan (朱岩), a co-founder and an executive vice president of our Company
“EIT”	enterprise income tax
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“FINI”	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all New Listings
“Foshan Nanhai Distinct”	Foshan Nanhai Zhuozheng Comprehensive Clinic Co., Ltd. (佛山南海卓正綜合門診有限公司), a limited liability company established in the PRC on March 21, 2024 and a subsidiary of our Company
“Frost & Sullivan” or “Industry Consultant”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant

DEFINITIONS

“Global Offering”	the Hong Kong Public Offering and the International Offering
“Group”, “our Group”, “we”, “us” or “our”	our Company and its subsidiaries and branch companies from time to time or, where the context so requires, in respect of the period prior to our Company having become the holding company of its present subsidiaries and branch companies, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guangzhou Distinct Duhui”	Guangzhou Zhuozheng Duhui Outpatient Department Limited (廣州卓正都匯門診部有限公司), a company established in the PRC on August 18, 2016 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on November 10, 2023
“Guangzhou Distinct Hospital”	Guangzhou Distinct Hospital Co., Ltd. (廣州卓正醫院有限公司), which was formerly known as Guangzhou Distinct Youshe Hospital Co., Ltd. (廣州卓正優社醫院有限公司), a limited liability company established in the PRC on May 11, 2022 and a subsidiary of our Company
“Guangzhou Zhuorui”	Guangzhou Zhuorui Outpatient Department Co., Ltd. (廣州卓瑞門診部有限公司), a limited liability company established in the PRC on July 19, 2014 and a subsidiary of our Company
“Guangzhou Zhuoxiang”	Guangzhou Zhuoxiang Outpatient Department Co., Ltd. (廣州卓祥醫療門診部有限公司), a limited liability company established in the PRC on January 4, 2017 and a subsidiary of our Company
“Guide for New Listing Applicants” or “Guide”	the Guide for New Listing Applicants published by the Stock Exchange
“H Capital”	H Capital IV, L.P., a limited partnership incorporated under the Laws of Cayman Islands and a Pre-IPO Investor
“HK\$”, “HKD” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“ HK eIPO White Form ”	the application for Hong Kong Offer Shares to be issued in the applicant’s own name, submitted online through the designated website at www.hkeipo.hk
“ HK eIPO White Form Service Provider ”	the HK eIPO White Form service provider designated by our Company as specified on the designated website at www.hkeipo.hk
“ HKSCC ”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“ HKSCC EIPO ”	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant’s stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC’s FINI system to apply for the Hong Kong Offer Shares on your behalf
“ HKSCC Nominees ”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“ HKSCC Operational Procedures ”	the Operational Procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC’s services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
“ HKSCC Participant ”	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
“ Hong Kong ” or “ HK ”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ Hong Kong Offer Shares ”	the 475,000 Offer Shares initially offered by us for subscription pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)

DEFINITIONS

“Hong Kong Public Offering”	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on and subject to the terms and conditions stated in this prospectus, as further described in the paragraph headed “Structure of the Global Offering — The Hong Kong Public Offering” in this prospectus
“Hong Kong Share Registrar”	Tricor Investor Services Limited
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering whose names are set out in the section headed “Underwriting — Hong Kong Underwriters” in this prospectus
“Hong Kong Underwriting Agreement”	the underwriting agreement dated January 28, 2026 relating to the Hong Kong Public Offering and entered into by our Company, our Controlling Shareholders, the Joint Sponsors, the Joint Sponsor-Overall Coordinators and the Hong Kong Underwriters, as further described in the section headed “Underwriting” in this prospectus
“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and International Accounting Standards and interpretation issued by International Accounting Standards Committee
“Image Frame”	Image Frame Investment (HK) Limited, a Pre-IPO Investor and a subsidiary of Tencent Holdings Limited, a public company listed on the Stock Exchange (stock code: 700)
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of our Company within the meaning of the Listing Rules

DEFINITIONS

“Industry Report” or “Frost & Sullivan Report”	the industry report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set forth in the section headed “Industry Overview” in this prospectus
“International Offer Shares”	the 4,275,000 Offer Shares, initially offered by us for subscription under the International Offering together with, where relevant, any additional Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus)
“International Offering”	the conditional placing of the International Offer Shares at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) outside the United States in offshore transactions in reliance on Regulation S, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the underwriters of the International Offering listed in the International Underwriting Agreement
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering expected to be entered into by our Company, our Controlling Shareholders, the Joint Sponsors, the Joint Sponsor-Overall Coordinators and the International Underwriters, on or about the Price Determination Date
“Joint Bookrunners”	the joint bookrunners as named in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Global Coordinators”	the joint global coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Lead Managers”	the joint lead managers as named in the section headed “Directors and Parties Involved in the Global Offering” in this prospectus

DEFINITIONS

“Joint Overall Coordinators”	the joint overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” of this Prospectus
“Joint Sponsors”	the joint sponsors as named in the section headed “Directors and Parties Involved in the Global Offering” of this Prospectus
“Joint Sponsor-Overall Coordinators” or “Joint Sponsor-OCs”	the joint sponsor-overall coordinators as named in the section headed “Directors and Parties Involved in the Global Offering” of this Prospectus
“Latest Practicable Date”	January 20, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus before its publication
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Date”	the date, expected to be on or about Friday, February 6, 2026, on which the Shares are listed on the Stock Exchange and dealings in the Shares on the Main Board first commence
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Matrix Partners”	Matrix Partners China II Hong Kong Limited, a Pre-IPO Investor
“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company adopted on December 23, 2025 with effect from the Listing Date and as amended from time to time, a summary of which is set out in Appendix III to this prospectus

DEFINITIONS

“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Shi”	Mr. SHI Yi (施翼), a co-founder, an executive Director, and an executive vice president of our Company
“Mr. Wang”	Mr. WANG Zhiyuan (王志遠), a founder, an executive Director, chairman of our Board and chief executive officer of our Company
“Mr. Zhou”	Mr. ZHOU Fang (周方), a co-founder and the chief public affairs officer of our Company
“Ms. Gu”	Ms. GU Minghe (顧明荷), Mr. Wang’s mother
“Ms. Qiu”	Ms. QIU Yanliu (丘艷柳), the financial controller of our Company
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nineteen Seventy-Seven”	Nineteen Seventy-Seven Corporation, a company incorporated in the BVI and wholly-owned by our Director Mr. ZHANG Xiangdong (張向東)
“Nomination Committee”	the nomination committee of our Board
“NHC”	the National Health Commission (中華人民共和國國家衛生健康委員會)
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) at which the Offer Shares are to be subscribed or purchased pursuant to the Global Offering as described in the section headed “Structure of the Global Offering” in this prospectus

DEFINITIONS

“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares, being the Shares of the Company, together, where relevant, with any additional Shares to be issued by the Company pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by us to the International Underwriters, exercisable by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which we may be required to allot and issue up to an aggregate of 712,500 additional Shares, representing 15.0% of the Offer Shares initially available under the Global Offering at the Offer Price to cover over-allocations in the International Offering, if any, as further described in the section headed “Structure of the Global Offering” in this prospectus
“Overseas Listing Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Legal Adviser”	Jingtian & Gongcheng, the legal advisers to our Company as to PRC law
“Preferred Shares”	preferred shares of our Company, consisting of Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares, and Series E Preferred Shares
“Pre-IPO Investment(s)”	the investment(s) in our Group undertaken by the Pre-IPO Investors before the Global Offering, details of which are set out in the paragraph headed “History, Reorganization and Corporate Structure – Pre-IPO Investments” in this prospectus

DEFINITIONS

“Pre-IPO Investor(s)”	the investor(s) who acquired interest in our Group pursuant to the relevant capital increase agreement(s), equity transfer agreement(s) and share subscription agreement(s), details of which are set out in the section headed “History, Reorganization and Corporate Structure” in this prospectus
“Price Determination Agreement”	the agreement to be entered into by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on the Price Determination Date to record the Offer Price
“Price Determination Date”	the date on which the Offer Price is to be determined
“Principal Share Registrar”	Campbells Corporate Services Limited
“Proxy Shareholder(s)”	refers to H Capital IV, L.P., Image Frame Investment (HK) Limited, MPC II L.P. and MPC II-A L.P. For more details, please refer to the section headed “History, Reorganization and Corporate Structure — Voting Agreements” in this prospectus
“Proxy Share(s)”	The relevant Shares held by the Proxy Shareholders the voting rights of which will be conferred to Cheuk Sing Ho upon completion of the Global Offering according to the Voting Proxy Agreements
“Qianhai Distinct”	Shenzhen Qianhai Zhuozheng Medical Investment Consulting Co., Ltd. (深圳市前海卓正醫療投資諮詢有限公司), a limited liability company established in the PRC on October 22, 2015 and a wholly-owned subsidiary of our Company
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Shareholders”	The shareholders of Zhuozheng Xinhe, namely Mr. Zhou, Dr. Zhu and Ms. Qiu
“Remuneration Committee”	the remuneration committee of our Board

DEFINITIONS

“Reorganization”	the reorganization undertaken by our Group in preparation for the Listing, details of which are set out in the paragraph headed “History, Reorganization and Corporate Structure — Reorganization in 2024” in this prospectus
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“RMB” or “Renminbi”	Renminbi, the lawful currency of China
“RSU Scheme”	the equity incentive plan of our Company approved and adopted by our Company on January 23, 2024, details and principal terms of which are set out in the paragraph headed “Appendix IV — Statutory and General Information — D. RSU Scheme” in this prospectus
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAFE Circular 37”	the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) promulgated by the SAFE on July 14, 2014
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Series A Preferred Shares”	the series A preferred shares of our Company with a par value of USD0.001 each
“Series B Preferred Shares”	the series B preferred shares of our Company with a par value of USD0.001 each

DEFINITIONS

“Series C Onshore Investors”	the initial investors of our Series C financing who subscribed for equity interests in our onshore wholly-owned subsidiary Distinct Ruixiang, namely Beijing Tiantu Xingbei Investment Center (Limited Partnership) (北京天圖興北投資中心(有限合夥)), Ningbo Xinchuang Waterwood Tongde Equity Investment Management Partnership Enterprise (Limited Partnership) (寧波新創水木同德股權投資管理合夥企業(有限合夥)), Matrix Partners, Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資資金(有限合夥)), Chengdu Tiantu Dongfeng Equity Investment Fund Center (Limited Partnership) (成都天圖天投東風股權投資基金中心(有限合夥)), and CICC Pucheng Investment Co., Ltd. (中金浦成投資有限公司)
“Series C Preferred Shares”	the series C preferred shares of our Company with a par value of USD0.001 each
“Series D Investors”	the initial holders of Series D Preferred Shares of our Company, namely H Capital, H SF Investment LLC, Deripi Limited, Buchkana Holdings Limited, Flarensi Holdings Limited, and Matrix Partners
“Series D Preferred Shares”	the series D preferred shares of our Company with a par value of USD0.001 each
“Series E Preferred Shares”	the series E preferred shares of our Company with a par value of USD0.001 each
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of USD0.001 each
“Shareholder(s)”	holder(s) of our Shares
“Shenzhen Zhuoan”	Shenzhen Zhuoan Clinic (深圳卓安診所), a company established in the PRC on June 30, 2016 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on July 27, 2023

DEFINITIONS

“Shenzhen Zhuoan’an Pediatrics”	Shenzhen Zhuoan’an Pediatric Clinic (深圳卓安安兒科診所), a limited liability company established in the PRC on June 6, 2022 and a subsidiary of our Company
“Shenzhen Zhuojian”	Shenzhen Zhuojian Outpatient Department (深圳卓健門診部), a limited liability company established in the PRC on August 14, 2015 and a subsidiary of our Company
“Shenzhen Zhuokang”	Shenzhen Zhuokang Outpatient Department (深圳卓康門診部), a limited liability company established in the PRC on March 6, 2014 and a subsidiary of our Company
“Shenzhen Zhuorui Kang”	Shenzhen Zhuorui Kang Clinic (深圳卓睿康診所), a company established in the PRC on November 22, 2021 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on December 6, 2023
“Shenzhen Zhuoxiang”	Shenzhen Zhuoxiang Dental Outpatient Department (深圳卓祥口腔門診部), a company established in the PRC on January 10, 2018 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on December 5, 2023
“Shenzhen Zhuozheng”	Shenzhen Zhuozheng Outpatient Department (深圳卓正門診部), a limited liability company established in the PRC on May 13, 2015 and a subsidiary of our Company
“Shine Step”	Shine Step International Limited, a company incorporated in the BVI and wholly-owned by Song Xin (宋昕)
“Sichuan Institutions”	the Group’s healthcare institutions located in Sichuan
“Stabilization Manager”	Haitong International Securities Company Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Suzhou Distinct Ruikang”	Suzhou Industrial Park Zhuozheng Ruikang Dental Clinic Limited (蘇州工業園區卓正瑞康口腔診所有限公司), a company established in the PRC on April 4, 2018 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on November 28, 2023
“Suzhou Distinct Ruixiang”	Suzhou Industrial Park Zhuozheng Ruixiang Clinic Limited (蘇州工業園區卓正瑞祥診所有限公司), a company established in the PRC on April 4, 2018 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on November 28, 2023
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs published by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three financial years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2025
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“US\$” or “USD” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“VIE Entities”	VIE Medical Management Companies and VIE Medical Institutions
“VIE Medical Institutions”	the entities that we control certain percentages of their shareholding through the VIE Medical Management Companies

DEFINITIONS

“VIE Medical Management Companies”	Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen, and Distinct Management
“Voting Proxy Agreement(s)”	the voting proxy agreements executed on July 29, 2025 between each of the Proxy Shareholders and Cheuk Sing Ho separately. For more details, please refer to the section headed “History, Reorganization and Corporate Structure — Voting Agreements” in this prospectus
“Wuhan Dragon World”	Wuhan Shenlong Tianxia Medical Management Co., Ltd. (武漢神龍天下醫療管理有限公司), a company established in the PRC on March 14, 2014 which was acquired by our Company and became a subsidiary of our Company on March 28, 2024
“Wuhan Pleiades Guanshan”	Wuhan Pleiades Guanshan Comprehensive Clinic Co., Ltd. (武漢北斗星關山綜合門診有限公司), a limited liability company established in the PRC on May 19, 2023 and a subsidiary of our Company
“Wuhan Zhuokang”	Wuhan Zhuokang Comprehensive Outpatient Department Limited (武漢卓康綜合門診部有限公司), a company established in the PRC on June 28, 2019 and a former subsidiary of our Company which was dissolved on a voluntary basis by way of deregistration on November 1, 2023
“Xi’an Zhuorui”	Xi’an High-tech Zone Zhuorui Comprehensive Clinic Co., Ltd. (西安市高新區卓瑞綜合門診部有限公司), a limited liability company established in the PRC on October 27, 2025 and a wholly owned subsidiary of our Company
“Zhuzheng Xinhe”	Shenzhen Zhuzheng Xinhe Investment Co., Ltd. (深圳市卓正信和投資有限公司), a limited liability company established in the PRC on April 23, 2024 and whose financial results have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangement
“%”	per cent

DEFINITIONS

The English translation of the PRC entities, enterprises, nationals, facilities, laws or regulations from Chinese or another language included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, laws or regulations and their English translations, the Chinese names shall prevail.

GLOSSARY OF TECHNICAL TERMS

In this prospectus, unless the context otherwise requires, explanations and definitions of certain terms used in this prospectus in connection with our Group and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“clinic”	for the purpose of this prospectus only, refers to outpatient department (門診部) or clinic (診所) under the classification pursuant to Detailed Rules for Implementation of the Regulation on the Administration of Medical Institutions (醫療機構管理條例實施細則)
“cloud-based”	applications, services or resources made available to users on demand via the internet from a cloud computing provider’s server with access to shared pools of configurable resources
“dentistry”	a branch of medicine that deals with the prevention, diagnosis and treatment of diseases of teeth, gums and mouth
“dermatology”	a branch of medicine that deals with the diagnosis and treatment of skin disorders
“comprehensive healthcare service provider”	a healthcare service provider that can cover at least five specialties with revenue derived from any single specialty not exceeding 50% of total revenue, according to Frost & Sullivan
“DMS”	Distinct Management System, a comprehensive patient management system and integrated with our mobile applications, official WeChat accounts and mini programs
“EHR”	electronic human resource system, a system used for human resource management at the headquarters level
“ENT”	a branch of medicine that deals with the medical management of ear, nose, and throat
“ERP”	enterprise resource planning system, a system used for financial management at the headquarters level

GLOSSARY OF TECHNICAL TERMS

“evidence-based medicine”	a systematic approach to medicine in which doctors and other healthcare professionals use the best available scientific evidence from clinical research to help make decisions about the care of individual patients
“eye care”	a branch of medicine that deals with the prevention, diagnosis and treatment of diseases of eyes
“flagship institutions”	the healthcare service institutions each with a GFA of over 1,000 sq.m. and over five specialty departments
“general practice clinic”	a clinic that treats all common medical conditions and refer patients to hospitals and other medical services for urgent and specialist treatment
“general surgery”	a branch of medicine that deals with the treatment of various diseases by surgery
“GFA”	gross floor area
“Grade A Class III hospitals”	the largest and best regional hospitals in China designated as Class III hospitals by the NHC hospital classification system, typically having more than 500 beds, as for a comprehensive hospital providing high-quality professional healthcare services covering a wide geographic area and undertaking higher academic and scientific research initiatives. The Class III hospitals are graded into three sub-levels (A, B and C) based on the assessment of competent authorities and Grade A Class III hospitals are the highest ranking hospitals among Class III hospitals
“healthcare service institution”	for the purpose of this prospectus only, refers to a physical facility where we provide in-person healthcare services. Some of our healthcare service institutions may comprise one or more of clinics in close proximity and as a result, may hold one or more of healthcare institution practicing license(s) and/or clinic registration certificate(s), as applicable
“health check-ups”	check-ups of health of various parts of the human body

GLOSSARY OF TECHNICAL TERMS

“HMS”	hospital management system, a cloud-based electronic medical record system which can be accessed across our healthcare service network to ensure the accuracy, continuity and completeness of all relevant information and facilitate subsequent consultations and long-term healthcare management of our patients
“internal medicine”	a branch of medicine that deal with the prevention, diagnosis, and treatment of internal diseases in adults
“whole-family care”	a model that healthcare service providers leverage a wide range of specialties to serve the diverse medical needs of patients and their whole families
“whole-person care”	an approach that involves looking at the whole person (instead of separate organs or body systems), and considering the combination of physical, mental, and social health of patients
“women’s health”	a branch of medicine that deal with the prevention, diagnosis, and treatment of women’s diseases
“net promoter score” or “NPS”	a common index in the industry that measures the likelihood that a customer will recommend a business or service to others. NPS is generated by surveys where patients score our healthcare services on a rating scale of 0-10. Patients’ responses of nine or 10 are considered “promoters.” Patients’ responses of six or less are considered “detractors. NPS is calculated by subtracting the percentage of respondents who are detractors from the percentage who are promoters
“New Tier-One Cities”	for the purpose of this prospectus only, Chengdu, Chongqing, Hangzhou, Wuhan, Suzhou, Xi’an, Nanjing, Changsha, Tianjin, Zhengzhou, Dongguan, Qingdao, Kunming, Ningbo and Hefei
“Patient Return Rate”	the number of returning patients (meaning patients who received healthcare services through our healthcare service institutions in China during the relevant period and had at least one prior visit to our healthcare service institutions before their most recent one during the relevant period divided by the total number of patients who received services in our healthcare service institutions in China during the relevant period

GLOSSARY OF TECHNICAL TERMS

“pediatrics”	a branch of medicine that deals with the medical care of infants, children and adolescents
“satisfaction rating”	the percentage of the patients who gave our healthcare services a rating of 9.0 or more in a 10-point rating scale, among the patients who received online text and voice consultation services through our tele-healthcare service platform and submitted their satisfaction rating for our services
“SCRM”	social customer relationship management system
“sq.m.”	square meter(s)
“Tier-One Cities”	for the purpose of this prospectus only, Beijing, Shanghai, Guangzhou and Shenzhen

FORWARD-LOOKING STATEMENTS

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

- our operations and business prospects;
- our ability to attract customers and further enhance our brand recognition;
- changes to the economic, political and regulatory environment in the industry and markets in which we operate;
- future developments, trends and conditions in the industry and markets in which we operate;
- effects of the global financial markets and economic crisis;
- our financial conditions and performance;
- our dividend policy; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

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

FORWARD-LOOKING STATEMENTS

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

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

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

RISK FACTORS

An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our Shares could decline, and you may lose substantial or all of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-looking Statements”.

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

We operate in a heavily regulated industry and are subject to extensive and evolving regulatory requirements.

Our healthcare service institutions and tele-healthcare service platform are subject to laws and regulations at the national, regional and local levels in China. Such laws and regulations are mainly relating to (i) the quality of healthcare services and products; (ii) procurement, use and storage of pharmaceuticals, medical equipment and medical consumables; (iii) the licensing of medical professionals; (iv) the discharge and disposal of pollutants and medical, radioactive and other hazardous wastes; (v) anti-corruption and anti-bribery; (vi) the confidentiality and safekeeping of patients’ medical records; (vii) data privacy and protection and (viii) foreign investment related regulations. The above list of certain regulated areas is not exhaustive. In addition, our healthcare service institutions are subject to periodic license or permit renewal requirements. Moreover, any update of the laws and regulations could require us to obtain additional licenses, permits, approvals or certificates, or result in the invalidation of our current licenses, permits, approvals or certificates, or result in us being regarded as not in compliance with the relevant laws and regulations. Furthermore, the laws and regulations of the internet healthcare sector are relatively new and evolving. See “Regulatory Overview — Applicable Laws and Regulations to Our Business in the PRC.”

Any failure to maintain or renew any of our major licenses, permits, approvals or certificates, any failure to comply with any applicable laws or regulations, the receipt of an unsatisfactory rating in an inspection, a determination of regulatory non-compliance, or any failure to rectify any material deficiencies cited in an inspection report could, depending on the nature and severity, result in reputational damage, financial losses, judicial and administrative penalties, conditions being placed on our licenses, permits, approvals or certificates,

RISK FACTORS

revocation or suspension of our licenses, permits, approvals or certificates, or downsizing or cessation of the existing services provided by us. In each case, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We could become the subject of patient complaints, claims and legal proceedings in the course of our operations, which could result in costs and materially and adversely affect our brand image, reputation and results of operations.

We rely on the doctors and other medical professionals practicing at our healthcare service institutions and tele-healthcare service platform to make proper clinical decisions regarding the diagnoses and treatment of our patients. However, we do not have direct control over the clinical activities of our healthcare service institutions and tele-healthcare service platform or over the decisions and actions taken by the doctors and other medical professionals as their diagnoses and treatments of patients are subject to their professional judgment and in most cases, must be performed on a real time basis. Through our tele-healthcare service platform, we may provide (i) follow-up consultation for patients with certain common or chronic diseases, and (ii) health counseling provided by doctors or, as part of membership privileges, by our nurses. Our tele-healthcare service platform does not provide initial diagnosis to patients and the doctors and nurses providing health counseling can only rely on the patients' descriptions of their health conditions since physical examinations and in-person conversation cannot be conducted due to the internet-based nature of our tele-health service platform. There is no assurance that the descriptions provided by patients are entirely accurate and complete, or at all, which may affect professional judgment of our doctors and subject us to medical liability claims. Any incorrect decisions or actions on the part of the doctors and other medical professionals, or any failure by us to properly manage their clinical activities may result in undesirable or unexpected outcomes, including complications, injuries and even deaths in extreme cases. In addition, our patient may have high expectations on our services. However, we cannot guarantee the results of our services since (i) the results vary depending on various factors, such as the medical history and physical condition of our patients, their adherence to our pre-treatment and post-treatment instructions, their respective physical reaction to the treatment, unknown allergies and other factors beyond our control and (ii) our patients' level of satisfaction is personal and vary subjectively. There are also inherent risks associated with the clinical activities that may result in unavoidable and unfavorable medical outcomes. Such outcomes may result in negative sentiments, requests for refunds, complaints, claims or legal actions against us alleging malpractice or other causes of action, or extreme actions or even violence against our staff or other patients, which may lead to negative publicity. Any such incident, if occurs, would harm our reputation, impair our ability to recruit and retain medical professionals and staff, discouraging other patients from visiting our healthcare service institutions and tele-healthcare service platform, and cause us to incur substantial costs.

During the Track Record Period and up to the Latest Practicable Date, the total amount of monetary compensation paid by us to settle patient complaints was RMB1.1 million and to settle medical disputes was approximately RMB0.1 million. We cannot guarantee our healthcare service institutions will not be subject to medical disputes or that they can

RISK FACTORS

successfully prevent or address all medical disputes in the future. Any complaint, claim or legal proceeding, regardless of merit, could result in significant legal costs, diversion of medical professionals' and management's resources and reputational damage to us, which may in turn materially and adversely affect our business, financial condition and results of operations.

As we provide mid- to high-end healthcare services, our business, financial condition and results of operations are subject to changes in patient preference, spending power, consumer sentiment and general economic conditions in our respective markets.

We provide mid- to high-end healthcare services to our patients at higher prices compared with most public hospitals and some private hospitals and clinics that provide similar services in our respective markets. We mainly target patients who are willing to pay for premium services by providing them with professional medical treatment and healthcare services. However, our business may be materially and adversely impacted if any economic downturn were to result in patients cutting back on medical spending and becoming less willing to pay for premium services. We may be more susceptible to changes in patient preference, spending power, consumer sentiment and general economic conditions in our respective markets than some of our competitors who provide similar services at lower prices. Patients may also choose not to undertake some of our treatments, procedures or services that are not considered medically necessary by them. As such, any changes in consumer spending power and economic conditions in one or more of our respective markets may materially and adversely affect our business, financial condition and results of operations.

Any negative publicity about us could harm our brand image and reputation and trust in our services, which could result in a material and adverse impact on our business and prospects.

Negative publicity involving us, our healthcare service institutions or tele-healthcare service platform, or the healthcare service industry may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the services provided by our healthcare service institutions and tele-healthcare service platform, thereby resulting in reduced patient visits and potential loss of doctors and other medical professionals. Such negative publicity may also result in diversion of management's attention, and governmental investigations or other forms of scrutiny. These consequences may have a material and adverse effect on our business, results of operations, financial condition and prospects.

RISK FACTORS

If we are unable to continue to attract and retain patients, provide superior patient experience and maintain patients' trust in us, our business, financial condition and results of operations may be materially and adversely affected.

Our healthcare service institutions and tele-healthcare service platform are highly dependent on our patient base. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the total number of patients who received services in our healthcare service institutions in China during the relevant period was 162,393, 201,335, 242,549, 190,685 and 212,180, respectively. Growth in our patient base is a key driver of our revenue growth. Our ability to continue to attract and retain patients depends on our brand image, reputation, our ability to provide superior patient experience and patient perception as a quality and reliable healthcare service provider. In order to do so, we need to continue to provide a wide selection of professional healthcare solutions, explore services that are responsive to patients' demand and ensure high quality of the services we provide. However, there is no guarantee that our efforts in these respects will succeed in achieving the desired results. Any failure to maintain and enhance, or any damage to, our brand image, reputation or patient perception in relation to the services provided by us may adversely affect our patients' receptiveness of, and willingness to purchase the healthcare services provided by us and therefore causing patient loss.

We operate in a competitive industry. If we do not compete successfully against new or existing competitors, our business, financial condition and results of operations may be materially and adversely affected.

The healthcare service industry is already intensely competitive. Further, we will also compete with future market entrants as the rapid growth of the healthcare service industry in the PRC may attract more domestic or international players to enter. Some of our competitors may have substantially greater financial, marketing or other resources than we do. They may also be able to foresee the upcoming market trends more accurately or may be more responsive to new technologies or evolving patient preferences. It is also possible that there will be significant consolidation and mergers in the healthcare service industry. Our competitors may develop alliances, and these alliances may acquire significant market share. If we cannot properly address these challenges, our business and prospects would be materially and adversely affected.

Healthcare service institutions compete on various factors such as quality of service, clinical excellence, convenience, reputation, and patient satisfaction. Increased competition may reduce our operating margins, market share and brand recognition, or force us to incur losses. There can be no assurance that we will be able to compete successfully against current and future competitors, and competitive pressures may have a material adverse effect on our business, prospects, financial condition and results of operations.

RISK FACTORS

Opening of new healthcare service institutions could result in fluctuations in our short-term financial performance.

Our operating results have been, and in the future may continue to be, influenced by the timing of the opening of new healthcare service institutions and the number of new healthcare service institutions opened. New healthcare service institutions generally have lower income and higher operating costs during the initial stages of their operations. We also incur substantial expenses before opening new healthcare service institutions such as renovation expenses, rental expenses and equipment expenses. Based on our previous operating experience, we estimate that the monthly breakeven period for our new healthcare service institutions generally ranges from one to three years, and the investment payback period for our new healthcare service institutions generally ranges from two to five years from commencement of operations. Accordingly, the number and timing of new healthcare service institution openings have had, and may continue to have, a significant impact on our profitability. Please see “Financial Information — Major Factors Affecting Our Results of Operations — Ability to Recruit and Retain Good Doctors and Expand Our Healthcare Service Network.” As a result, our results of operations may fluctuate significantly from period to period. Therefore, period-to-period comparisons of our operating results during the Track Record Period may not be meaningful and you should not rely on them to predict the future performance of our operating results or the price of our Shares.

Newly opened and acquired healthcare service institutions may not achieve normal operation as anticipated, which could adversely affect our business, results of operations, financial condition and prospects.

It typically takes a newly opened or newly acquired healthcare service institution a period of time to achieve a profitability rate comparable to the existing ones, due to factors such as time needed to build patient awareness in the local community and to integrate the operations of such healthcare service institution into our existing infrastructure. As we plan to open new healthcare service institutions in overseas markets, the operations of our overseas healthcare service institutions may be affected by the local patient preference and regulatory requirements. In addition, the operating results generated at the newly opened or newly acquired healthcare service institutions may not be comparable to the operating results generated at any of the existing ones. The new healthcare service institutions may even operate at a loss, which could adversely affect our results of operations.

Moreover, the opening or acquisition of new healthcare service institutions involve regulatory approvals and reviews by various authorities, including health authorities. We may not be able to obtain all the required approvals, permits, licenses or certificates in a timely manner or at all. Therefore, we may not be able to immediately utilize a newly opened or newly acquired healthcare service institution as anticipated due to the inability or material delay by us in obtaining the required approvals, permits, licenses or certificates and any substantial increase in costs to ramp up operations and utilization.

RISK FACTORS

If we are unable to recruit and retain a sufficient number of qualified doctors and other medical professionals, our business and results of operations could be materially and adversely affected.

Our business is largely dependent on our ability to identify, recruit and retain a sufficient number of qualified doctors. The recruitment of qualified doctors is competitive in the PRC. The near-term supply of specialist doctors is limited due to the length of training required, including academic study and clinical training, which can take up to eight years or even longer for certain medical specialties. We believe that doctors generally consider the following key factors when selecting healthcare service institutions to work at: the reputation and culture, the efficiency of healthcare service institution management, the quality of facilities and supporting staff, the number of patient visits, compensation, training programs and location. We may not compete favorably with other healthcare service institutions in respect of one or more of these factors, and we may not be able to attract or retain the doctors we desire. Our full-time doctors typically are entitled to terminate their employment at any time with a 30 days' prior written notice. In addition, our part-time doctors practice at our healthcare service institutions and/or healthcare service platform pursuant to the liberated doctor registration regulation that allows licensed doctors to register and practice at multiple healthcare service institutions. If we are unable to successfully recruit or retain seasoned and qualified doctors, our business, financial condition and results of operations may be adversely affected.

Our success is also dependent on our ability to recruit and retain qualified other medical professionals. It has become increasingly costly to recruit and retain medical professionals in recent years and there is no guarantee that we will be able to recruit and retain sufficient medical professionals in the future. If we fail to do so, we may not be able to maintain the quality of our services, and the number of patient visits at our healthcare service institutions may decrease, which may materially and adversely affect our business, financial condition and results of operations.

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our total employee salary and benefit expenses (including those recorded in cost of revenue, selling expenses and administrative expenses) amounted to RMB379.5 million, RMB436.2 million, RMB564.6 million, RMB370.0 million and RMB377.1 million, accounting for 80.2%, 63.2%, 58.9%, 60.2% and 54.2% of our total revenue for the same periods, respectively. If such costs increase in the future, it may adversely affect our profitability.

If we fail to properly manage the practice of our doctors and other medical professionals, we may be subject to penalties against these healthcare service institutions, which could materially and adversely affect our business and results of operations.

The practicing activities of doctors and other medical professionals are strictly regulated under the PRC laws and regulations. Doctors and other medical professionals who practice at healthcare service institutions must hold practicing licenses and may only practice within the scope of their licenses and at the specific healthcare service institutions at which their licenses

RISK FACTORS

are registered. Please see “Regulatory Overview — Applicable Laws and Regulations to Our Business in the PRC — Laws and Regulations on Medical Personnel of Healthcare Institutions.” We cannot assure you that certain of our doctors and other medical professionals will complete the related procedures to register or change their licenses in or to our healthcare service institutions, or to add our relevant healthcare service institutions to their permitted practicing institutions, as the case may be, timely or at all. In addition, we cannot assure you that our medical professionals will always strictly follow the requirements and will not practice outside the permitted scope of their respective licenses. Any failure by us to properly manage the employment of our doctors and other medical professionals may subject us to administrative penalties, which could materially and adversely affect our business.

Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our healthcare service institutions could materially and adversely affect our business and results of operations.

We operate all of our healthcare service institutions on leased properties. As of December 31, 2022, 2023 and 2024 and August 31, 2025, our lease liabilities amounted to RMB301.9 million, RMB302.1 million, RMB339.3 million, and RMB330.1 million, respectively. We believe that, generally, rental costs for premises that are suitable for our business will continue to increase. Our substantial operating lease obligations expose us to potential risks, including increasing our vulnerability to adverse economic conditions, limiting our ability to obtain additional financing and reducing our cash available for other purposes.

Our lease agreements for our healthcare service institutions typically have a term ranging from two to 10 years. We may not be able to successfully extend or renew our current leases upon their expiration on commercially reasonable terms, or at all, and may therefore be forced to relocate our healthcare service institutions concerned. This could disrupt the operations of healthcare service institutions concerned and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. The revenue and profit generated during a period of time immediately after relocation may be less than the revenue and profit previously generated before such relocation. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. Furthermore, we may not be able to locate desirable alternative sites for our healthcare service institutions as our business continues to grow, and failure in relocating our healthcare service institutions concerned could adversely affect our business and operations.

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We have limited or no control over the quality of pharmaceuticals, medical consumables, medical equipment and healthcare products we use or sell in our business operations. If such quality does not meet the required standards, we could be exposed to liabilities and our reputation, business, results of operations, financial condition and prospects could be adversely affected.

The provision of our healthcare services involves the frequent use of a variety of pharmaceuticals, medical equipment and medical consumables, and we also sell healthcare products, including skincare items, oral health products, nutritional supplements and eye and nose care products, through our online mall named “Distinct Selected (卓正嚴選).” We procure all such pharmaceuticals, medical equipment, medical consumables and healthcare products from suppliers whom we do not have control over. We cannot assure you that all such supplies are authentic, free of defects and meet the relevant quality standards. If these supplies are subsequently found to have been defective at the time of the supply, even though we did not know or could not have known about such defect, we may be subject to liability claims, negative publicity, reputational damage, regulatory investigation or administrative sanction, any of which may adversely affect our results of operations and reputation. We cannot assure you that significant claims of such nature will not be asserted against us in the future, and that adverse verdicts will not be reached or that we will be able to recover losses from our suppliers. In addition, termination of our supply agreements with unqualified suppliers can be time-consuming and costly, and we cannot assure you that we will be able to find suitable replacement suppliers on commercially acceptable terms, failing which our business, results of operations, financial condition and prospects will be adversely affected.

Our failure to maintain our business relationship with our suppliers, or any decrease, shortage or delay in the supply, or an increase in the cost of our purchases may affect our business, financial condition and results of operations.

Our suppliers primarily comprise suppliers of pharmaceuticals, medical consumables and healthcare products. For example, for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our cost of pharmaceutical, consumables and other inventories amounted to RMB73.2 million, RMB110.5 million, RMB171.7 million, RMB103.1 million and RMB124.3 million, respectively, representing 17.1%, 19.8%, 23.4%, 22.3% and 23.5%, of our total cost of revenue for the same periods, respectively.

If we fail to maintain our business relationship with our suppliers, or if they cease to cooperate with us, or breach their current agreements with us, we may have limited remedies and may be unable to source alternative supplies in a timely manner and under commercially reasonable terms. In addition, we cannot assure you that we will be able to renew our agreements with our existing suppliers when they expire or to enter into new supplier relationships to support the continued growth of our business. Any of these could have a negative impact on the stability of our operations, thus materially and adversely affect business, financial condition and results of operations.

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We are also vulnerable to supply shortages and fluctuations in market prices. The availability and prices of pharmaceuticals, medical consumables and healthcare products can fluctuate from time to time and may be affected by various factors that are beyond our control, such as shortage of raw materials, unexpected increases in demand for such supplies, adverse weather conditions, occurrence of natural disasters, regulatory actions, deteriorating financial conditions or cessation of business of the suppliers and labor shortages, each of which may affect the procurement costs or cause a disruption in the supply. In the event that any of our suppliers fails to continue to supply us with sufficient quantities of supplies of an acceptable quality in the future, we may be unable to obtain substitutes elsewhere in a timely manner, or at commercially reasonable terms, or at all. Any such disruption in the supply may adversely affect our operations, which may in turn adversely affect our business, results of operations, financial condition and prospects. Also, the market prices of the supplies required in our operations may be subject to significant fluctuations. We cannot assure you that we would be able to pass on any increase in the purchase costs to our patients, and any substantial fluctuation in market prices of such supplies may materially increase our costs and impact our profitability.

The levels of demand or patient acceptance of tele-healthcare services may affect the business of our tele-healthcare service platform.

We have been building our brand name and reputation for our tele-healthcare service platform as we believe that our ability to maintain a quality tele-healthcare service platform enables prompt adaptation to the rapidly expanding tele-healthcare service market. Our ability to maintain or increase patient acceptance of our tele-healthcare service platform is primarily affected by the following factors:

- our ability to maintain superior user experience and the quality of services provided through our platform;
- the breadth of offerings of our services and their efficacy in addressing our patients' needs and meeting their expectations;
- the reliability, security and functionality of our platform;
- our ability to adopt new technologies or adapt our information infrastructure to changing user requirements or emerging industry standards;
- the strength of our user protection measures; and
- our ability to increase brand awareness among existing and potential users.

If we fail to address, among other things, any of the foregoing challenges, our patients may become frustrated by or dissatisfied with our tele-healthcare services and may discontinue using our tele-healthcare services. As a result, our business, results of operations and financial condition could be affected.

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Our results of operations are subject to seasonal fluctuations.

In line with the healthcare service industry in the PRC, we typically have fewer patient visits shortly after the Chinese New Year, during which most people usually avoid visiting healthcare service institution. In the winter, we generally experience a relatively higher influx of people with respiratory issue, such as flu and colds, seeking services at our healthcare service institutions. Moreover, towards the end of the year, many people prefer to receive health check-ups or dermatologic treatments. As a result of the foregoing, our revenue was lower in the first quarter of each financial year and higher in the fourth quarter of each financial year during the Track Record Period. See “Business — Seasonality.” Due to these seasonal factors, comparison of our operating results between different periods within a single financial year may not be meaningful and should not be relied upon as indicators of our performance.

Our business may be harmed by technological and therapeutic changes or by shifts in patients’ preferences.

The healthcare service industry is characterized by frequent improvements and evolving technology. As technological advances in the healthcare service industry continue to evolve rapidly, new services and equipment may arise and our success will depend on our ability to adapt to such technological changes, which could incur significant expenditures and may be subject to licensing or other regulatory requirements. Some of our competitors may have greater resources to respond to these technological changes or changes in patients’ preferences than us. If we fail to adapt successfully to technological changes or fail to obtain access to new technologies in a timely manner, we may not be able to meet our patients’ expectations and evolving needs, the demand for our services may decline and our ability to compete could be strained, and as a result, our business, results of operations and prospects will be materially and adversely affected. There is also no assurance that we will be able to recover the expenditures associated with responding to the technological changes. In addition, rapid technological improvements could, at times, lead to earlier-than-planned obsolescence or redundancy of equipment and result in impairment charges, which may materially and adversely affect our results of operations.

We may not be able to adequately protect our intellectual property rights, which could harm our brand image and our business.

We believe our trademarks and other intellectual property rights are crucial to our success. Our principal intellectual property rights include our trademarks for the “Distinct HealthCare (卓正醫療)” brand. Our intellectual property rights may be infringed by third parties. We cannot assure you that third parties will not copy or otherwise obtain and use our intellectual property rights without our prior authorization. Our efforts to enforce or defend our intellectual property rights may not be adequate. We may have to initiate legal proceedings to defend the ownership of our intellectual property rights against any infringement by third parties, which may be costly and time-consuming, and we might be required to devote substantial management time and resources in an attempt to achieve a favorable outcome. If we are unable to adequately protect or safeguard our intellectual property rights, our business, financial condition, results of operations and prospects may be adversely affected.

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In addition, other parties may register trademarks which may look similar to our registered trademarks under certain circumstances, which may cause confusion among patients. We may not be able to prevent other parties from using trademarks that are similar to ours in a timely manner, or at all, and the patients may confuse our healthcare service institutions or tele-healthcare service platform with others using similar trademarks. In such case, the goodwill and value of our trademarks and the public perception of our brand image may be adversely affected. A negative perception of our brand image could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to intellectual property rights infringement or misappropriation claims by third parties, which may force us to incur legal expenses and, if determined adversely against us, may materially disrupt our business.

We may be exposed to intellectual property rights infringement or misappropriation claims by third parties during the course of our operations. Defense against any potential claims would be both costly and time-consuming, and could divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceedings to which we may become a party could subject us to liabilities to third parties, require us to seek consents or licenses from third parties, pay ongoing fees or royalties, or subject us to injunctions prohibiting the provision and marketing of the relevant brand or services. To the extent that such consents or licenses are not available to us on commercially reasonable terms or at all, we may be required to expend considerable time and resources sourcing alternative technologies or rebranding our services, if any, or we may be forced to delay or suspend the relevant services or the promotion of the relevant brand. We may incur expenses and require attention of management in defending against these third-party infringement claims, regardless of their merit. Litigation against us could also result in reduced patient visits. In addition, we could face disruptions to our business operations as well as damage to our reputation as a result of such claims, and our business, financial condition and results of operations could be materially and adversely affected.

We are subject to the risks of doing business globally.

We operate healthcare service institutions in Singapore and Malaysia and plan to expand into additional overseas markets. Accordingly, our business is subject to risks associated with doing business globally. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including: changes in a specific country's or region's political and cultural climate or economic condition; unexpected changes in or failure to comply with laws and regulatory requirements in local jurisdictions; differences between national and local practice with respect to laws and regulatory requirements in a specific jurisdiction; difficulty of effective enforcement of contractual provisions in local jurisdictions; inadequate intellectual property protection in certain countries; enforcement of anti-corruption and anti-bribery laws, such as the FCPA; trade-protection measures, import or export licensing requirements such as Export Administration Regulations promulgated by the United States Department of Commerce and fines, penalties or suspension or revocation of export privileges;

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the effects of applicable local tax regimes, royalties and other payment obligations owed to local governments, and potentially adverse tax consequences; and significant adverse changes in local currency exchange rates.

We may not be able to manage the growth of our business and operations and grow at a rate comparable to our growth rate in the past.

We have experienced significant growth during the Track Record Period. Our revenue increased from RMB473.2 million in 2022 to RMB958.6 million in 2024, representing a CAGR of 42.3%. Our revenue increased from RMB614.8 million in the first eight months of 2024 to RMB695.7 million in the first eight months of 2025. However, this growth trend reflects only our past performance and does not have any implication or may not necessarily reflect our financial performance in the future. The sustainability of our growth depends on a number of factors, many of which are beyond our control, including our ability to retain existing patients and attract new ones. In addition, the effects of evolving regulatory, economic, public health, environmental, competitive conditions and future expansion of our healthcare service institutions, and many other factors cannot be fully predicted and may have a material adverse effect on our business, financial condition, results of operations and prospects. There is no assurance that we can sustain the growth rate we achieved in the past. If we are not able to manage our growth effectively, our business and prospects may be materially and adversely affected.

We may be unable to identify expansion opportunities or execute expansion plans, and acquired businesses may have unknown or contingent liabilities, which may materially and adversely affect our business, results of operations, financial condition and prospects.

We have significantly expanded our business during the Track Record Period. Going forward, subject to compliance with PRC laws, regulations, and the requirements of relevant authorities, we will continue to expand our healthcare service network through both organic growth and the strategic acquisitions. We may not be able to effectively execute our expansion plan due to regulatory restrictions and challenges as they evolve. For strategic acquisitions, there is no assurance that we will identify suitable targets to expand our business, negotiate commercially acceptable consideration and other terms for such expansion, or successfully integrate any new assets or businesses in the future. In particular, determining the purchase prices for target healthcare service institutions may be subject to significant uncertainty, as such valuations may involve assumptions regarding future patient volumes, revenue growth, operating costs, regulatory compliance, staff retention and local market conditions, which may differ materially from actual outcomes after completion. Even if we are able to identify suitable targets, such expansion can be difficult, time-consuming and costly to execute, and we may not be able to secure necessary financing for such expansion. Unsuccessful expansion plan may have a material and adverse effect on our business and financial condition. In addition, we may encounter challenges in integrating newly acquired businesses into our existing operations, including aligning clinical standards, management systems, internal controls, information technology systems, corporate culture, and administrative and operational processes. Any failure to effectively integrate acquired businesses could result in operational inefficiencies,

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increased costs, and management distraction. In addition, businesses that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws, regulations and rules. We cannot assure you that our due diligence conducted will uncover all material unknown or contingent liabilities or other negative developments, such as bankruptcy, insolvency, liquidation or dissolution, or that the acquired businesses will be viable. We may also suffer reputational and financial harm for actual or alleged inferior service or harm that occurred at the healthcare service institutions prior to our acquisition and need to respond to claims initially as dissatisfied patients will likely pursue their claims against the acquired healthcare service institutions and us. Our future expansion and subsequent ramping up and integration efforts would require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. To manage our growth and expansion, and to attain and maintain profitability, we will continue to place demands on our management, doctors and our administrative, operational and financial personnel and infrastructure. We cannot assure you that we will be able to manage any future growth effectively and efficiently, which in turn may have an adverse effect on our business and results of operations.

If we are not able to identify, capture or execute opportunities to expand our operations successfully, or if we suffer reputational or financial harm caused by unknown or contingent liabilities of the healthcare service institutions we acquire, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We depend on the continued service of our senior management team and other key employees, and our business, financial condition and results of operations will suffer if we lose their services.

We have been, and will continue to be, heavily dependent on the continued services of our senior management team and other key employees. Competition for competent candidates in the industry is intense and the pool of competent candidates is limited. If we lose the services of one or more of our key personnel, we may not be able to locate suitable or qualified replacements easily or at all and may incur additional expenses to recruit and train new personnel. Consequently, our business could be severely disrupted, the implementation of our business strategies could be delayed, and our financial condition and results of operations could be materially and adversely affected. In addition, if any member of our senior management team or key employees joins a competitor or forms a competing business, we may lose know-how, trade secrets, patients and key professionals and staff. Each of our key employees has either entered into a separate confidentiality agreement with us or been subject to the confidentiality clause contained in his or her labor contract. We cannot assure you, however, extent to which any of these agreements will be enforceable under the applicable laws.

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Our business is subject to professional and other liabilities for which we may not be insured.

Our healthcare service institutions and tele-healthcare service platform are exposed to potential liabilities that are inherent to the provision of healthcare services. As of August 31, 2025, we maintained medical liability insurance for eight of our healthcare service institutions in China. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the costs of medical liability insurance we purchased were RMB131.1 thousand, RMB87.5 thousand, RMB51.8 thousand and RMB205.1 thousand, respectively, while the coverage amount of our medical liability insurance was RMB10.0 million, RMB10.7 million, RMB19.7 million and RMB23.0 million, respectively. As advised by our PRC Legal Adviser, we are not legally required to maintain medical liability insurance for our healthcare service institutions under PRC laws and regulations. We may need to purchase medical liability insurance for certain healthcare service institutions in order to be eligible to participate in the bidding processes of some of our corporate customers, mainly for our on-campus and corporate healthcare management services. After evaluating relevant risks and cost consideration for on-campus and corporate healthcare management services, we may consider to adjust the coverage amounts under our medical liability insurance agreements. During the Track Record Period, our costs of medical liability insurance decreased primarily because many corporate customers no longer required the medical liability insurance for their bidding processes. As advised by Frost & Sullivan, our practice of not purchasing medical liability insurance for all of our healthcare service institutions is consistent with industry practice in the PRC. Our other healthcare service institutions and tele-healthcare service platform may be subject to losses and liabilities for any future claims against them. In addition, our healthcare service institutions which maintain medical liability insurance may face liabilities that exceed their available insurance coverage or which arise from claims outside the scope of their insurance coverage. They may also experience gaps in coverage when seeking to renew their insurance policies or seeking to change insurance providers. Besides, insurers may dispute or refuse to honor claims for a variety of unforeseen reasons beyond our control. We cannot assure you that our healthcare service institutions and tele-healthcare service platform will not incur uninsured losses and liabilities.

Furthermore, we do not maintain any business interruption insurance, property insurance or product liability insurance, which we believe is consistent with industry practice in China. Any significant uninsured loss could have material and adverse effects on our business, financial condition and results of operations.

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A portion of our revenue was settled through commercial medical insurance policies, and our financial condition, results of operations and business may be materially and adversely affected if we fail to maintain our cooperation with commercial insurance companies and third-party administrators or there is any default or delayed settlement by them.

A portion of our patients have commercial medical insurance coverage, and we also have various collaboration arrangements with commercial insurance companies and third-party administrators on direct settlement for insured patients. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our revenue derived from direct billing settlement through commercial medical insurance policies accounted for 8.4%, 10.3%, 12.3%, 12.2% and 12.0%, respectively, of our total revenue in corresponding periods. We may not be able to maintain or increase patient volume covered by commercial medical insurance policies and to renew collaboration arrangements with the existing commercial insurance companies and third-party administrators in the future, which may materially and adversely affect our revenue and cash flows. In addition, any default or delayed settlement by these commercial insurance companies and third-party administrators may also materially and adversely affect our financial condition, results of operations and business.

Failure to comply with property-related laws and regulations regarding certain of our leased properties may adversely affect our business, financial condition and results of operations.

We lease certain properties in the PRC in connection with our business operations. As of the Latest Practicable Date, 51 of our lease agreements had not been registered with the relevant PRC authorities. See “Business — Properties.” As advised by our PRC Legal Adviser, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period.

In addition, as of the Latest Practicable Date, the lessors of our three leased properties had not provided us with valid title documents to demonstrate their ownership in spite of our repeated requests. Our PRC Legal Adviser has advised us that it is the property owners’ responsibility to obtain valid title documents, and as the lessee, we will not be required by the relevant PRC authorities to pay any penalty in respect of the lessors’ failure to obtain or provide property ownership certificates. However, if our lessors are not the legal owners and they failed to obtain the proper authorization from the legal owners of these properties, and the actual owners successfully challenge the validity of the relevant lease agreements, we may be required to vacate from these properties. In addition, the property owners may be required by the relevant PRC authorities to demolish these properties if the property owners fail to obtain the completion and acceptance inspection certificates, being the precedent condition to apply for property ownership certificates, and in such event, we will be forced to vacate from these

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properties. As of the Latest Practicable Date, we had not received any notice from any third parties to vacate from these properties and our use of these properties had not been challenged by the relevant PRC authorities or any third parties. See “Business — Properties.”

Failure to maintain optimal inventory levels could increase our operating costs or lead to unfulfilled patients’ demand, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We aim to maintain optimal inventory levels in order to successfully meet our patients’ demand. However, we are exposed to inventory risk as a result of various factors that are beyond our control, including shortage or delay in supplies, changing medical demands, the volatile economic environment and other force majeure events such as the outbreak of COVID-19. There can be no assurance that we can accurately predict these trends and events and avoid over-stocking or under-stocking our inventories.

Inventory levels in excess of demand may result in inventory write-downs, expiration of our inventories or an increase in inventory holding costs and a potential negative effect on our liquidity. In addition, if we underestimate demand, we may experience inventory shortages which may, in turn, result in unfulfilled patients’ demand, leading to a negative impact on patient experiences. There can be no assurance that we will be able to maintain proper inventory levels of our inventories, and any such failure may have a material adverse effect on our business, financial condition, results of operations and prospects.

Our business generates and possesses a large amount of patients’ personal and medical information, and the improper collection, storage, use or disclosure of such information could materially and adversely affect our business and reputation.

Our healthcare service institutions and tele-healthcare service platform collect and maintain personal and medical information of our patients. PRC laws and regulations generally require healthcare service institutions, tele-healthcare service platforms and medical professionals to protect the privacy of their patients and prohibit unauthorized disclosure of personal information. Our healthcare service institutions, tele-healthcare service platform and our doctors, other medical professionals and administrators will be liable for damage caused by divulging the patients’ private or medical records without consent.

We have taken measures to maintain the confidentiality of our patients’ personal and medical information, including encrypting such information in our information technology systems so that it cannot be viewed without proper authorization and setting internal rules requiring our employees to maintain the confidentiality of our patients’ personal and medical information. However, these measures may not always be effective. There is a risk that such information could be compromised in the event of a security breach at our healthcare service institutions or tele-healthcare service platform. Such information could be divulged due to, for example, theft or misuse arising from staff misconduct or negligence. In addition, although we do not make the patients’ information available to the public, we use such data on an aggregated basis after redacting personally identifiable information or use such data after

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obtaining relevant patients' consent for training purpose. While we believe our current usage of patients' information is in compliance with applicable laws and regulations governing the use of such information, any evolution in such laws and regulations could impose more stringent data production requirements and thus affect our ability to use medical information. Failure to protect the confidentiality of patients' personal and medical information, or any restriction on or liability as a result of our use of medical data, could have a material adverse effect on our business and reputation.

We may not be able to conduct our marketing activities effectively and we are subject to regulatory limitations in promoting our business.

Our brand promotion and marketing activities may not be well received by patients and may not result in the benefits that we anticipate. Meanwhile, marketing approaches and tools in the healthcare, internet and internet healthcare industries in the PRC are evolving, which may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and patient preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share and materially and adversely affect our financial condition, results of operations and profitability.

In addition, we are obligated to ensure all of our promotion and marketing activities, including advertising contents, comply with applicable laws, rules and regulations. In the PRC, according to the “Administrative Measures on Medical Advertisement” (《醫療廣告管理辦法》) and the “Notice on Further Strengthening the Administration of Medical Advertisements” (《關於進一步加強醫療廣告管理的通知》), our healthcare service institutions must obtain a medical advertisement examination certificate (醫療廣告審查證明) before publishing a medical advertisement. Violation of these regulations may result in penalties against the non-compliant healthcare service institution, including orders to rectify, warnings, suspension of operations, revocation of relevant permits to engage in the provision of specific healthcare services and products, and the revocation of the healthcare service institution practicing license (醫療機構執業許可證) of such healthcare service institution. In addition, if the content of the published advertisement deviates from what is approved and documented in the medical advertisement examination certificate, the competent authority may revoke the medical advertisement examination certificate and suspend any application for advertisement examination for one year. We cannot assure you that our internal management will be sufficient to secure the compliance with the relevant laws and regulations in connection with medical advertisement, the violation of which may subject us to administrative penalties thus materially and adversely affect our business, results of operations and financial condition.

Furthermore, we offer health education content through our tele-healthcare service platform to increase our brand exposure and enhance our reputation and industry influence. See “Business — In-Person and Tele-Healthcare Service Network — Tele-Healthcare Service Platform.” Under the relevant laws and regulations, we are required to ensure that there are no materially factually incorrect, defamatory or other content prohibited by the relevant laws and

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regulations in our health education content. Violation of these laws or regulations may result in fines or suspensions of the relevant channels of our tele-healthcare service platform, thus adversely affecting our business, results of operations and financial condition.

We recorded net losses in 2022 and 2023, and recorded total deficits and net current liabilities during the Track Record Period. Such positions may continue or recur in the foreseeable future.

We recorded net losses of RMB221.5 million and RMB353.2 million in 2022 and 2023, respectively. Although we recorded net profit in 2024 and the first eight months of 2025, we cannot assure you that we will be able to maintain profitability in the future. We expect to continue to make significant future expenditures related to the continuous development and expansion of our business, including primarily further expansion of our service network by upgrading existing and opening new healthcare service institutions, as well as incurring costs associated with general administration, including legal, accounting and other expenses related to being a listed company. As a result of these significant expenses, we will have to generate sufficient revenue to be profitable in the future. If we fail to sustain or increase profitability, our business and results of operations could be adversely affected.

As of December 31, 2022, 2023 and 2024 and August 31, 2025, we recorded total deficits of RMB1,404.7 million, RMB1,761.3 million, RMB1,759.4 million and RMB1,670.6 million, respectively. We recorded net current liabilities of RMB1,738.1 million, RMB2,062.5 million, RMB2,221.2 million and RMB2,082.1 million, as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively. Our net current liabilities position and total deficits position during the Track Record Period were mainly attributable to our convertible redeemable preference shares. Please see “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Convertible Redeemable Preference Shares.” Upon the Listing, the convertible redeemable preference shares will be automatically and irrevocably converted into ordinary Shares and accounted for as an increase in share capital and share premium, after which we do not expect to recognize any convertible redeemable preference shares in our consolidated statements of financial position. However, there can be no assurance that we will not have net current liabilities or total deficits in the future.

We are exposed to changes in the fair value of financial assets measured at fair value through profit or loss and valuation uncertainties due to the use of unobservable inputs.

We recorded financial assets at fair value through profit or loss of RMB325.0 million, RMB196.6 million, RMB162.9 million and RMB334.8 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively. These financial assets represented short-term investments in certain financial instruments issued by commercial banks and investment in a listed equity security. The fair value changes of our investments measured at fair value through profit or loss may negatively affect our financial performance. Furthermore, the valuations of our investments require the use of unobservable inputs, such as expected return rate and discounted rate, which in turn could negatively affect our financial conditions and results.

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Any significant decrease in our profitability in the future would have a material adverse effect on our ability to recover our deferred income tax assets, which could have a material adverse effect on our results of operations.

We had deferred income tax assets of RMB51.3 million as of August 31, 2025. We recognize deferred income tax assets to the extent that our management estimates that it is probable that we will generate sufficient taxable profit in the foreseeable future to offset against the deductible losses. Therefore, the recognition of deferred tax assets involves significant judgment and estimates of our management on the timing and level of future taxable profits. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed, and the carrying amount of deferred income tax assets may be reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilized. Accordingly, if our profitability in the future is significantly lower than our management's estimates when our deferred income tax assets were recognized, our ability to recover such deferred income tax assets would be materially and adversely affected, which could have a material adverse effect on our results of operations.

Preferential tax treatment and financial subsidies we have enjoyed may change or discontinue, which may have an adverse effect on our financial condition and results of operations.

During the Track Record Period, our PRC subsidiaries were subject to statutory EIT rate of 25% on the assessable profits, except that our certain PRC subsidiaries enjoyed a 75% to 87.5% deduction of the assessable profits as well as a preferential tax rate of 20% since they were qualified as Small and Micro Enterprise by the relevant government authorities.

The PRC government has also granted us financial subsidies, including job stability subsidies and individual income tax handling fee refund. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we recorded government subsidies of RMB1.3 million, RMB0.5 million, and RMB1.3 million, RMB1.0 million and RMB1.1 million, respectively, in our consolidated statements of profit or loss. Please see “Financial Information — Description of Selected Components of Our Consolidated Statements of Profit or Loss — Other Income.” These financial subsidies have been given at the discretion of the local government authorities.

There is no assurance that we would continue to enjoy these preferential tax treatment or financial subsidies at the historical levels, or at all. Any change, suspension or discontinuation of these preferential tax treatment and financial subsidies to us could adversely affect our financial condition, results of operations and cash flows.

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If our goodwill was determined to be impaired, it could adversely affect our results of operations and financial position.

As of August 31, 2025, we recorded goodwill of RMB133.9 million, which arose from the acquisition of Wuhan Dragon World through business combination. See “History, Reorganization and Corporate Structure – Acquisition of Wuhan Dragon World.” We may continue to record goodwill in the future as we intend to continue to explore opportunities to acquire established healthcare service institutions in Tier-One Cities and New Tier-One Cities that have demonstrated a good track record of performance.

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. Estimating the recoverable amount requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The estimation of the expected future cash flows could change significantly should the cash-generating units fail to sustain the estimated growth. There are inherent uncertainties related to these factors and to our judgment in applying these factors to the assessment of goodwill recoverability. Therefore, there can be no assurance that we will not be required to record impairments on goodwill in the future or that such impairments will not be material. Any significant impairment losses charged against our goodwill could have a material adverse effect on our business, financial condition and results of operations.

We may need additional capital and may not be able to obtain it in a timely manner or under commercially acceptable terms, or at all.

We believe that our current cash and cash equivalents, anticipated cash flow from operations, and the proceeds from this Global Offering will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months from the date of this prospectus. We may, however, require additional cash resources to finance our continued growth or other future developments, such as business expansion or investments we may decide to pursue. The amount and timing of such additional financing needs will vary depending on the timing of our healthcare service institution openings, investments in acquiring healthcare service institutions and the amount of cash flow from our operations. If our resources are insufficient to satisfy our cash requirements, we may seek additional financing. To the extent that we raise additional financing by issuance of additional equity securities, our Shareholders may experience dilution. To the extent we engage in debt financing, the incurrence of indebtedness would result in increased debt servicing obligations and could result in operating and financing covenants that may, among other things, restrict our operational flexibility or our ability to pay dividends. Servicing such debt obligations could also be burdensome to our operations. If we fail to service the debt obligations or are unable to comply with such debt covenants, we could be in default under the relevant debt obligations and our liquidity and financial conditions may be materially and adversely affected.

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Our ability to obtain additional capital on commercially acceptable terms is subject to a variety of uncertainties, some of which are beyond our control, including general economic and capital market conditions, credit availability of financial institutions, receipt of necessary government approvals, investors' confidence in us, the performance of the healthcare service industry in general, and our operating and financial performance in particular. We cannot assure you that future financing will be available in amounts or on terms commercially acceptable to us, if at all. In the event that financing is not available or is not available on terms commercially acceptable to us, our business, results of operations and growth prospects may be adversely affected.

Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases in the regions where we operate could prevent us from effectively serving our patients and thus adversely affect our results of operations.

Any occurrence of force majeure events, natural disasters, including earthquakes, floods and droughts, or outbreaks of epidemics, including COVID-19, avian influenza, swine influenza and severe acute respiratory syndrome, may restrict business activities in the areas affected and materially and adversely affect our business and results of operations. To be specific, the majeure events, natural disasters and outbreaks of epidemics could put restrictions on our healthcare service institutions' ability to provide healthcare services, cause temporary closure of our healthcare service institutions and adversely affect our patients' demands for our service. For example, the resurgence of COVID-19 cases in certain major cities across China throughout 2022 have led to the imposition of various pandemic mitigation measures. These measures have affected the performance and results of operations of some of our healthcare service institutions with business operations in the affected areas, and therefore, the overall revenue growth rate in 2022 was significantly slower than expected. Due to the nature of the majeure events, natural disasters and epidemics, we cannot predict the incidence, timing and severity of them. If such majeure events, natural disasters or epidemics were to occur in the future, our ability to operate our business could be seriously impaired, and therefore adversely affect our operations and financial conditions.

Share incentive schemes may cause shareholding dilution to our existing Shareholders and have a material and adverse effect on our financial performance.

We adopted a series of share incentive schemes to attract and retain personnel for positions of substantial responsibility and to provide additional incentives to selected Directors and employees. See "History, Reorganization and Corporate Structure — Employee Incentives" for more details. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we incurred share-based compensation expenses of RMB11.1 million, RMB9.3 million, RMB38.4 million, RMB38.4 million and nil, respectively.

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To further incentivize our Directors and employees to contribute to us, we may adopt new share incentive schemes in the future, which may dilute the shareholding percentage of our existing Shareholders. Expenses incurred with respect to awards granted under such share incentive schemes may also increase our operating expenses and therefore have a material and adverse effect on our financial performance.

RISKS RELATING TO THE CONTRACTUAL ARRANGEMENTS

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership.

The Zhuozheng Xinhe and Relevant Shareholders may fail to perform their obligations under our Contractual Arrangements. We have 70%, 70%, 70%, 70% and 90% equity ownership interests in Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen and Distinct Management, respectively, and rely on the Contractual Arrangements with our VIE Medical Management Companies, Zhuozheng Xinhe and Relevant Shareholders to control the economic benefit of 100% of equity interest in our VIE Medical Management Companies. See “Contractual Arrangements.” Although we have been advised by our PRC Legal Adviser that save as disclosed in “Contractual Arrangements — Legality of the Contractual Arrangements”, each of the agreements under the Contractual Arrangements constitutes valid and binding obligations enforceable against each party of such agreements in accordance with their terms, these Contractual Arrangements may not be as effective in providing us with control over VIE Entities as direct ownership.

If Zhuozheng Xinhe and Relevant Shareholders fail to perform their respective obligations under the Contractual Arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. All the agreements under our Contractual Arrangements in the PRC provide for the resolution of disputes through arbitration in China. However, there are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the outcome of arbitration. These uncertainties could limit our ability to enforce these Contractual Arrangements. The Contractual Arrangements contain provisions which provide that: (i) the arbitral tribunal may award any remedies, including temporary and permanent injunctive relief (such as injunctive relief for commercial activities, or injunctive relief for forced transfer of assets), the actual fulfilment of contractual obligations, and the remedies against Zhuozheng Xinhe and the VIE Medical Management Companies’ equity interests or assets, or order the winding up of Zhuozheng Xinhe and the VIE Medical Management Companies; and (ii) any party may apply to the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company), the PRC and the places where the principal assets of Qianhai Distinct, Zhuozheng Xinhe or the VIE Medical Management Companies are located for interim remedies or injunctive relief. However, our PRC Legal Adviser advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Zhuozheng Xinhe and the VIE Medical Management Companies pursuant to the current PRC laws. In the event we are

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unable to enforce these Contractual Arrangements or we experience significant delays or other obstacles in the process of enforcing these Contractual Arrangements, we may not be able to exert effective control over Zhuozheng Xinhe, and our ability to conduct our business may be negatively affected.

The Relevant Shareholders may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

Our control over Zhuozheng Xinhe as well as the equity interest in VIE Medical Management Companies held by Zhuozheng Xinhe is based upon the Contractual Arrangements with, among others, Zhuozheng Xinhe and the Relevant Shareholders. The Relevant Shareholders may potentially have a conflict of interest with us, and they may breach their agreements with us or if they otherwise acts in bad faith, if they believes the Contractual Arrangements would adversely affect their own interests. We cannot assure you that when conflicts of interest arise between us and the Relevant Shareholders, the Relevant Shareholders will act completely in our interests or that the conflicts of interest will be resolved in our favor. If the Relevant Shareholders does not act completely in our interests or the conflicts of interest between us and them are not resolved in our favor, our business and financial condition may be materially and adversely affected.

In addition, the Relevant Shareholders may breach or refuse to renew, or cause Zhuozheng Xinhe to breach or refuse to renew, the Contractual Arrangements with us. If Zhuozheng Xinhe or the Relevant Shareholders breach their agreements with us or otherwise have disputes with us, we may have to initiate arbitration or other legal proceedings, which involve significant uncertainty. Such disputes and proceedings may significantly distract our management's attention, adversely affect our ability to control Zhuozheng Xinhe as well as the equity interest in VIE Medical Management Companies held by Zhuozheng Xinhe and otherwise result in negative publicity and adversely affect the reputation of us. We cannot assure you that the outcome of any such dispute or proceeding will be in our favor.

We may lose control over Zhuozheng Xinhe and may not enjoy relevant economic benefits of the VIE Medical Management Companies if Zhuozheng Xinhe declares bankruptcy or become subject to a dissolution or liquidation proceeding.

Zhuozheng Xinhe holds 30%, 30%, 30%, 30% and 10% equity interest in Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen and Distinct Management, respectively. If Zhuozheng Xinhe declares bankruptcy or become subject to a dissolution or liquidation proceeding, all or part of its assets may become subject to liens or rights of third-party creditors and we may be unable to continue to control Zhuozheng Xinhe and may not enjoy the relevant economic benefits of the VIE Medical Management Companies, which could adversely affect our business, financial condition and results of operations.

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If the Contractual Arrangements do not comply with applicable PRC laws or regulations in the future, or if there are future changes in such laws, regulations or the interpretation of them, we could be subject to additional burdens, costs or penalties or be forced to relinquish our interests received through the Contractual Arrangements.

Foreign ownership of healthcare institutions in the PRC is subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to hold 100% of the equity interest in a healthcare institution in accordance with the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) issued by NDRC and MOFCOM, and other applicable laws and regulations. Therefore, the Contractual Arrangements have been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are subject to the aforementioned restrictions.

We are an exempted company incorporated in the Cayman Islands, as such, we are classified as a foreign enterprise under the PRC laws and regulations. Through our wholly-owned PRC subsidiary, Qianhai Distinct, we have entered into a series of Contractual Arrangements with each of Zhuozheng Xinhe, the Relevant Shareholders and the VIE Medical Management Companies. See “Contractual Arrangements.” Through our shareholdings and the Contractual Arrangements, our Company controls the VIE Medical Management Companies through Qianhai Distinct and, at our Company’s sole discretion, can receive the relevant economic interest returns generated by our VIE Medical Management Companies.

As advised by our PRC Legal Adviser, save as disclosed in “Contractual Arrangements — Legality of the Contractual Arrangements,” each of the agreements under the Contractual Arrangements constitutes legal, valid, enforceable and binding obligations upon the parties thereto under the current laws and regulations, See “Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements — Legality of the Contractual Arrangements” in this prospectus.

On March 15, 2019, the 2nd session of the 13th National People’s Congress approved Foreign Investment Law (《中華人民共和國外商投資法》) (the “FIL”) which became effective on January 1, 2020. According to the FIL, the “foreign investment” refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organizations (hereinafter referred to as “Foreign Investors”), including the following: (1) Foreign Investors establishing foreign-invested enterprises in the PRC alone or collectively with other investors; (2) Foreign Investors acquiring shares, equities, properties or other similar rights of PRC domestic enterprises; (3) Foreign Investors investing in new projects in the PRC alone or collectively with other investors; and (4) Foreign Investors investing through other ways prescribed by laws, regulations or guidelines of the State Council. We cannot assure you that the Contractual Arrangements will not be deemed as a form of foreign investment in the future, as a result of which, the Contractual Arrangements may be deemed to be in violation of the foreign investment access requirements. If our ownership structure, Contractual Arrangements and business or that of Qianhai Distinct, Zhuozheng Xinhe or VIE Medical Management Companies are found to be in violation of any existing or future PRC laws or

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regulations, or we fail to obtain or maintain any of the required permits or approvals, relevant government authorities may order us to rectify within the prescribed time period, and if we fail to do so, they may take actions to address such violations, including but not limited to:

- levying fines on us;
- confiscating our income or the income of Qianhai Distinct, Zhuozheng Xinhe or VIE Medical Management Companies;
- revoking our business licenses and/or operating licenses;
- shutting down our institutions;
- discontinuing or placing restrictions on our operations, requiring us to undergo a costly and disruptive restructuring;
- restricting or prohibiting our use of proceeds from the Global Offering or other of our financing activities to finance our business and operations in the PRC; and
- taking other regulatory or enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would result in us failing to receive a portion of the economic benefits from VIE Medical Management Companies, which in turn may materially and adversely affect our business, financial condition and results of operations.

Furthermore, on September 7, 2024, the MOFCOM, the NHC and the NMPA jointly promulgated the Notice on Carrying out a Pilot Work on Expanding Opening-up in the Medical Field (《關於在醫療領域開展擴大開放試點工作的通知》), which, among other things, allows the establishment of wholly foreign-owned hospitals in Beijing, Tianjin, Shanghai, Nanjing, Suzhou, Fuzhou, Guangzhou, Shenzhen, and the whole island of Hainan. On November 1, 2024, the NHC, the MOFCOM, the National Administration of Traditional Chinese Medicine and the National Disease Control and Prevention Administration jointly promulgated the Pilot Program Plan for Expanding the Establishment of Wholly Foreign-Owned Hospitals (《獨資醫院領域擴大開放試點工作方案》) (the “**Plan**”). According to the Plan, the wholly foreign-owned hospital is required to meet pilot conditions such as being a Class III hospital, and being a general hospital, specialized hospital, or rehabilitation hospital. If the foreign investment restrictions in healthcare institutions are removed, we may be required to take necessary actions to ensure that the Contractual Arrangements remain compliant with Chapter 4.1 of the Guide for New Listing Applicants.

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In addition, if any equity interest in Zhuozheng Xinhe held by their respective shareholders is held in the court custody in connection with their litigation, arbitration or other judicial or dispute resolution proceedings, we cannot assure you that the equity interest will be disposed of to us in such proceedings in accordance with the Contractual Arrangements. The occurrence of any of these events could adversely affect our business, financial condition and results of operations.

Our Contractual Arrangements may result in adverse tax consequences to us.

Under the PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements were not made on an arm's length basis and adjust our income and expenses for PRC tax purposes by requiring a transfer pricing adjustment. A transfer pricing adjustment could materially and adversely affect us by (i) increasing the tax liabilities of VIE Medical Management Companies without reducing the tax liability of Qianhai Distinct, which could further result in late payment fees and other penalties to VIE Medical Management Companies for underpaid taxes; or (ii) limiting the ability of VIE Medical Management Companies to obtain or maintain preferential tax treatment and other financial incentives.

RISKS RELATING TO CONDUCTING BUSINESS IN THE COUNTRIES WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies of the geographic markets in which we operate could have a material adverse effect on our business and operations.

A majority of our revenue is derived from our businesses in the PRC. Accordingly, our financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and social conditions in the PRC. If the macro-economy condition experiences changes, demand for our service and our ability to maintain our operations may suffer, which will consequently have a material adverse effect on our financial condition, results of operations and our future prospects.

Our business operations may be extensively affected by the laws and regulations regarding data privacy and protection in PRC.

We are subject to privacy laws, information security policies and contractual obligations related to data privacy and security. On December 28, 2021, the Cyberspace Administration of China (the “CAC”), jointly with other 12 governmental authorities, issued the revised Measures for Cybersecurity Review (網絡安全審查辦法) (the “CAC Measures”), which became effective from February 15, 2022. According to the CAC Measures, a cybersecurity review is required when national security has been or may be affected when a critical information infrastructure operator (the “CIIO”) purchases network products and services. Moreover, the CAC Measures also provide that an internet platform operator possessing

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personal information of more than one million users that applies for listing abroad, shall make declaration for cybersecurity review with the Office of Cybersecurity Review. Furthermore, the relevant PRC governmental authorities may initiate cybersecurity review if such governmental authorities believe that the network products or services, or data processing activities affect or may affect national security according to the CAC Measures. On July 30, 2021, the State Council promulgated the Regulations for Safe Protection of Critical Information Infrastructure (關鍵信息基礎設施安全保護條例) (the “**CII Regulation**”) which came into effect on September 1, 2021. Pursuant to the CII Regulation, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation and other critical industries and domains, in which any destruction, loss of functions or data leakage will have severe impact on national security, the nation’s welfare, the people’s living and public interests. The CII Regulation also stipulates the procedures for determining critical information infrastructure. It provides that competent authorities shall promulgate detailed rules in designating critical information infrastructure, identify critical information infrastructure in the relevant industries, and notify operators of such critical information infrastructure in a timely manner. As of the Latest Practicable Date, we had not been notified by any authorities of being classified as a CII, involved in any cybersecurity review or received any investigation, inquiry, notice, warning or sanctions by any governmental authorities on such basis. Pursuant to a telephone consultation conducted by our PRC Legal Adviser on a named basis with China Cybersecurity Review, Certification and Market Regulation Big Data Center, which is authorized by the CAC for public inquiry relating to the cybersecurity review under the Cybersecurity Review Measures, we were informed that Hong Kong is part of the PRC and Global Offering in Hong Kong is not recognized as Global Offering in a foreign country and, therefore, we are not required to apply for cybersecurity review for the Global Offering under the CAC Measures. However, pursuant to the CAC Measures, the CAC has the right to initiate a cybersecurity review without application, if any member organization of the cybersecurity review mechanism has reason to believe that any internet products, services or data processing activities influences or may influence national security.

On September 24, 2024, the State Council issued the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “**Data Security Regulations**”), which became effective from January 1, 2025. Pursuant to Article 13 of the Data Security Regulations, data processors shall, in accordance with relevant state provisions, apply for state security review when carrying out the activities that will affect or may affect national security.

As of the Latest Practicable Date, we had not been notified by any authorities of being classified as a data processor carrying out data processing activities that influence or may influence national security, neither had we been subject to any state security review, enquiry, investigation or notice by the CAC or any other authorities in connection with the proposed Global Offering or our business operation and we are not identified as a CII by any relevant authority. Nevertheless, we may not always be able to comply with relevant laws and regulations.

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We face certain risks relating to social insurance and housing provident fund contributions.

During the Track Record Period, we failed to make payment of social insurance and housing provident fund contributions in full for certain of our employees. As advised by our PRC Legal Adviser, if the relevant social insurance authority is of the view that we failed to make full social insurance contributions for our employees in accordance with the relevant laws and regulations, it may order us to pay outstanding amounts within a prescribed time limit. As a result, we may be subject to a late charge at the daily rate of 0.05% on the outstanding amounts from the date on which such amounts are payable. If such payment is not made within the prescribed period, the relevant social insurance authority may further impose a fine one to three times the amount of any overdue payment. In addition, if any of the relevant housing reserve fund authorities is of the view that we failed to make full housing reserve fund contributions for our employees in accordance with the relevant laws and regulations, it may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty in relation to social insurance and housing provident fund contributions, and we had not received any notice from the competent government authorities regarding any claim for inadequate contributions of our current and former employees, nor any notifications from the competent government authorities requiring us to pay the shortfall. We were not aware of any material employee complaints or claims with respect to inadequate social insurance and/or housing provident fund contributions as of the Latest Practicable Date. We undertake that, in the event that competent government authorities require us to make contributions within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner. Furthermore, the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Collection of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) issued by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) (the “**MOHRSS**”), being the national authority responsible for regulating social insurance regulation, seeks to reduce the amount of social insurance contributions made by companies as appropriate to avoid overburdening enterprises and prohibit local authorities from requiring enterprises to make lump sum payments of historically underpaid or unpaid social insurance contributions. However, we cannot assure that the relevant local government authorities will not require us to pay the outstanding amount within a specific time limit or impose late or additional fees or fines on us, which may adversely affect our results of operations and financial condition.

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We are subject to environmental and fire safety laws and regulations. If we fail to comply with relevant laws and regulations, we could be subject to fines or penalties or incur costs that could have a material adverse effect on our business.

Our business operations are subject to national and local laws, including but not limited to the laws on the treatment and discharge of pollutants into the environment and on the use of highly toxic and hazardous chemicals used in our healthcare service institutions. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, our expenses in relation to environmental compliance matters were RMB500.6 thousand, RMB409.8 thousand, RMB517.0 thousand and RMB275.1 thousand, respectively. We expect such compliance cost to increase in the future in line with the continued expansion of our healthcare service institutions. Because the requirements imposed by such laws and regulations may evolve in the future, we may be unable to comply with, or to accurately predict the potentially substantial cost of complying with, these laws and regulations.

Our business operations are also subject to applicable fire safety laws in the PRC. If we fail to comply with environmental protection and fire safety laws and regulations, we may be subject to various consequences, including substantial fines, potentially significant monetary damages or suspensions of our business operations, which may in turn adversely impact our business, financial conditions and results of operations.

Service of process upon us or our management that reside in China or to enforce against them or us in China of any judgment obtained from foreign courts shall be subject to PRC laws, regulations and international and regional treaties to which China has entered into.

We are an exempted company incorporated under the laws of the Cayman Islands. We conduct almost all of our operations in China, and almost all of our assets are located in China. In addition, some of our management reside within China for a significant portion of the time and are PRC nationals. Service of process upon us or our management that reside in China or to enforce against them or us in China of any judgment obtained from foreign courts by investors shall be subject to PRC laws, regulations and international and regional treaties to which China has entered into. According to the Civil Procedure Law of PRC (《中華人民共和國民事訴訟法》), if a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by any PRC court, the party concerned may directly apply for recognition and enforcement to the intermediate PRC court with jurisdiction. Alternatively, the foreign court may, pursuant to the provisions of an international treaty concluded between or acceded to by the foreign state or region and the PRC or in accordance with the principle of reciprocity, request the PRC court to recognize and enforce the judgment or ruling. China has not joined international treaties with all countries and regions. However, China and Hong Kong have signed a series of arrangements for mutual recognition and enforcement of civil and commercial judgments under contractual jurisdiction, such as:

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On July 14, 2006, the Supreme People’s Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”), pursuant to which a party with an enforceable final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with an enforceable final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a Chinese court is expressly designated as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People’s Court and the government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”), which seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong Special Administrative Region and the China. The New Arrangement discontinued the requirements for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People’s Court and the completion of the relevant legislative procedures in the Hong Kong Special Administrative Region. On November 10, 2023, the Hong Kong Special Administrative Region government published the “Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance” and the “Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Rules” in the Gazette and the Supreme People’s Court published the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region on January 25, 2024 (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), confirming the New Arrangement came into effect since January 29, 2024. Although the effectiveness of the New Arrangement will greatly enhance the convenience for mutual recognition and enforcement of judgments made by courts in the two places, we still cannot guarantee that all foreign court judgments made against us or our management in China will be effectively enforced.

In addition, on January 9, 2021, the MOFCOM promulgated the Measures for Blocking Improper Extraterritorial Application of Foreign Laws and Measures (《阻斷外國法律與措施不當域外適用辦法》) pursuant to which, where a citizen, legal person or other organization of China is prohibited or restricted by foreign legislation and other measures from engaging in normal economic, trade and related activities with a third State (or region) or its citizens, legal

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persons or other organizations, he/it shall truthfully report such matters to the MOFCOM within 30 days. Upon assessment and being confirmed that there exists unjustified extraterritorial application of foreign legislation and other measures, the MOFCOM could issue a prohibition order to the effect that, the relevant foreign legislation and other measures are not accepted, executed, or observed, but a citizen, legal person or other organization of China may apply to the MOFCOM for an exemption from compliance with such prohibition order.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification may result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with “de facto management body” within China is considered a “resident enterprise” and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the SAT, issued the Circular of the State Administration of Taxation on Issues Relating to Identification of PRC-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance with the De Facto Standards of Organizational Management, (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (the “**SAT Circular 82**”), which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect SAT’s general position on how the “de facto management body” text should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in China; and (iv) at least 50% of voting board members or senior executives habitually reside in China.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. But if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our Shares. In addition, non-resident enterprise shareholders may be subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of Shares, if such income is treated as sourced from within China.

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Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders and any gain realized on the transfer of Shares by such shareholders may be subject to PRC tax at a rate of 10% in the case of non-PRC enterprises or a rate of 20% in the case of non-PRC individuals unless a reduced rate is available under an applicable tax treaty. It is uncertain about whether our non-PRC shareholders would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the Shares.

The regulation over acquisitions from the PRC tax authorities may have a material and adverse impact on our business, acquisition or restructuring strategies or the value of your investment in us.

On February 3, 2015, the SAT issued the “Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises” (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (“**Circular 7**”), which abolished certain provisions in the “Notice on Strengthening the Administration of Enterprise Income Tax on Non-Resident Enterprises” (《關於加強非居民企業股權轉讓企業所得稅管理的通知》) (“**Circular 698**”), which was previously issued by the SAT on December 10, 2009, as well as certain other rules providing clarification on Circular 698. Circular 7 provided comprehensive guidelines relating to indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise (“**PRC Taxable Assets**”).

For example, Circular 7 specifies that the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets, when a non-resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC Taxable Assets, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose.

Except as provided in Circular 7, transfers of Chinese taxable property under the following circumstances shall be automatically deemed as having no reasonable commercial purpose, and are subject to PRC enterprise income tax: (i) more than 75% of the value of the overseas enterprise is directly or indirectly from Chinese taxable properties; (ii) more than 90% of the total assets (cash excluded) of the overseas enterprise are directly or indirectly composed of investment in China at any time during the year prior to the indirect transfer of Chinese taxable property, or more than 90% of the income of the overseas enterprise is directly or indirectly from China during the year prior to the indirect transfer of Chinese taxable property; (iii) the overseas enterprise and its subsidiaries directly or indirectly hold Chinese taxable property and have registered with the relevant authorities in the host countries (regions) in order to meet the local legal requirements in relation to organization forms, yet prove to be inadequate in their ability to perform their intended functions and withstand risks as their

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alleged organization forms suggest; or (iv) the income tax from the indirect transfer of Chinese taxable property payable abroad is lower than the income tax in China that may be imposed on the direct transfer of such PRC Taxable Assets.

Although Circular 7 contains certain exemptions (including, (i) where a non-resident enterprise derives income from the indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company which holds such PRC Taxable Assets on a public market; and (ii) where there is an indirect transfer of PRC Taxable Assets, but if the non-resident enterprise had directly held and disposed of such PRC Taxable Assets, the income from the transfer would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement), it remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside of the PRC involving PRC Taxable Assets, or whether the PRC tax authorities will reclassify such transaction by applying Circular 7. Therefore, the PRC tax authorities may deem any transfer of our Shares by our Shareholders that are non-resident enterprises, or any future acquisition by us outside of the PRC involving PRC Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional PRC tax reporting obligations or tax liabilities.

In October 2017, the SAT released the Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source 《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》, or SAT Public Notice 37, effective from December 2017. SAT Public Notice 37 replaced a series of important circulars, including but not limited to Circular 698, and revised the rules governing the administration of withholding tax on China-source income derived by a non-resident enterprise. SAT Public Notice 37 provides for certain key changes to the current withholding regime, for example, the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends.

Under Circular 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC income tax from the transfer price if the indirect transfer is subject to the PRC enterprise income tax. If the withholding agent fails to do so, the transferor should report to and pay the tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under Circular 7 and SAT Public Notice 37, according to the applicable law, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with Circular 7.

We face uncertainties on the reporting and withholding obligations and consequences of failing to comply with these obligations on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident

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companies or other taxable assets by us. Our Company and other non-resident enterprises in our group may be subject to filing obligations or being taxed if our Company and other non-resident enterprises in our group are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises in our group are transferees in such transactions. For the transfer of shares in our Company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-resident enterprises in our group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident investors' investments in us. We have conducted acquisition transactions in the past and may conduct additional acquisition transactions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance to PRC tax authorities for their investigation with respect thereto. As a result, potential acquisitions we may pursue in the future may be affected by the regulatory scrutiny of the PRC tax authorities.

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year participating in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE or its local branches through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our management and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the completion of the Global Offering. Failure to complete SAFE registrations may subject them to fines, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. In light of the above, we can not assure

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you that we will continuously adopt additional incentive plans for our directors, management and employees under PRC law. See “Regulatory Overview — Applicable Laws and Regulations to Our Business in the PRC — Regulations Relating to Stock Incentive Plans.”

In addition, SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Our PRC subsidiaries’ ability to change their registered capital or distribute profits to us is subject to PRC regulations relating to offshore investment activities by PRC residents or we and our PRC resident beneficial owners may be subject to liability and penalties due to non-compliance of relevant laws and regulations.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “SAFE Circular 37”), which replaced the Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments via Overseas Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (the “SAFE Circular 75”). SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to our shareholders who are PRC residents.

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing its profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. In February 2015, SAFE promulgated a Circular on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “SAFE Circular 13”), effective in June 2015. Under SAFE Circular 13, applications for foreign exchange registration of inbound foreign direct investments and

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outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

We may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, nor can we compel our beneficial owners who are PRC individuals to comply with SAFE registration requirements. We cannot assure you that all shareholders or beneficial owners of ours who are PRC residents have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by, SAFE regulations.

The failure or inability of such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

We may be materially adversely affected if our shareholders and beneficial owners who are PRC entities fail to comply with the relevant PRC overseas investment regulations.

On 26 December 2017, the NDRC promulgated the Administrative Measures on Overseas Investments by Enterprises (《企業境外投資管理辦法》) (the “**NDRC Order No. 11**”), which took effect as of 1 March 2018. According to NDRC Order No. 11, non-sensitive overseas investments of PRC enterprises are subject to record-filing requirements with the local branch of the NDRC. On 6 September 2014, the Ministry of Commerce promulgated the Administrative Measures on Overseas Investments (《境外投資管理辦法》), which took effect as of 6 October 2014. According to this regulation, overseas investments of PRC enterprises that involve non-sensitive countries and regions and non-sensitive industries are subject to record-filing requirements with a local the Ministry of Commerce branch. According to the Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《國家外匯管理局關於發佈<境內機構境外直接投資外匯管理規定>的通知》), which was promulgated by SAFE on 13 July 2009 and took effect on 1 August 2009, PRC enterprises must register for overseas direct investment with a local SAFE branch.

We may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC entities, and we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC entities will comply with our request to complete the overseas direct investment procedures under the aforementioned regulations or other related rules in a timely manner, or at all. If they fail to complete the filings or registrations required by the overseas direct investment regulations, the relevant authorities may order them to suspend or cease the implementation of such investment and make corrections within a specified time, which may adversely affect our business, financial condition and results of operations.

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We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a Cayman Islands holding company and we may rely principally on dividends and other distributions on equity from our PRC subsidiaries for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders for services of any debt we may incur. If any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends.

Our PRC subsidiaries generate essentially all of their revenue in Renminbi, which is subject to certain foreign exchange regulations. As such, we may not have sufficient foreign exchange to meet our foreign exchange needs under certain exchange rates.

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non- PRC resident enterprises are incorporated.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

The value of the RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, which is, to a large extent, subject to domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollars, the U. S. dollar or other currencies in the future. We cannot assure you that RMB will not appreciate or depreciate significantly in value against Hong Kong dollars and the U.S. dollar in the future.

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Any significant appreciation or depreciation of RMB may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our Shares. For example, to the extent that we need to convert Hong Kong dollars into Renminbi for capital expenditures and working capital and other business purposes, appreciation of the Renminbi against the Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of the Renminbi against the Hong Kong dollar may significantly reduce the Hong Kong dollar equivalent of our earnings, which in turn could adversely affect the price of our Shares, and if we decide to convert Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our Shares, strategic acquisitions or investments or other business purposes, appreciation of the Hong Kong dollar against the Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

During the Track Record Period, we recognized currency translation differences in other comprehensive income or loss. According to relevant accounting standards, in consolidated financial statements where the foreign operation is a subsidiary, the exchange differences shall be recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the relevant subsidiary. Consequently, the currency translation differences of our subsidiaries are included in other comprehensive income or loss and may later be reclassified to profit or loss. The currency translation differences which may be subsequently reclassified to profit or loss amounted to negative RMB63.7 million, negative RMB10.5 million, negative RMB15.6 million and positive RMB11.7 million in 2022, 2023 and 2024 and the first eight months of 2025, respectively. The remaining currency translation differences, which represent the Company's own currency translation differences, are recognized in other comprehensive income or loss and will not be reclassified to profit or loss. The currency translation differences which will not be reclassified to profit or loss amounted to negative RMB70.8 million, negative RMB17.7 million, negative RMB17.7 million and positive RMB13.7 million in 2022, 2023 and 2024 and the first eight months of 2025, respectively. See "Financial Information — Financial Risks — Foreign Exchange Risk." The fluctuations in currency translation differences during the Track Record Period were primarily due to the fluctuations of the exchange rates of RMB against USD and HKD.

Very limited hedging options are available for us to reduce our exposure to exchange rate fluctuations. Currently, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all.

Governmental regulation of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

We expect to receive a majority of any future revenues we earn in Renminbi. Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from our Group entities in the PRC to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign

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exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements. Specifically, under the existing exchange policies, without prior approval of SAFE, cash generated from the operations of our PRC subsidiaries in the PRC may be used to pay dividends to our company. However, we need to obtain SAFE approval to use cash generated from the operations of our PRC subsidiaries to pay off their respective debt in a currency other than RMB owed to entities outside the PRC, or to make other capital expenditure payments outside the PRC in a currency other than RMB. Our failure to obtain sufficient foreign currencies to satisfy our foreign currency demands may have a material adverse impact on our ability to fund our operations and our ability to pay dividends in foreign currencies to our Shareholders.

Any failure to remain eligible for national medical insurance coverage, or any non-payment or delayed payment under China’s national reimbursement programs, including the Diagnosis Related Groups payment system, could adversely affect our business, results of operations and financial condition.

For “medical insurance designated healthcare institutions (醫保定點醫療機構)”, patients may choose to rely on national reimbursement programs to pay for certain healthcare services that are eligible under the national medical insurance programs. As such, whether a healthcare institution is eligible for national medical insurance coverage could affect its acceptance among potential patients. During the Track Record Period, two of our healthcare service institutions, including one in Changsha and one in Wuhan, were “medical insurance designated healthcare institutions.” In 2022, 2023 and 2024 and the first eight months of 2025, our revenue derived from settlement through national reimbursement programs accounted for 0.2%, 0.2%, 1.2% and 1.3%, respectively, of our total in-person healthcare service revenue for the same periods. For healthcare service fees covered by the national medical insurance programs and payable by the local medical insurance bureaus, we typically receive reimbursement for such portion deemed as eligible by the local medical insurance bureaus generally in the following one to three months.

According to the Notice on Issuing the National Pilot Technical Specifications and Grouping Scheme for the Diagnosis Related Groups (“**DRG**”) Payment (關於印發疾病診斷相關分組(DRG)付費國家試點技術規範和分組方案的通知) promulgated by the National Health Security Administration on October 16, 2019, DRG is a case combination classification scheme under the national medical insurance programs. DRG payment system considers hundreds of disease groups and determines the optimal amount to be paid by the national medical insurance programs for each disease group, based on a variety of factors such as patient age, disease diagnosis, comorbidity, complication, treatment, disease severity, and resource consumption level. DRG payment system is currently applicable only for medical insurance reimbursement for medical insurance designated healthcare institutions providing inpatient services in the regions where such payment system has been formally adopted. Only one of our healthcare institutions, a hospital in Wuhan, provided inpatient services during the Track Record Period, and it adopted the DRG payment system for its inpatient services.

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Under the DRG payment system, the local medical insurance bureaus reimburse medical institutions that adopted DRG according to the reimbursement standard of the disease group that the patient belongs, and not according to the actual costs incurred by the patient at the medical institution. As a result, under the DRG payment system, there may be non-reimbursable amounts if the claimed reimbursement amounts based on the actual inpatient service costs incurred by the patients at our hospital in Wuhan are higher than the reimbursement amounts received by the hospitals according to the reimbursement standard of the corresponding disease group. If our hospital in Wuhan could not conduct more efficient cost control, including managing the cost of medicines and other medical materials and consumables, to reduce the non-reimbursable amounts, and records material non-reimbursable amounts in the future, such non-reimbursable amounts could adversely affect its business operations and results of operations, which could adversely affect our business, results of operations and financial condition.

We cannot assure you that our healthcare institutions will be able to maintain their status as “medical insurance designated healthcare institutions”, the loss of which will not only harm our reputation but may also result in reduced patient visits. Furthermore, reimbursement policies in coverage plans may be subject to further changes in the future such that certain healthcare services and products provided by our healthcare institutions may no longer be covered, or that more stringent thresholds on existing coverage may be implemented. Any reduction in the rates reimbursed or the scope of services covered may reduce patient accessibility to our healthcare institutions and may lead to reduced patient flow and related revenue.

RISKS RELATING TO THE GLOBAL OFFERING AND OUR SHARES

There has been no public market for our Shares prior to the Global Offering, and you may not be able to resell our Shares at or above the price you pay, or at all.

Prior to the completion of the Global Offering, there has been no public market for our Shares. There can be no assurance that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

The trading price of the Shares may be volatile which could result in substantial losses to you.

In addition, the trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations

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located in Southeast Asia and China countries that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards companies with operations in China and listed in Hong Kong, which consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance, and may result in losses on your investment in our Shares.

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

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including, but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Any changes in the Controlling Shareholders may be subject to the PRC laws and regulations, as well as the requirements of relevant authorities. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the Controlling Shareholders will continue to control in aggregate approximately 30.79% of shareholding interest in our Company. Therefore, they will remain as our Controlling Shareholders. The interests of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, management and substantial shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, management and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the market price of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our substantial shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry

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of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by such shareholders and the availability of these Shares for future sale may have negative impact on the market price of our Shares.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the Offer Price of Shares is higher than the net tangible book value per share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

We cannot assure you that we will declare and distribute any amount of dividends in the future, and you may have to rely on price appreciation of our Shares for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an investment in our Shares as a source for any future dividend income.

Our board of directors has discretion as to whether to distribute dividends, subject to certain restrictions under the Cayman Islands laws, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our shareholders may approve, in a general meeting, any declaration of dividends, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no assurance that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

Investors may experience difficulties in enforcing Shareholder rights.

Our Company is an exempted company incorporated in the Cayman Islands with limited liability and the laws of the Cayman Islands differ in some respects from those of Hong Kong or other jurisdictions where investors may be located. The corporate affairs of our Company are governed by the Memorandum and the Articles of Association, the Cayman Companies Act

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and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Company and/or our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to our Company under Cayman Islands laws are to a large extent governed by the common law of the Cayman Islands. The rights of the Shareholders and the fiduciary duties of our Directors under Cayman Islands laws may differ in some respects as they would be under statutes or judicial precedents in Hong Kong or other jurisdictions where investors may be located. As a result, Shareholders may have more difficulties in exercising their rights against the management of our Company, Directors or major Shareholders than they would as shareholders of a Hong Kong company or company incorporated in other jurisdictions.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications contained in this prospectus.

This prospectus, particularly the “Industry Overview” section contains information and statistics relating to the healthcare market. Such information and statistics have been derived from official government sources, third-party reports, either commissioned by us or publicly accessible and other publicly available sources. We believe that the information originated from appropriate sources and was extracted and reproduced after taking reasonable care.

The information from official government sources has not been independently verified by us, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. Collection methods of the information from official government sources may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on the information from official government sources. In addition, we cannot assure you that the information from official government sources is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on the information or statistics presented in this prospectus that were obtained from official government sources.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters.

RISK FACTORS

The words “anticipate,” “believe,” “could,” “potential,” “continue,” “expect,” “intend,” “may,” “plan,” “seek,” “will,” “would,” “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in “Risk Factors.” Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on such information.

WAIVERS AND EXEMPTIONS

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the relevant provisions of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY

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

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

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

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Codes;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

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

- (a) whether the applicant has principal business activities primarily outside Hong Kong;
- (b) whether the applicant was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and

WAIVERS AND EXEMPTIONS

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

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

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the applicant.

Our Company has appointed Ms. LIU Yixuan (劉亦軒) (**"Ms. Liu"**) as one of our joint company secretaries. She has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. WONG Wing Yee (黃詠儀) (**"Ms. Wong"**), an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in Hong Kong and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary of our Company and to provide assistance to Ms. Liu for an initial period of three years from the Listing Date to enable her to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

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

WAIVERS AND EXEMPTIONS

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

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

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into and is expected to continue to engage in certain transactions after the Listing that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, waivers from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in the paragraphs headed “Continuing Connected Transactions — Non-exempt Continuing Connected Transactions — Contractual Arrangements” in this prospectus, and the announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements as disclosed in the paragraph headed “Continuing Connected Transactions — Non-exempt Continuing Connected Transactions — Contractual Arrangements” in this prospectus, pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules. For further details, please refer to the section headed “Continuing Connected Transactions” in this prospectus.

WAIVERS AND EXEMPTIONS

WAIVER FROM STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1)(B) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Rule 4.04(1) of the Listing Rules requires this prospectus to include, among other things, details of the financial results of the Company for the financial year immediately preceding the issue of the document, or such shorter period as may be acceptable to the Stock Exchange.

Section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires, subject to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, all prospectuses to state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as may be appropriate) of the company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, a company is required to include in the prospectus a report by auditors of the listing applicant with respect to profits and losses in respect of each of the three financial years immediately preceding the issue of the prospectus and assets and liabilities of the listing applicant at the last date to which the financial statements of the listing applicant were prepared.

Pursuant to section 342A(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may, subject to such conditions (if any) as the SFC thinks fit, issue a certificate of exemption from compliance with the relevant requirements under Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Chapter 1.1A of the Guide for New Listing Applicants has provided the conditions for granting a waiver from strict compliance with Rule 4.04(1) of the Listing Rules.

The Accountant's Report for each of the three years ended December 31, 2024 and the eight months ended August 31, 2025 has been prepared and is set out in Appendix I to this prospectus.

WAIVERS AND EXEMPTIONS

Pursuant to the relevant requirements set out above, our Company is required to include three full years of audited accounts for the three years ended December 31, 2025 in this prospectus. As such, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

- (a) this prospectus will be issued on or before January 29, 2026, and the Company's Shares will be listed on or before March 31, 2026, i.e. within three months after the latest financial year-end;
- (b) in accordance with Chapter 1.1A of the Guide for New Listing Applicants, a profit estimate for the financial year ended December 31, 2025 has been included in this prospectus, in compliance with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that there is no material adverse change to the financial and trading positions or prospects of our Company, with specific reference to the trading results from September 1, 2025 to December 31, 2025; and
- (c) our Company obtains a certificate of exemption from the SFC on strict compliance with paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A(1)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (a) the particulars of this exemption are set out in this prospectus; and
- (b) the prospectus will be issued on or before January 29, 2026, and our Company's Shares will be listed on the Stock Exchange on or before March 31, 2026, i.e. within three months after the latest financial year-end.

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have been made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the waiver and exemption would not prejudice the interests of the investing public as:

WAIVERS AND EXEMPTIONS

- (a) there would not be sufficient time for our Company and the reporting accountants of our Company (the “**Reporting Accountants**”) to finalise the audited financial statements for the year ended December 31, 2025 for inclusion in this prospectus. If the financial information for the year ended December 31, 2025 is required to be audited, our Company and the Reporting Accountants would have to carry out substantial volume of work to prepare, update and finalise the Accountant’s Report and this prospectus, and the relevant sections of the document will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2025 to be finalised in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective Shareholders of our Company may not justify the additional work and expenses involved and the delay of the listing timetable;
- (b) our Directors and the Joint Sponsors, after performing all due diligence work, which they consider appropriate, confirm that there has been no material adverse change to the financial and trading positions or prospects of the Group since September 1, 2025 (immediately following the date of the latest audited statement of financial position in the Accountant’s Report set out in Appendix I to this prospectus) up to the date of this prospectus, and there has been no event since September 1, 2025 which would materially affect the information contained in the Accountant’s Report as set out in Appendix I to this prospectus, the financial information section, the profit estimate as set out in Appendix IIB to this prospectus and information regarding the Company’s recent development subsequent to the Track Record Period and up to the date of this prospectus;
- (c) our Company is of the view that the Accountant’s Report covering the three years ended December 31, 2024 and the eight months ended August 31, 2025, together with the profit estimate for the year ended December 31, 2025 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company; and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of the activities, assets and liabilities, financial position, trading position, management and prospects has been included in this prospectus. Therefore, the waiver and exemption would not prejudice the interests of the investing public; and
- (d) our Company will comply with the requirements under Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of our annual results and annual report. Our Company currently expects to issue our annual results and annual report for the financial year ended December 31, 2025 on or before March 31, 2026 and April 30, 2026, respectively. In this regard, our Directors consider that the Shareholders, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the financial year ended December 31, 2025.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

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

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the proposed Listing. We have submitted a filing to the CSRC for application for the Listing on May 21, 2024. The CSRC issued the notification on completion of filing procedures on September 16, 2025. No other approvals from the CSRC are required to be obtained for the Listing.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 475,000 Offer Shares and the International Offering of initially 4,275,000 Offer Shares (subject to, in each case, reallocation on the basis referred to under the section headed “Structure of the Global Offering” in this prospectus and, in case of the International Offering, to any exercise of the Over-allotment Option).

The Listing of our Shares on the Stock Exchange is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Overall Coordinators. Subject to the terms of the Hong Kong Underwriting Agreement (including the determination of the Offer Price by agreement between the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on or around the Price Determination Date, which is expected to be Wednesday, February 4, 2026, but in any event no later than 12:00 noon on Wednesday, February 4, 2026), the Hong Kong Offer Shares are fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement and the International Offer Shares are expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or around the Price Determination Date. Further information regarding the Underwriters and the Underwriting Agreements are set out in the section headed “Underwriting” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

If, for any reason, the Offer Price is not agreed among us and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters), the Global Offering will not proceed and will lapse. For full information about the Underwriters and the underwriting arrangements, please refer to the section headed “Underwriting” in this prospectus.

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

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

Please refer to the section headed “Underwriting” in this prospectus for further information about the Underwriters and the underwriting arrangements.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering (including its conditions) and the arrangements relating to the Over-allotment Option and stabilization are set out in the sections headed “Structure of the Global Offering” and “Underwriting” in this prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedures for the Hong Kong Offer Shares are set forth in the section headed “How to Apply for Hong Kong Offer Shares” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

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

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Hong Kong Offer Shares have not been publicly offered or sold, directly or indirectly, in the PRC or the United States. Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her/its acquisition of the Offer Shares to, confirm that he/she/it is aware of the restrictions on offers of the Offer Shares described in this prospectus. No action has been taken to permit a public offering of the Hong Kong Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, (i) the Shares in issue (including the Shares to be converted from the Preferred Shares upon Listing), and (ii) the Shares to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Dealings in the Shares on the Stock Exchange are expected to commence on Friday, February 6, 2026. No part of our Shares or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the Latest Practicable Date. All the Offer Shares will be registered on the Hong Kong register of members of our Company in order to enable them to be traded on the Stock Exchange.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

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

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

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

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

SHARE REGISTER OF MEMBERS AND STAMP DUTY

Our principal register of members will be maintained in the Cayman Islands by our principal registrar, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, in the Cayman Islands. All of the Offer Shares issued pursuant to the Global Offering will be registered on the Hong Kong Share register of members of our Company to be maintained in Hong Kong by our Hong Kong Share Registrar, Tricor Investor Services Limited. Dealings in the Shares registered in our Hong Kong Share register of members will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, the Shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the Shares. In addition, a fixed duty of HK\$5 is charged on each instrument of transfer (if required).

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

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

PROFESSIONAL TAX ADVICE RECOMMENDED

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

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.0006 to USD1.00, being the PBOC rate prevailing on the Latest Practicable Date; (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.8978 to HK\$1.00, being the PBOC rate prevailing on the Latest Practicable Date; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK\$7.7979 to USD1.00.

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

LANGUAGE

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

ROUNDING

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

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Name	Address	Nationality
Executive Directors		
Mr. WANG Zhiyuan (王志遠)	Flat F, 6/F, Block 4 Site 1 Whampoa Garden Hung Hom Kowloon Hong Kong	Chinese (Hong Kong)
Mr. SHI Yi (施翼)	5/F Robinson Garden Apartments 3F Robinson Road Central and Western District Hong Kong	Chinese (Hong Kong)
Non-executive Directors		
Mr. CAO Shaoshan (曹少山)	Flat A, 22/F, Block 12 1 Braemar Hill Road North Point Hong Kong	Chinese (Hong Kong)
Mr. ZHANG Xiangdong (張向東)	60 Bishops Road London Sw6 7AH United Kingdom	Chinese
Mr. WEI Guoxing (魏國興)	23rd Floor, Tower B1 Smart Plaza, No. 4068 Qiaoxiang Road Nanshan District, Shenzhen PRC	Chinese
Ms. CHEN Xiaohong (陳小紅)	Room 1001, Unit 1, Building 30 Konggang Road Shunyi District, Beijing PRC	United States of America
Mr. HAO Rui (郝瑞)	Room 505, Unit 1, Building 1 No. 91 Jianguo Road Chaoyang District, Beijing PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Independent Non-executive Directors

Ms. CHEN Rui (陳銳)	608 Conrad Dr Warrington PA 18976-1797 United States of America	Chinese (Hong Kong)
Mr. WANG Yonggang (王詠剛)	27B2202 Shangyuan Community No. 28 Anli Road Chaoyang District, Beijing PRC	Chinese (Hong Kong)
Mr. WANG Gaofei (王高飛)	Room 36-103, Jingjilu Mansion No. 118 Dingsi Road Changping District, Beijing PRC	Chinese
Dr. GAO Pingyang (高平陽)	Flat 13A, Block 1 Tam Towers, 25 Sha Wan Drive Hong Kong	Chinese

For further information with respect to our Directors, please refer to the section headed “Directors and Senior Management” in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

Haitong International Capital Limited

Suites 3001-3006 and 3015-3016
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

SPDB International Capital Limited

33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsor-Overall Coordinators

Haitong International Securities Company Limited

28/F, 30/F Suites 3001-10 and 3015-16
One International Finance Centre
No. 1 Harbour View Street
Central
Hong Kong

SPDB International Capital Limited

33/F, SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

Joint Overall Coordinators

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Registered Public Interest Entity Auditor

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Principal Place of Business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	<u>www.distinctclinic.com</u> <i>(Information contained on this website does not form part of this prospectus)</i>
Joint Company Secretaries	Ms. LIU Yixuan (劉亦軒) Floor 4, Tower A Wanrong Building Gongye 4th Rd Nanshan District, Shenzhen PRC Ms. WONG Wing Yee (黃詠儀) Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
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Remuneration Committee	Mr. ZHANG Xiangdong (張向東) (Chairperson) Dr. GAO Pingyang (高平陽) Mr. WANG Yonggang (王詠剛)
Nomination Committee	Mr. WANG Zhiyuan (王志遠) (Chairperson) Mr. WANG Gaofei (王高飛) Ms. CHEN Rui (陳銳)
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Hong Kong Share Registrar	Tricor Investor Services Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
Principal Banks	Citibank N.A., Hong Kong Branch 3 Garden Road Central Hong Kong China Merchants Bank Co., Ltd. Shenzhen Wanggu Sub-branch No. 106-108, Wangrong Building No. 1029, Nanhai Road, Shenzhen, China

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Joint Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, Underwriters and the Capital Market Intermediaries, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent global consulting firm, to conduct an analysis of, and to prepare the Frost & Sullivan Report on, the healthcare service market in China. We agreed to pay Frost & Sullivan a fee of RMB800,000 which we believe reflects market rates for reports of this type. Founded in 1961, Frost & Sullivan provides market research on a variety of industries, among other services. We have included certain information from the Frost & Sullivan Report in the prospectus because we believe such information can facilitate an understanding of the healthcare service market in China.

During the preparation of the Frost & Sullivan Report, Frost & Sullivan conducted primary and secondary research and obtained knowledge, statistics, information, and industry insights about the industry. Primary research involves discussing the status of the industry with leading industry participants and industry experts. Secondary research involves reviewing reports of listed companies, independent research reports and Frost & Sullivan's own research database.

The Frost & Sullivan Report was compiled based on the following assumption: (i) China's economy is likely to maintain steady growth in the next decade; (ii) China's social, economic, and political environment is likely to remain stable in the forecast period; (iii) market drivers, including but not limited to aging of Chinese population, rising per capita disposable income, increasing per capita health expenditure, are likely to drive demand in the forecast period; and (iv) the COVID-19 is likely to affect the stability of China's macro economy in short term.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

INDUSTRY OVERVIEW

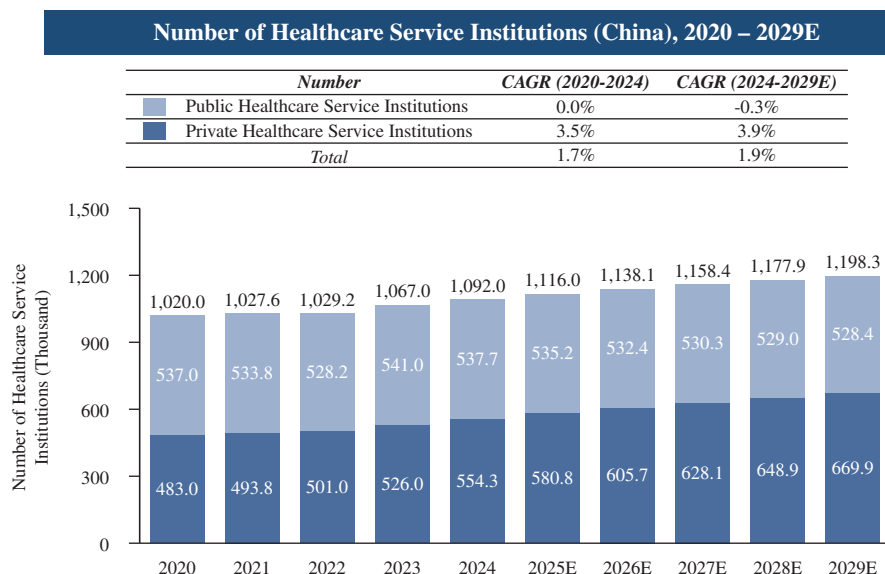
OVERVIEW OF THE HEALTHCARE SERVICE MARKET IN CHINA

Healthcare services refer to the services provided by healthcare service institutions, including examination, treatment, rehabilitation, and the services related to preventive healthcare, delivery and family planning, as well as the provision of pharmaceuticals, medical consumables, ambulances, ward accommodation, and catering related to these services.

In China, healthcare service institutions comprise hospitals, primary healthcare service institutions (such as community health service centers, township health service centers, village clinics, outpatient departments and clinics) and specialized public healthcare service institutions (such as centers for disease control, specialized disease prevention and treatment institutions, maternal and children care centers and health inspection institutes).

By the end of 2024, there were 1,092.0 thousand healthcare service institutions in China. By the type of ownership, healthcare service institutions can be divided into public healthcare service institutions and private healthcare service institutions.

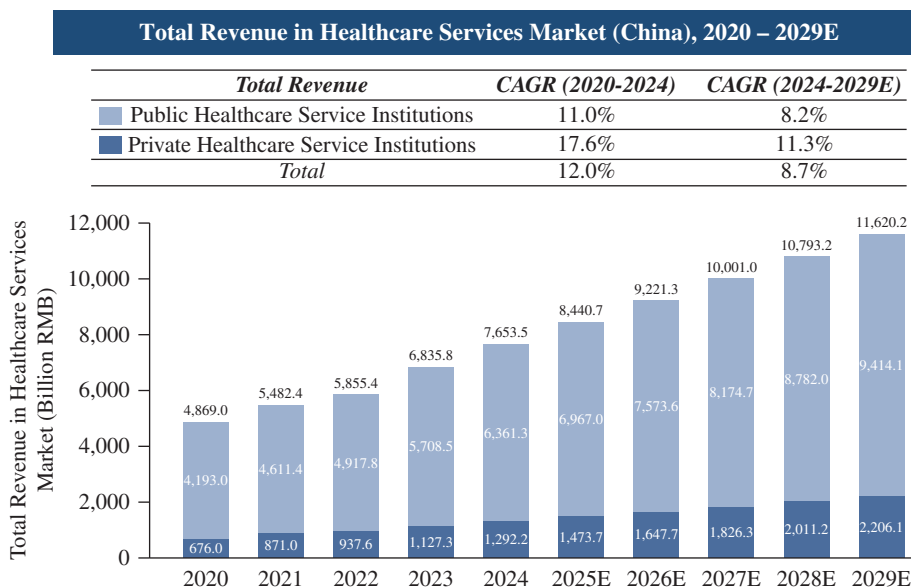
From 2020 to 2024, the number of public healthcare service institutions in China slightly increased from 537.0 thousand to 537.7 thousand, while the number of private healthcare service institutions increased with a CAGR of 3.5% from 483.0 thousand to 554.3 thousand. It is expected that the number of public healthcare service institutions in China will decline from 537.7 thousand to 528.4 thousand from 2024 to 2029, while the number of private healthcare service institutions will continue to increase with a CAGR of 3.9% from 554.3 thousand to 669.9 thousand.



Source: NHC, Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

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China's economic development and the stronger purchasing power of Chinese residents have propelled a surge in demand for personalized and efficient healthcare services, thereby fostering rapid growth in the private healthcare service market in China. The revenue of private healthcare service institutions in China grew with a CAGR of 17.6% from RMB676.0 billion in 2020 to RMB1,292.2 billion in 2024, and is expected to further grow at a CAGR of 11.3% from 2024 to 2029, reaching RMB2,206.1 billion in 2029.



Source: NHC, Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

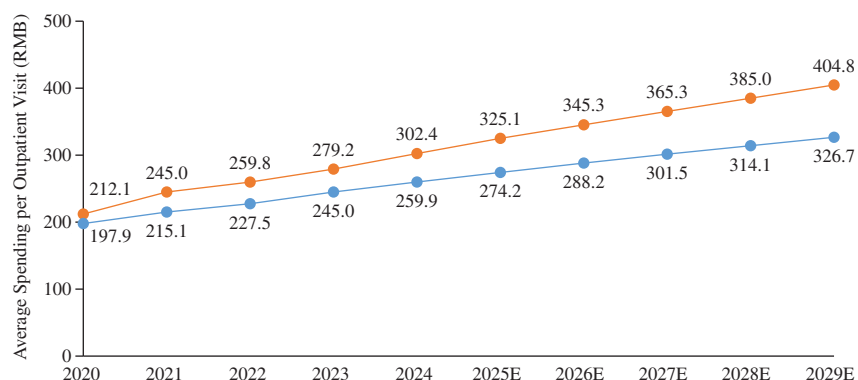
As healthcare awareness rises and consumer preferences upgrade, an increasing number of patients are opting for private healthcare service institutions to enhance their medical treatment experiences. From 2020 to 2024, the number of paid patient visits in private healthcare services institutions increased with a CAGR of 8.1% from 1,157.0 million to 1,577.3 million, and is expected to further grow at a CAGR of 4.7% from 2024 to 2029, reaching 1,987.6 million in 2029.

With the development of private healthcare service institutions, especially private mid- to high-end healthcare service institutions, the average spending per outpatient visit of private healthcare service institutions in China is generally higher than that of public healthcare service institutions and maintained a stable increase with a CAGR of 9.3% from RMB212.1 in 2020 to RMB302.4 in 2024. Driven by the enhanced purchasing power of China's residents, the average spending per outpatient visit of private healthcare service institutions in China is expected to further grow at a CAGR of 6.0% from 2024 to 2029, reaching RMB404.8 in 2029.

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Average Spending per Outpatient Visit (China), 2020 – 2029E

	Average Spending per Visit	CAGR (2020-2024)	CAGR (2024-2029E)
Public Healthcare Service Institutions		7.1%	4.7%
Private Healthcare Service Institutions		9.3%	6.0%



Source: NHC, Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

Key Drivers of Healthcare Service Market in China

The strong growth of the healthcare service market in China was, and is expected to be, primarily driven by the following factors:

- Rising per capita disposable income.** The per capita annual disposable income in China increased steadily from RMB32,189 in 2020 to RMB41,314 in 2024, with a CAGR of 6.4%, and is expected to further grow with a CAGR of 5.4% from 2024 to 2029, reaching RMB53,740 in 2029. The rising per capita annual disposable income has driven and is expected to continue driving the growing purchase power of PRC population, which further boosts their demands for healthcare services.
- Increasing per capita health expenditure.** The shifting demographics, a growing prevalence of chronic diseases, as well as technology advancement have contributed to increasing awareness of health and well-being management. The COVID-19 outbreak further accelerated this trend by highlighting the importance of preventative care. As a result, the per capita health expenditure in China increased from RMB5,112 in 2020 to RMB6,626 in 2024, representing a CAGR of 6.7%, and is expected to further grow with a CAGR of 5.7% from 2024 to 2029.
- Aging of population.** By the end of 2024, the population of individuals aged 60 and above in China had reached 310.3 million, accounting for 22.0% of the total population, and is expected to exceed 400.0 million in 2035, accounting for more than 30% of the total population, according to the NHC. With the increasing elderly population, China's heavy aging trend is expected to create a significant demand for healthcare products and services, particularly as the elderly population generally have a greater need for medication and disease management.

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OVERVIEW OF THE PRIVATE MID- TO HIGH-END HEALTHCARE SERVICE MARKET

Mid- to high-end healthcare services refer to comprehensive and customized services targeting the mass affluent and wealthy population, emphasizing on patient care and experiences. The mass affluent and wealthy population refers to a demographic group with a per capita annual disposable income exceeding RMB200,000. This group is characterized by higher disposable income, stronger purchasing power, lower price sensitivity and more demands for additional services such as disease screening, prevention, and health management, distinguishing them from the mass population.

The mass affluent and wealthy population exhibits preferences and requirements that mid- to high-end healthcare services are well-positioned to meet: (i) they prefer established and notable healthcare service institutions with professional doctors of delivering long-term and personalized health management and treatment programs, (ii) they have higher requirements on convenience, efficiency and privacy, and (iii) they have access to commercial insurance plans in addition to public medical insurance coverage, providing them with more flexibility in covering their medical expenses.

Mid- to high-end healthcare services are further categorized into public mid- to high-end healthcare services and private mid- to high-end healthcare services by the entities providing such services. Public mid- to high-end healthcare services generally refer to the premium “VIP” services provided by special need clinics (特需門診) in public healthcare service institutions. Private mid- to high-end healthcare services generally represent the diagnosis and treatment services, with listed prices at least 10% higher than the standard listed prices of the same types of services provided by Grade A Class III hospitals. Grade A Class III hospitals are the highest-quality public hospitals and accordingly, their listed prices are typically used as a benchmark for pricing of healthcare services in China.

The following table sets forth the major difference between the mid- to high-end healthcare services and affordable healthcare services:

Comparison of Mid- to High-end Healthcare Services		
	Mid- to High-end Healthcare Services	Affordable Healthcare Services
Target Patients	Mass affluent and wealthy population	Mass population
Geographic Distribution	Central business district and residential areas in Tier-One and New Tier-One Cities	Residential areas in both rural and urban areas
Customer Service	A comprehensive and personalized customer service system that focuses on patient care, and provides more flexible, friendly and timely customer services	A relatively simple and standardized customer service system with a relatively limited service period
Service Scope	Diverse and comprehensive diseases; more chronic care program; comprehensive services ranging from pre-treatment consultation, treatment and follow-up visits	Common and comprehensive diseases
Insurance Coverage	Commercial medical insurance; public medical insurance in some healthcare service institutes	Public medical insurance

Source: Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

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However, in response to the need for basic medical services, the PRC government has proposed restriction on the provision of premium “VIP” services within public healthcare service institutions, which limits the ability of public healthcare service institutions to offer mid- to high-end healthcare services. With a growing demand for mid- to high-end healthcare services, private healthcare service institutions, not bound by these restrictions, are able to expand their provision of mid- to high-end healthcare services, leading to a rapid growth in the private mid- to high-end healthcare service market.

Cost Components and Pricing of Mid- to High-End Healthcare Service Providers

Major Cost Components of Mid- to High-End Healthcare Service Providers

The major cost components of mid- to high-end healthcare service providers comprise employee salary and benefit expenses, depreciation and amortization, costs of pharmaceuticals, and consumables and other inventories. Among these, employee salary and benefit expenses account for the largest portion of cost of revenue, generally ranging from approximately 50% to 80%. With the continuous increase in average annual wages in the healthcare service market, employee salary and benefit expenses have grown over the past few years and are expected to continue growing moderately in the future. The cost of pharmaceuticals, consumables and other inventories generally account for approximately 15% to 25%, while depreciation and amortization generally account for approximately 8% to 25% of the total cost of revenue.

Pricing of Mid- to High-End Healthcare Service Providers

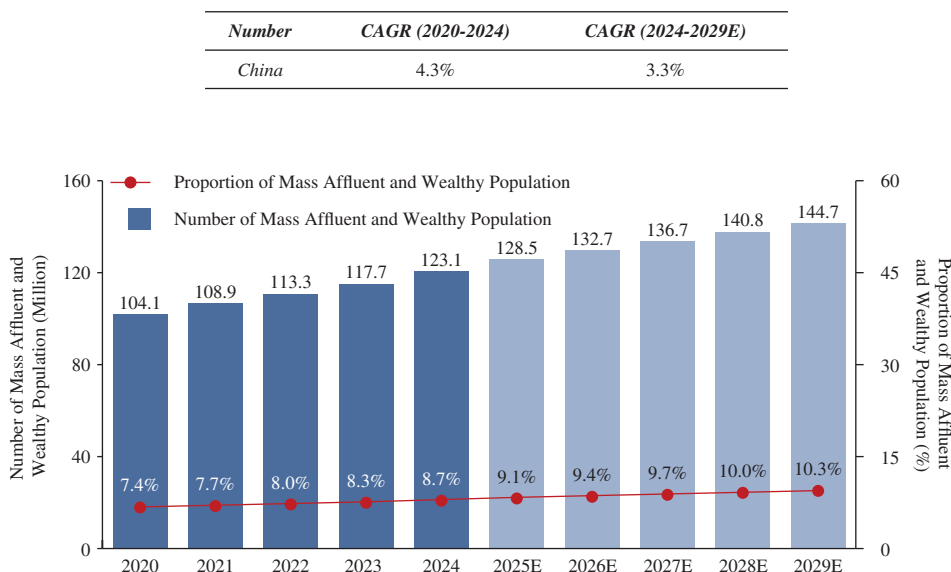
Pursuant to the applicable PRC laws and regulations, private mid- to high-end healthcare service providers are generally entitled to set the prices of their healthcare services and products at their own discretion. Mid- to high-end healthcare service providers generally set their prices based on the complexity of services, operating costs, local market conditions, and the pricing of similar services by industry peers. Due to rising operating costs, increasing per capita annual disposable income, and expanding coverage of commercial insurance in healthcare services, the pricing of mid- to high-end healthcare services in the PRC has experienced moderate growth in recent years and is expected to continue increasing in the future. The average spending per out-patient visit of the private mid- to high-end healthcare service institutions in the PRC varies due to different complexity of healthcare services and products, target customers and pricing strategies, ranging from approximately RMB300 to RMB6,000 in 2024. In 2024, the price of an in-person consultation at private mid- to high-end healthcare service providers generally ranged from approximately RMB200 to RMB1,800.

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Market Size

In recent years, with the stable economic development and the continuous increase of per capita disposable income, the number of mass affluent and wealthy population in China increased with a CAGR of 4.3% from 104.1 million in 2020 to 123.1 million in 2024, and is expected to increase with a CAGR of 3.3% from 2024 to 2029, reaching 144.7 million in 2029. During the same period, the proportion of mass affluent and wealthy population in China grew from 7.4% in 2020 to 8.7% in 2024, and is expected to grow to approximately 10.3% in 2029.

Number and Proportion of Mass Affluent and Wealthy Population (China), 2020 – 2029E



Source: National Bureau of Statistics of China, Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

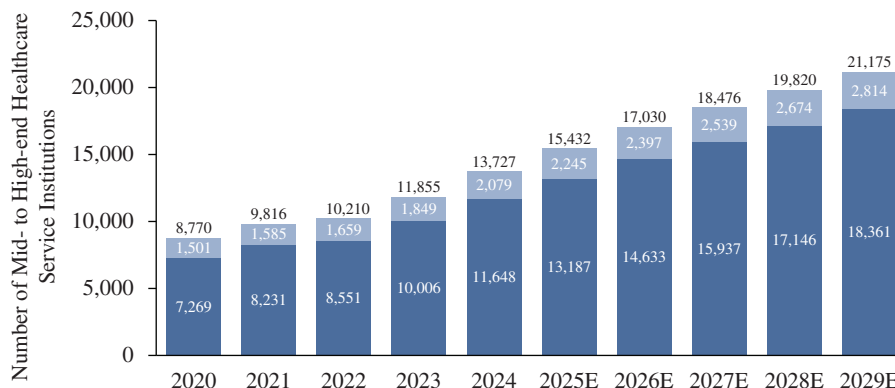
Compared to developed countries or regions such as the United States and Europe, the proportion of mass affluent and wealthy population in China is relatively low. In 2024, the proportion of mass affluent and wealthy population in the United States and Europe reached 31.3% and 26.3%, respectively, indicating substantial potential for future growth in the mass affluent and wealthy population in China.

From 2020 to 2024, the number of private mid- to high-end healthcare service institutions increased rapidly with a CAGR of 12.5% from 7,269 in 2020 to 11,648 in 2024, and is expected to further increase with a CAGR of 9.5% from 2024 to 2029, reaching 18,361 in 2029.

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Number of Mid- to High-end Healthcare Service Institutions (China), 2020 – 2029E

	<i>Number</i>	<i>CAGR (2020-2024)</i>	<i>CAGR (2024-2029E)</i>
Public Healthcare Service Institutions		8.5%	6.2%
Private Healthcare Service Institutions		12.5%	9.5%
<i>Total</i>		11.9%	9.1%

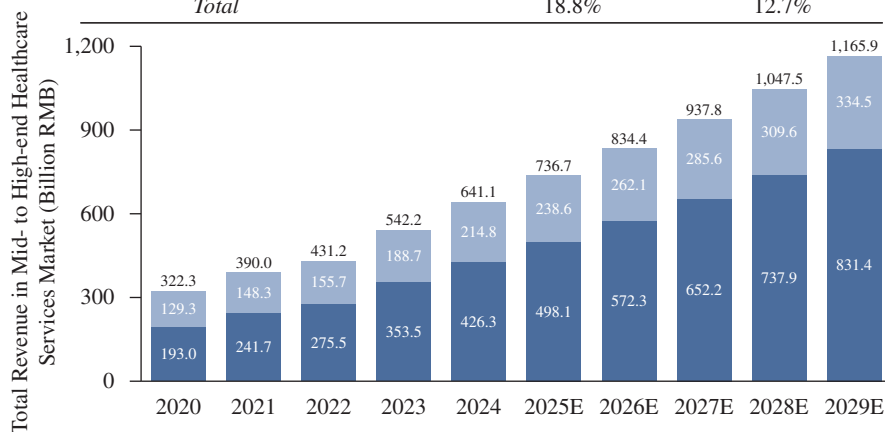


Source: NHC, Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

With the growth in the number of private mid- to high-end healthcare service institutions, the total revenue of private mid- to high-end healthcare service institutions increased with a CAGR of 21.9% from RMB193.0 billion in 2020 to RMB426.3 billion in 2024, and is expected to further increase with a CAGR of 14.3% from 2024 to 2029, reaching RMB831.4 billion in 2029.

Total Revenue in Mid- to High-end Healthcare Services Market (China), 2020 – 2029E

	<i>Total Revenue</i>	<i>CAGR (2020-2024)</i>	<i>CAGR (2024-2029E)</i>
Public Healthcare Service Institutions		13.5%	9.3%
Private Healthcare Service Institutions		21.9%	14.3%
<i>Total</i>		18.8%	12.7%



Source: NHC, Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

Key Drivers of Private Mid- to High-End Healthcare Service Market in China

The private mid- to high-end healthcare service market in China is expected to continue its growth and such expectation is determined by several key drivers as set out below:

- ***Favorable government policies.*** The PRC government has implemented a series of favorable policies to drive the development of China's mid- to high-end healthcare service market. For instance, in 2021, the State Council issued the "14th Five-year Plan for Universal Medical Security" (《“十四五”全民醫療保障規劃》), encouraging ongoing improvement in the quality of healthcare services and promoting the establishment of hierarchical medical system. Furthermore, numerous local governments, especially those in Tier-One and New Tier-One Cities, have introduced policies to promote the development of mid- to high-end healthcare services:
 - o The Shenzhen municipal government is actively supporting the construction of an international medical innovation demonstration zone and promoting the development of clusters of healthcare institutions, including those from Hong Kong and Macao as well as high-end healthcare service institutions in Qianhai area. In addition, according to the "Implementation Plan for Promoting High-level Hospital Construction in Shenzhen (2020-2025)" (《深圳市推進高水準醫院建設實施方案(2020—2025年)》), the Shenzhen municipal government is promoting the development of high-level international hospitals in Shenzhen and supports the establishment of a number of high-end healthcare service institutions;
 - o The Guangzhou municipal government has encouraged the adjustment and optimization of the structure of healthcare resources by attracting social capital to high-end healthcare services according to the "Layout Plan of Healthcare Facilities in Guangzhou (2021-2035)" (《廣州市醫療衛生設施佈局規劃(2021—2035年)》). Specifically, the Guangzhou municipal government is enhancing the allocation of quality healthcare resources, promoting innovative and high-end healthcare service models, and improving the overall standard of healthcare services;
 - o The Shanghai municipal government is supporting social forces to establish high-quality and personalized general practice clinics. It is also fostering the growth of chain brands in the healthcare sector and promoting the inclusion of high-end private healthcare service institutions with independent pricing in the coverage of public healthcare insurance;
 - o The Chengdu municipal government has introduced social capital to develop high-end healthcare services under the Work Plan for Establishing a Quality and Efficient Healthcare Service System in Chengdu (《成都市構建優質高效

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醫療衛生服務體系工作方案》)。Specifically, the Chengdu government encourages collaboration between private and public healthcare institutions and aims to accelerate the development of a high-end healthcare ecosystem; and

- o The Hubei provincial government has promoted high-quality development of the healthcare industry through its 14th Five-Year Plan for the Development of the Health Industry in Hubei Province (《湖北省大健康產業發展“十四五”規劃》)。The plan supports the establishment of a healthcare innovation center in Wuhan, focused on biomedicine, high-performance medical devices, and high-end healthcare services, as a key driver of the health industry in Hubei.
- ***Increasing number of mass affluent and wealthy population.*** Along with the stable economic growth and an ongoing increase in per capita disposable income, the mass affluent and wealthy population has consistently expanded. From 2020 to 2024, the proportion of mass affluent and wealthy population in the PRC increased from 7.4% to 8.7%. The rising per capita disposable income and an expanding mass affluent and wealthy population have led to a growing number of patients who are able to afford private mid- to high-end healthcare services. This upward trend has ignited an increased demand for private mid- to high-end healthcare services, presenting significant developmental opportunities for industry participants.
- ***Development of commercial healthcare insurance.*** Expenditures on claims under commercial healthcare insurance in China increased from RMB292.1 billion in 2020 to RMB494.1 billion in 2024, reflecting a CAGR of 14.0%. Expenditures on claims under commercial healthcare insurance in China as a percentage of the total direct medical expenditures in China (namely, the total social and individual healthcare spending) also increased from 6.7% in 2020 to 7.1% in 2024. These increases reflect the rising popularity of commercial healthcare insurance in China. Commercial insurance providers have launched a diverse range of new insurance products to expand their insurance coverage, effectively enhancing the affordability of healthcare services for patients in China. As a result, a growing number of patients now have access to private mid- to high-end healthcare services, thereby contributing to the development of China's private mid- to high-end healthcare service market.
- ***Substantial capital inflows.*** As the PRC government's encouragement for social capital participation in the healthcare services market has attracted significant support from the capital market, acting as a major driver of China's private mid- to high-end healthcare services market. Substantial capital inflows have enabled China's private mid- to high-end healthcare service institutions to adopt advanced medical technologies and equipment, enhancing their diagnosis and treatment capabilities as well as overall service quality. Further, substantial capital inflows facilitate mergers and acquisitions among private mid- to high-end healthcare service institutions, promoting the expansion of leading market participants.

Entry Barriers of Private Mid- to High-End Healthcare Service Market in China

New entrants of private mid- to high-end healthcare service market in China face the following entry barriers:

- ***Brand reputation and patient loyalty:*** Brand reputation is a critical consideration for patients when selecting private mid- to high-end healthcare service providers. Patients exhibit a preference for healthcare service providers who fully understand their medical demands, and these providers are able to foster a sense of reliance and obtain word-of-mouth referrals from satisfied patients. To bolster patient stickiness and attract new patients, it is important for private mid- to high-end healthcare service providers to cultivate and strengthen their brand reputation. Therefore, it is difficult for new market entrants to establish strong brand reputation and attract patients from existing healthcare service providers.
- ***Difficulty in attracting and recruiting experienced medical professionals:*** Medical professional resources are the core competitiveness of private mid- to high-end healthcare service providers to ensure the quality of healthcare services. Recognizing patients' reliance on experienced and skillful medical professionals, established private mid- to high-end healthcare service providers are dedicated to building their medical professional team to maintain the efficient operations and expand market penetration. For new entrants, it is rather difficult for them to attract and recruit experienced medical professionals, especially doctors.
- ***Management and operating experience:*** The management and operating efficiency of a private mid- to high-end healthcare service provider has direct impact on patients' satisfaction, ultimately influencing its patient flow and revenue. An established private mid- to high-end healthcare service institution group with rich management operating experience is able to develop a comprehensive service system and standardized operational guidelines. In this way, a private mid- to high-end healthcare service institution group can achieve efficient operation cost saving while delivering quality services. On the contrary, new entrants lack such experience may encounter operational challenges.

Future Trends of Private Mid- to High-End Healthcare Service Market in China

The private mid- to high-end healthcare service market in China is expected to be influenced by the following trends:

- ***Diversified and personalized services:*** Private mid- to high-end healthcare service providers have been dedicated to offering more diversified services tailored to meet evolving patient needs and preferences, covering not only disease prevention, diagnosis and treatment, but also personalized services such as health counseling, health management and health education. These services adhere to higher standards in medical technology, facilities and services, typically delivered by experienced

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professionals. By offering diversified and personalized services that prioritize patient needs and experiences, private mid- to high-end healthcare service providers can effectively retain and attract patients with high service expectations.

- ***Business expansion through chain operations:*** The rapid economic development and high population density in Tier-One and New Tier-One Cities create a growing demand for high-quality healthcare services in such regions. Future growth for private mid- to high-end healthcare service providers lies in the strategic expansion of business operations through chain operations. Through chain operations, standardizing brand images, service processes, and operation and management models facilitate cost reduction and enhance profitability. Moreover, chain operations enable the sharing of high-quality medical resources, leading to improved service quality and enhanced patient experience. Chain operations position private mid- to high-end healthcare service providers to achieve rapid business expansion and capture a greater share of the market in these areas.
- ***Development of tele-healthcare service platforms:*** China's digital healthcare services market has witnessed a significant growth in recent years, alleviating challenges related to the uneven distribution in medical resources, inefficiency in healthcare services and difficulty of chronic disease management. Private mid- to high-end healthcare service providers, especially industry leaders, have actively invested in the development of tele-healthcare service platforms. This strategic move aims to broaden patient access on a national scale, streamline service delivery, enhance operational efficiency, and promote coordinated development of in-person and tele-healthcare services.

OVERVIEW OF THE PRIVATE MID- TO HIGH-END COMPREHENSIVE HEALTHCARE SERVICE MARKET IN CHINA

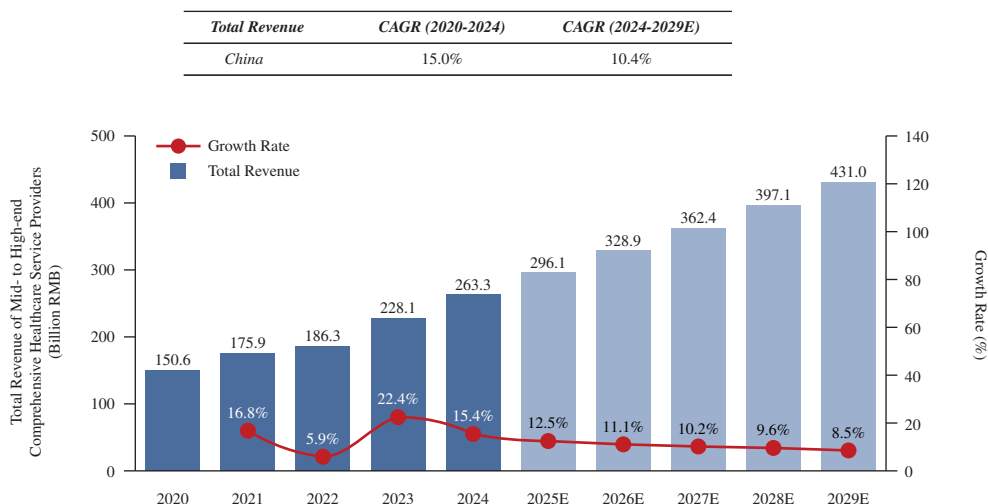
In China's private mid- to high-end healthcare services market, the market participants primarily include the specialty healthcare service providers which have expertise in a certain specialty, and the comprehensive healthcare service providers. According to the "Basic Standards for Medical Institutions (Trial)" (《醫療機構基本標準(試行)》) issued by the National Health Commission, the basic standard for comprehensive healthcare service institutions includes the requirement of covering at least five specialties. The private mid- to high-end comprehensive healthcare service providers refer to the private mid- to high-end healthcare service providers that can cover at least five specialties with revenue derived from any single specialty not exceeding 50% of total revenue. If a healthcare service institution has five or more specialties, and derived more than 50% of its revenue from any single specialty, it is generally regarded, in line with industry practice, as a specialty healthcare service institution.

Market Size

Along with the development of China's private mid- to high-end healthcare service market and the enhanced preference to comprehensive healthcare services, the total revenue of mid- to high-end comprehensive service providers in China grew from RMB150.6 billion in 2020 to RMB263.3 billion in 2024, with a CAGR of 15.0%, and is expected to reach RMB431.0 billion in 2029, growing at a CAGR of 10.4%.

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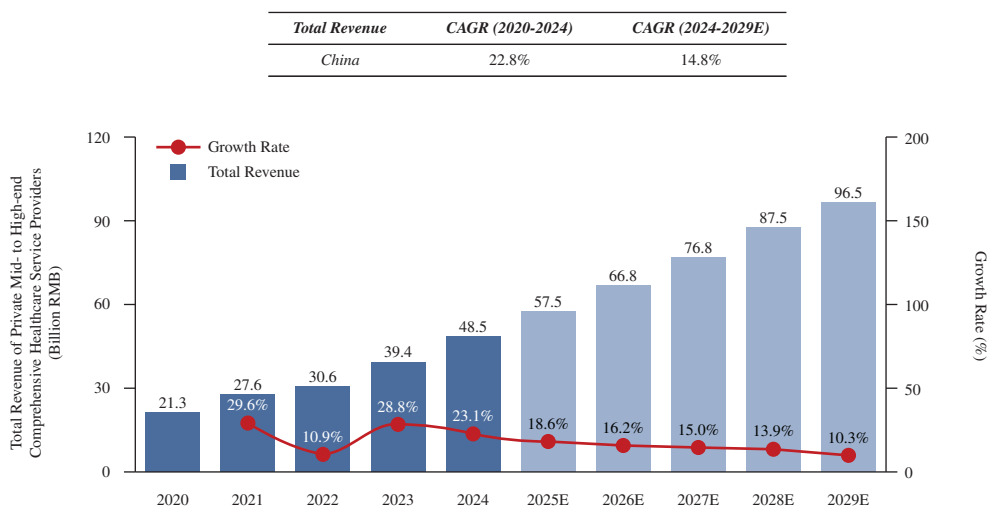
Total Revenue of Mid- to High-end Comprehensive Healthcare Service Providers (China), 2020 – 2029E



Source: Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

In particular, the total revenue of private mid- to high-end comprehensive healthcare service providers in China increased from RMB21.3 billion in 2020 to RMB48.5 billion in 2024, with a CAGR of 22.8%, and is expected to reach RMB96.5 billion in 2029, growing at a CAGR of 14.8% from 2024 to 2029.

Total Revenue of Private Mid- to High-end Comprehensive Healthcare Service Providers (China), 2020 – 2029E



Source: Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

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Future Trends of the Private Mid- to High-End Comprehensive Healthcare Service Market in China

In addition to the future trends of private mid- to high-end healthcare service market in China set forth in “— Overview of the Private Mid- to High-End Healthcare Service Market — Future Trends of Private Mid- to High-End Healthcare Service Market in China”, private mid- to high-end comprehensive healthcare service market in China is also expected to be influenced by the following trends:

- ***Family-centered one-stop healthcare services:*** To establish loyal customer bases, private mid- to high-end comprehensive healthcare service providers have been dedicated to offering family-centered one-stop healthcare services that cater to the diverse medical needs of family members. By further developing expertise in multiple specialty areas, those providers can serve family patients from all age groups and provide comprehensive healthcare services that cover the entire cycle of health management, from disease prevention to diagnosis and treatment.
- ***Doctors with generalist mindset:*** Private mid- to high-end comprehensive healthcare service providers focus on delivering comprehensive healthcare services, requiring the cultivation of doctors with a broader range of skills and expertise. In order to inculcate a generalist mindset among their doctors, these providers prefer the professional doctors with humanistic care for patients, multi-disciplinary knowledge on disease prevention, and cross-disciplinary collaboration in disease diagnosis and treatment. By maintaining a stable reserve of doctors with a generalist mindset, private mid- to high-end healthcare service providers can consistently deliver top-notch comprehensive healthcare services to cater to personalized healthcare needs, which contributes to establish trusted relationships with patients.

COMPETITIVE LANDSCAPE

The private mid- to high-end comprehensive healthcare service market in China is highly fragmented. We are one of the key players in private mid- to high-end comprehensive healthcare service market in China. According to Frost & Sullivan, among all the private mid- to high-end comprehensive healthcare service providers in China, we ranked the third in terms of the total revenue in 2024, the first in terms of the number of cities covered in China as of December 31, 2024 and the second in terms of the number of paid patient visits in 2024.

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The table below sets forth the top five private mid- to high-end comprehensive healthcare service providers by total revenue in 2024:

Rank	Name	Listing Status	Background	Total Revenue <i>(RMB Billion)</i>	Market Share <i>(%)</i>
1	Group B	Not Listed	Founded in 1997 and headquartered in Beijing, Group B is a private healthcare service institution group dedicated to providing personalized and high-quality services, and offering medical services covering the entire life cycle, including prevention, diagnosis, treatment, and rehabilitation services, and with 27 institutions in operation in China as of December 31, 2024.	3.32	6.8
2	Group C	Not Listed	Founded in 2009 and headquartered in Shanghai, Group C is a private healthcare service institution group that focuses on high-quality healthcare services, providing comprehensive healthcare services including health management, emergency services, outpatient care, surgical operations, inpatient services, international medical care, among others, and with 7 institutions in operation in China as of December 31, 2024.	1.56	3.2

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Rank	Name	Listing Status	Background	Total Revenue (RMB Billion)	Market Share (%)
3	Our Group	–	–	0.96	2.0
4	Group E	Not Listed	Founded in 2003 and headquartered in Shanghai, Group E is a private healthcare service institution group dedicated to providing professional and high-end healthcare services, and offering comprehensive healthcare services including obstetrics, health check-ups, and vaccination consultations, as well as other specialized healthcare services, and with 5 institutions in operation in China as of December 31, 2024.	0.62	1.3
5	Group D	Not Listed	Founded in 2016 and headquartered in Shanghai, Group D is a private healthcare service institution group committed to providing high-quality, reliable and cost-effective healthcare services, and offering a wide range of healthcare services, including general practice, cardiology, pediatrics, obstetrics and gynecology, among others, and with 10 institutions in operation in China as of December 31, 2024.	0.52	1.1

INDUSTRY OVERVIEW

Source: Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

Note: The identities of peer companies (which are private companies) are presented in code name as the relevant information used in the above ranking is non-public information, which was estimated based on Frost & Sullivan's primary interviews and calculations. As we have not acquired consent from these peer companies, unauthorized disclosure may cause potential disputes.

The table below sets forth the top five private mid- to high-end comprehensive healthcare service providers by number of cities covered in China as of December 31, 2024:

Rank	Name	Listing Status	Background	Number of Cities Covered
1	Our Group	—	—	11
2	Group A	Not Listed	Founded in 2016 and headquartered in Guangdong Province, Group A is a well-known private healthcare service institution group, providing comprehensive healthcare services including pediatrics, obstetrics and gynecology, general practice, among others, with the total revenue reaching approximately RMB0.25 billion in 2024, and with 18 institutions in operation in China as of December 31, 2024.	9

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Rank	Name	Listing Status	Background	Number of Cities Covered
3	Group B	Not Listed	Founded in 1997 and headquartered in Beijing, Group B is a private healthcare service institution group dedicated to providing personalized and high-quality services, and offering medical services covering the entire life cycle, including prevention, diagnosis, treatment, and rehabilitation services, and with 27 institutions in operation in China as of December 31, 2024.	7
4	Group C	Not Listed	Founded in 2009 and headquartered in Shanghai, Group C is a private healthcare service institution group that focuses on high-quality healthcare services, providing comprehensive healthcare services including health management, emergency services, outpatient care, surgical operations, inpatient services, international medical care, among others, and with 7 institutions in operation in China as of December 31, 2024.	5

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Rank	Name	Listing Status	Background	Number of Cities Covered
5	Group D	Not Listed	Founded in 2016 and headquartered in Shanghai, Group D is a private healthcare service institution group committed to providing high-quality, reliable and cost-effective healthcare services, and offering a wide range of healthcare services, including general practice, cardiology, pediatrics, obstetrics and gynecology, among others, and with 10 institutions in operation in China as of December 31, 2024.	3

Source: Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

Note: The identities of peer companies (which are private companies) are presented in code name as the relevant information used in the above ranking is non-public information, which was estimated based on Frost & Sullivan's primary interviews and calculations. As we have not acquired consent from these peer companies, unauthorized disclosure may cause potential disputes.

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The table below sets forth the top five private mid- to high-end comprehensive healthcare service providers by number of paid patient visits for in-person healthcare services and tele-healthcare services in 2024:

Rank	Name	Listing Status	Background	Number of Visits <i>(Thousand)</i>
1	Group B	Not Listed	Founded in 1997 and headquartered in Beijing, Group B is a private healthcare service institution group dedicated to providing personalized and high-quality services, and offering medical services covering the entire life cycle, including prevention, diagnosis, treatment, and rehabilitation services, and with 27 institutions in operation in China as of December 31, 2024.	976
2	Our Group	–	–	906
3	Group C	Not Listed	Founded in 2009 and headquartered in Shanghai, Group C is a private healthcare service institution group that focuses on high-quality healthcare services, providing comprehensive healthcare services including health management, emergency services, outpatient care, surgical operations, inpatient services, international medical care, among others, and with 7 institutions in operation in China as of December 31, 2024.	547

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Rank	Name	Listing Status	Background	Number of Visits (Thousand)
4	Group D	Not Listed	Founded in 2016 and headquartered in Shanghai, Group D is a private healthcare service institution group committed to providing high-quality, reliable and cost-effective healthcare services, and offering a wide range of healthcare services, including general practice, cardiology, pediatrics, obstetrics and gynecology, among others, and with 10 institutions in operation in China as of December 31, 2024.	203
5	Group E	Not Listed	Founded in 2003 and headquartered in Shanghai, Group E is a private healthcare service institution group dedicated to providing professional and high-end healthcare services, and offering comprehensive healthcare services including obstetrics, health check-ups, and vaccination consultations, as well as other specialized healthcare services, and with 5 institutions in operation in China as of December 31, 2024.	191

Source: Interviews conducted by Frost & Sullivan with experts from leading market players, Frost & Sullivan Analysis

Note: The identities of peer companies (which are private companies) are presented in code name as the relevant information used in the above ranking is non-public information, which was estimated based on Frost & Sullivan's primary interviews and calculations. As we have not acquired consent from these peer companies, unauthorized disclosure may cause potential disputes.

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OVERVIEW OF THE HEALTHCARE SERVICE MARKET IN SINGAPORE

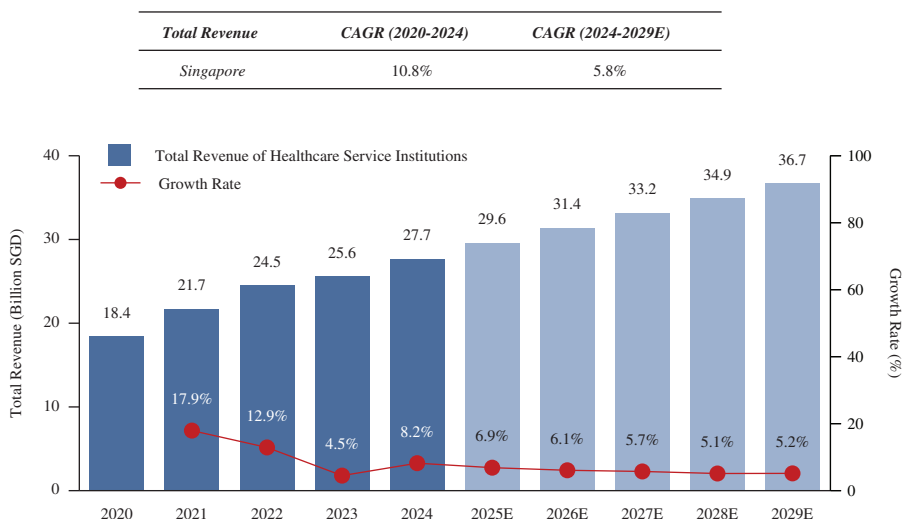
Singapore has a well-developed and efficient healthcare system. The healthcare system in Singapore mainly includes three types of services: (i) primary healthcare services, (ii) secondary healthcare services; and (iii) intermediate and long-term care (“**ILTC**”) services.

Primary healthcare services are the foundation of Singapore’s healthcare system and the services are mainly provided by healthcare professionals through polyclinics (i.e. government clinics that provide subsidized outpatient medical care, health screening and pharmacy services, with some offering dental services as well) and private outpatient clinics. Secondary healthcare services are provided by public and private hospitals to patients that require emergency healthcare services and/or extended healthcare services which are not provided by primary healthcare service providers. ILTC services refer to healthcare services for individuals who need further care after hospital discharge, which mainly consist of home-based services, centre-based services and residential ILTC services.

Market Size

With the rising household income and growing health awareness, Singapore’s healthcare services market experienced a stable development, with the total revenue of healthcare service institutions increasing from SGD18.4 billion in 2020 to SGD27.7 billion in 2024, with a CAGR of 10.8%. Along with the continuous increase in health expenditures, the total revenue of healthcare service institutions in Singapore is expected to reach SGD36.7 billion in 2029, representing a CAGR of 5.8% from 2024 to 2029.

Total Revenue of Healthcare Service Institutions (Singapore), 2020 – 2029E

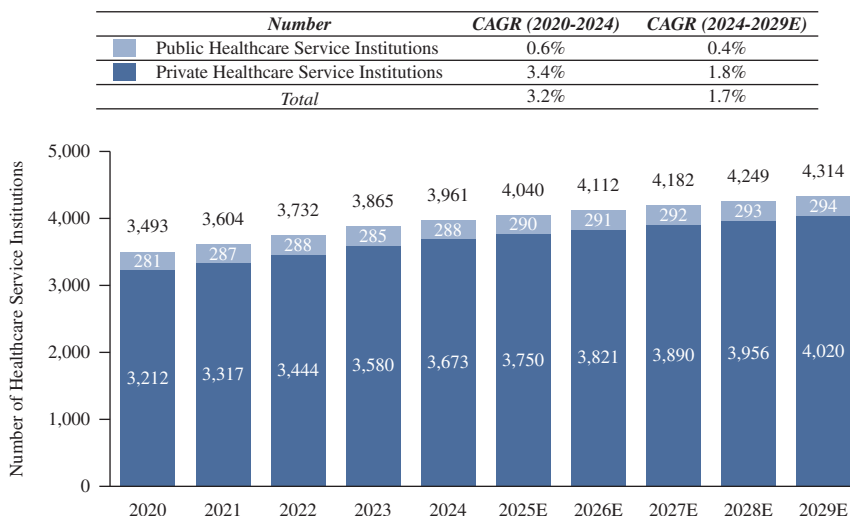


Source: Singapore Department of Statistics, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

The total number of healthcare service institutions in Singapore increased slightly from 3,493 in 2020 to 3,961 in 2024, with a CAGR of 3.2%. Among them, private healthcare service institutions are the main growth force. The number of private healthcare service institutions increased from 3,212 in 2020 to 3,673 in 2024, with a CAGR of 3.4%. With the continuous investment in Singapore's healthcare services market, the total number of healthcare service institutions is expected to reach 4,314 in 2029, with a CAGR of 1.7% from 2024 to 2029. The number of private healthcare service institutions is expected to increase to 4,020 in 2029, with a CAGR of 1.8% from 2024 to 2029.

Number of Healthcare Service Institutions (Singapore), 2020 – 2029E



Source: Singapore Department of Statistics, Frost & Sullivan Analysis

Key Drivers of Healthcare Service Market in Singapore

The growth of the healthcare service market in Singapore was, and is expected to be, primarily driven by the following factors:

- Growing income level.** According to Singapore Department of Statistics, the per capita monthly income in Singapore increased from SGD4,022 in 2020 to SGD4,898 in 2024, with a CAGR of 5.0%. The per capita monthly income in Singapore is expected to further increase with a CAGR of 3.3% from 2024 to 2029, reaching SGD5,756 in 2029. Supported by the growing purchasing power resulting from increasing income level, the per capita health expenditures in Singapore experienced and is expected to continue experiencing a stable growth, thereby promoting the development of Singapore's healthcare service market.
- Expansion of healthcare savings schemes.** As a national medical savings scheme in Singapore, MediSave enables Singaporeans to contribute 8% to 10.5% of their monthly salaries to their personal healthcare savings accounts with top-ups offered by the Singapore government, which allows them to pay for healthcare expenses over their lifetime. According to the Ministry of Health in Singapore and Frost & Sullivan, the total MediSave balance increased significantly from SGD110.1 billion in 2020 to SGD149.6 billion in 2024 and the average balance per account increased from SGD29,600 in 2020 to SGD37,300 in 2024, representing a CAGR of 8.0% and 6.0%, respectively. The total MediSave balance and the average balance per account

INDUSTRY OVERVIEW

are expected to further increase with a CAGR of 5.3% and 4.1% from 2024 to 2029, reaching SGD194.1 billion and SGD45,600 in 2029, respectively. The expansion of MediSave coverage in Singapore enables eligible citizens to make claims for more healthcare services, which boosts the development of Singapore's healthcare service market.

- **Aging of population.** According to Singapore Department of Statistics, the number of Singapore's residents aged 65 and above recorded a growth from approximately 614.4 thousand in 2020 to 753.9 thousand in 2024, representing a CAGR of 5.2%. The number of Singapore's residents aged 65 and above is expected to further increase with a CAGR of 4.2% from 2024 to 2029, reaching approximately 926.2 thousand in 2029. The aging of population in Singapore drove and is expected to continue driving the growing demand for healthcare services.

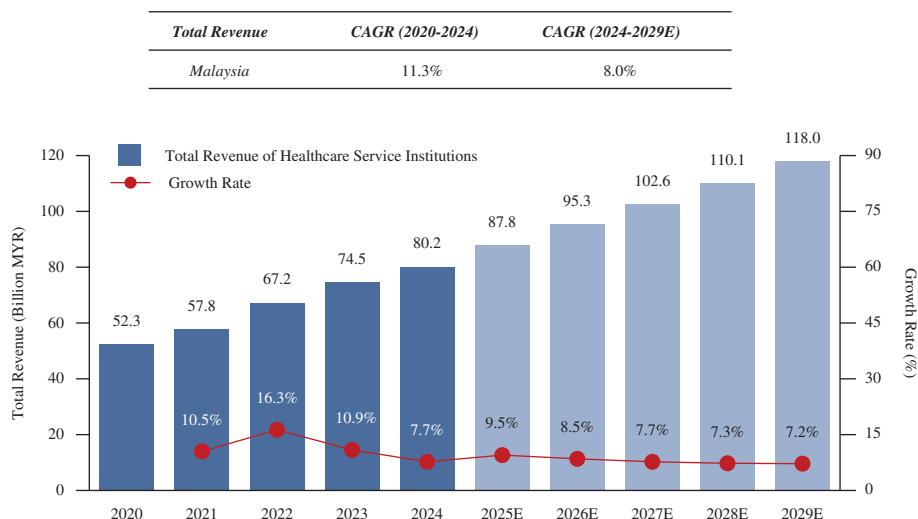
OVERVIEW OF THE HEALTHCARE SERVICE MARKET IN MALAYSIA

Malaysia operates a dual-track healthcare system that encompasses both public and private healthcare sectors. Public healthcare sector is led by three-tier institutions at the federal, state and district levels under the Ministry of Health, offering highly subsidized services spanning preventive care, treatment, and rehabilitation. In contrast, the private healthcare sector attracts affluent and international patients by leveraging specialized expertise, premium inpatient facilities and internationally recognized medical tourism, establishing differentiated market positioning. To optimize systemic balance, the Malaysian government promotes regulated expansion of private healthcare initiatives, strategically reducing strain on public healthcare resources while maintaining service accessibility.

Market Size

The total revenue of healthcare service institutions in Malaysia increased from MYR52.3 billion in 2020 to MYR80.2 billion in 2024, with a CAGR of 11.3%. Along with the continuous increase in health expenditures, the total revenue of healthcare service institutions in Malaysia is expected to reach MYR118.0 billion in 2029, representing a CAGR of 8.0% from 2024 to 2029.

Total Revenue of Healthcare Service Institutions (Malaysia), 2020 – 2029E



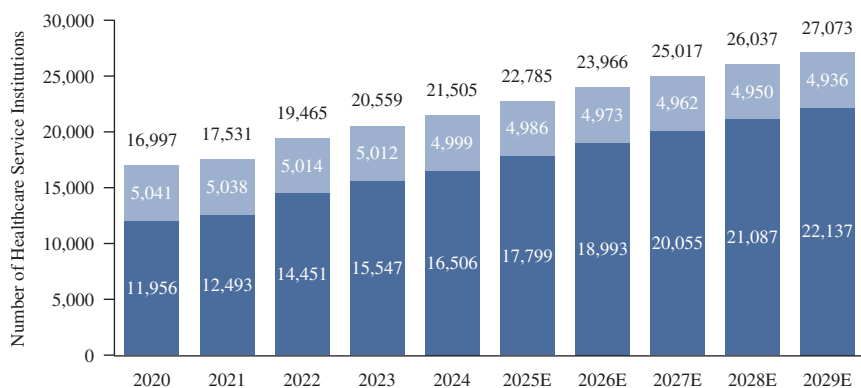
Source: Ministry of Health Malaysia, Frost & Sullivan Analysis

INDUSTRY OVERVIEW

In recent years, the total number of healthcare service institutions in Malaysia increased from 16,997 in 2020 to 21,505 in 2024, with a CAGR of 6.1%. Among them, private healthcare service institutions are the main growth force. The number of healthcare service institutions increased from 11,956 in 2020 to 16,506 in 2024, with a CAGR of 8.4%. With the continuous investment in Malaysia's healthcare service market, the total number of healthcare service institutions is expected to reach 27,073 in 2029, with a CAGR of 4.7% from 2024 to 2029. The number of private healthcare service institutions is expected to increase to 22,137 in 2029, with a CAGR of 6.0% from 2024 to 2029.

Number of Healthcare Service Institutions (Malaysia), 2020 – 2029E

	Number	CAGR (2020-2024)	CAGR (2024-2029E)
Public Healthcare Service Institutions		-0.2%	-0.3%
Private Healthcare Service Institutions		8.4%	6.0%
Total		6.1%	4.7%



Source: Ministry of Health Malaysia, Frost & Sullivan Analysis

Key Drivers of Healthcare Service Market in Malaysia

The growth of the healthcare service market in Malaysia was, and is expected to be, primarily driven by the following factors:

- Government support.** To foster the development of healthcare service market, the Malaysian government offers strategic tax incentives for private healthcare institutions undertaking new developments or expansions. Healthcare service providers in Malaysia can enjoy a 100% income tax exemption on eligible capital expenditures incurred over a five-year period, which can be used to offset 100% of the statutory income generated from healthcare services in each taxable year. This policy significantly alleviates financial burdens for private healthcare service institutions and encourages capital inflow into the market, driving substantial market expansion.

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- ***Robust growth of medical tourism.*** Medical tourism has become a significant segment of the healthcare service market in Malaysia. The quality and affordable healthcare services are a key factor in attracting international tourists, driving a rapid increase in demand for medical tourism. The total revenue derived from medical tourism in Malaysia increased significantly from approximately USD0.1 billion in 2020 to USD0.5 billion in 2024, with a CAGR of 49.5%, and the total revenue derived from medical tourism in Malaysia is expected to reach approximately USD1.8 billion by 2029, growing at a CAGR of 29.2% from 2024 to 2029, which accelerated and is expected to continue accelerating the development of Malaysia's healthcare service market.
- ***Economic growth and improved living standards.*** In recent years, the sustained economic growth in Malaysia has driven the improvement of residents' living standards. From 2020 to 2024, the per capita GDP in Malaysia increased from MYR43,717 to MYR57,714, growing at a CAGR of 7.2%, whilst the per capita net income in Malaysia grew from MYR41,015 to MYR54,431, growing at a CAGR of 7.3%. The per capita GDP and the per capita net income in Malaysia are further increase with a CAGR of 5.0% and 5.4% from 2024 to 2029, reaching MYR73,808 and MYR70,850 in 2029, respectively. The improvement of living standards and the growing health awareness are driving, an increasing demand for premium healthcare services, which has cultivated increased consumer willingness to pay for advanced medical technologies and personalized medical services.

REGULATORY OVERVIEW

APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE PRC

Regulations on the reform of healthcare institutions

Opinions on Deepening the Reform of the Medical and Healthcare System

The Opinions of the Central Committee of the Communist Party of China and the State Council on Deepening the Reform of the Medical and Healthcare System (中共中央、國務院關於深化醫藥衛生體制改革的意見) promulgated on March 17, 2009 encourages social capital to invest in the healthcare institutions (including investments by the foreign investors), and promotes the development of private healthcare institutions and the reform of public healthcare institutions (including those established by state-owned enterprises) through social capital investment.

Opinions on Encouraging and Guiding the Healthy Development of Private Investment

The Several Opinions of the State Council on Encouraging and Guiding the Healthy Development of Private Investment (國務院關於鼓勵和引導民間投資健康發展的若干意見), which was promulgated by the State Council on May 7, 2010, requires the Provincial Government to (i) encourage private capital participation in the development of medical business, support the use of private capital in building medical institutions such as all kinds of hospitals, community health service institutions, sanatoriums, outpatient departments, clinics and health centers (stations), participate in the systemic reform and restructuring of public hospitals, support private medical institutions in providing public health services, basic medical services and designated medical insurance services, implement tax policy in relation to none profit-making medical institutions in a practical manner, encourage a reasonable flow of medical personnel resources to private medical institutions, ensure that private medical institutions receive treatment equal to that of public hospitals in terms of the introduction of talent, job appraisal and scientific research; (ii) strengthen the regulation of all kinds of medical institutions in aspects such as medical quality, medical conduct, and fee standards, and promote the healthy development of private medical institutions.

Notice on Further Encouraging and Guiding the Establishment of Medical Institutions by Social Capital

The Notice of the General Office of the State Council on Forwarding the Opinions of the National Development and Reform Commission, the Ministry of Health and Other Ministries on Further Encouraging and Guiding the Establishment of Medical Institutions by Social Capital (國務院辦公廳轉發發展改革委衛生部等部門關於進一步鼓勵和引導社會資本舉辦醫療機構意見的通知), which was promulgated by the General Office of the State Council on November 26, 2010, stipulates that the PRC government encourages and supports investments by private investors in healthcare institutions of various types. Private investors are permitted

to apply to establish for-profit or not-for-profit healthcare institutions. Private healthcare institutions are encouraged to engage or authorize domestic or overseas professional institutions with professional experience to participate in the management of hospitals to improve their efficiencies.

Several Opinions on Promoting the Development of Healthcare Service Industry

The Several Opinions on Promoting the Development of Healthcare Service Industry (國務院關於促進健康服務業發展的若干意見), which was promulgated by the State Council on September 28, 2013, encourages the private sector to invest in the healthcare service industry by various means including new establishment and participation in restructuring and propose the idea of the relaxation of the requirements for Sino-foreign equity joint or cooperative joint healthcare institutions and gradually expand eligibility in the pilot program for wholly foreign-invested healthcare institutions.

Several Opinions on Accelerating the Development of Medical Institutions with Social Capital

The Several Opinions on Accelerating the Development of Medical Institutions with Social Capital (關於加快發展社會辦醫的若干意見), which was promulgated on December 30, 2013 by the National Health and Family Planning Commission (the “**NHFPC**”) and the State Administration of Traditional Chinese Medicine (the “**SATCM**”), stipulates the policies that support the development of private-invested healthcare institutions, including but not limited to the (i) gradual relaxation of investment in healthcare institutions by foreign capital; (ii) relaxation of requirements for service sectors, allowing social capital’s investment in the areas which are not explicitly prohibited; and (iii) acceleration of the approval procedures regarding the establishment and operation of private hospitals.

Opinion on Innovating the Investment and Financing Mechanisms in Key Areas and Encouraging Social Investment

The Opinion on Innovating the Investment and Financing Mechanisms in Key Areas and Encouraging Social Investment (國務院關於創新重點領域投融資機制鼓勵社會投資的指導意見) (the “**2014 Opinion**”), which was promulgated on November 16, 2014 by the State Council, encourages the investment of social capital in certain key sectors. The 2014 Opinion stipulates that the PRC government will continue to (i) promote the restructuring of eligible public medical institutions with the participation of social capital; (ii) encourage social capital’s participation in healthcare sector by means such as sole proprietorship, joint ventures, cooperative ventures, joint operation and leasing; (iii) improve the implementation of preferential tax policies on not-for-profit medical institutions and the exemption policies of administrative and institutional fees on the constructions of not-for-profit, and half exemption policies for for-profit medical institutions; and (iv) implement the same price policy with regard to the utilization of electricity, water, gas and heat by both public and private medical institutions, and relax the price control over the services provided by the private medical institutions.

Several Policies and Measures Regarding the Promotion of Accelerating the Development of the Medical Institutions Invested by Social Capital

Several Policies and Measures Regarding the Promotion of Accelerating the Development of the Medical Institutions Invested by Social Capital (關於促進社會辦醫加快發展若干政策措
施的通知), which was promulgated by the General Office of the State Council on June 11, 2015 and came into effect on the same day, stipulates (i) the elimination and cancellation of unreasonable preceding items for examination and approval and the reduction in the time required for making such examination and approval; (ii) the reasonable control of the number and scale of the public medical institutions and the exploration of the space for development of the medical institutions invested by social capital; and (iii) the support for the listing and financing of such eligible and qualified for-profit medical institutions invested by social capital.

Opinions on Encouraging Social Forces to Provide Multi-layered and Diverse Healthcare Services

Opinions on Encouraging Social Forces to Provide Multi-layered and Diverse Healthcare Services (關於支持社會力量提供多層次多樣化醫療服務的意見), which was promulgated by the General Office of the State Council on May 16, 2017, stipulates the policies to actively support social forces to go deep into the niche service market, such as specialized medical services, expand the effective supply of services, and foster professionalized advantages. Several competitive branded service agencies will be formed at a rapid pace for such specialties including but not limited to eye care, dentistry, and pediatrics.

Opinion on Promoting the Sustainable, Healthy and Regulated Development of Private Medical Institutions

The Opinion on Promoting the Sustainable, Healthy and Regulated Development of Private Medical Institutions (關於促進社會辦醫持續健康規範發展的意見), which was promulgated by the NHC and other departments on June 10, 2019, provides that the PRC Government aims to increase support to private medical institutions, including but not limited to expanding the development space and land supply, promoting the government procurement of services, implementing preferential tax policies, improving the efficiency of access approval, as well as further relaxing planning restrictions.

Opinions on Deepening the Reform of the Medical Insurance System

In order to solve the problem of unbalanced and insufficient growth of medical insurance, the CPC Central Committee and the State Council promulgated the Opinions on Deepening the Reform of the Medical Insurance System (中共中央、國務院關於深化醫療保障制度改革的意見) (the “**Medical Insurance System Opinions**”) on February 25, 2020, main opinions as follows: (i) improve the treatment guarantee mechanism; (ii) establish the robust and sustainable financing operation mechanism; (iii) establish the feasible and efficient medical

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insurance payment mechanism; and (iv) build the rigorous fund supervision mechanism. Based on the main opinions aforementioned, the Medical Insurance System Opinions mainly target on providing better guarantee for universal medical services shall be achieved.

Notice on Printing Guiding Principles for the Allocation Planning of Medical Institutions (2021-2025)

The Notice on Printing Guiding Principles for the Allocation Planning of Medical Institutions (2021-2025) (國家衛生健康委員會關於印發醫療機構設置規劃指導原則(2021-2025年)的通知), which was promulgated by the NHC on January 12, 2022, encourages the establishment of medical institutions by social capital and stipulates no planning restrictions on the total number and space for establishment of medical institution with social capital.

Opinions on Further Improving the Healthcare Service System

According to Opinions on Further Improving the Healthcare Service System of the General Office of the Communist Party of China Central Committee and the General Office of the State Council (中共中央辦公廳、國務院辦公廳關於進一步完善醫療衛生服務體系的意見) issued on March 23, 2023, the application of internet and artificial intelligence technologies are encouraged for continuously improving the process of providing healthcare services. Moreover, the document has also expressed the idea of perfecting the “Internet Plus” healthcare services and the development of “Internet Plus Healthcare” services by constructing an industrial online platform for the healthcare sector. It has also advocated for the application of the Internet, block chain, the Internet of Things, artificial intelligence, cloud computing, big data, and other technologies in the healthcare field, and the importance of strengthening the construction of a system for sharing, exchanging, and safeguarding health and medical big data.

Regulations on the administration and classification of medical institutions

Administrative Measures on Medical Institutions and its Implementation Measures

The Administrative Measures on Medical Institutions (醫療機構管理條例), which was promulgated on February 26, 1994 by the State Council and came into effect on September 1, 1994 and last amended on March 29, 2022, and the Implementation Measures of the Administrative Measures on Medical Institutions (醫療機構管理條例實施細則), promulgated by the Ministry of Health of the PRC (“MOH”) on August 29, 1994 and came into effect on September 1, 1994 and last amended on February 21, 2017 by the NHFPC, stipulate that any entity or individual that intends to establish a medical institution must comply with the relevant application and approval procedures and register with the relevant healthcare administrative authorities to obtain a Medical Institution Practicing License (醫療機構執業許可證). Medical institutions are classified into, among others, general hospitals, specialised hospitals, clinics and other diagnosis and treatment institutions and the setup of any medical institution shall be in compliance with the plan for setting up medical institutions and the basic standards for medical institutions.

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Notice on the Issuance of the Interim Measures for the Administration of Clinic Filing

The notice on the issuance of the Interim Measures for the Administration of Clinic Filing (關於印發《診所備案管理暫行辦法》的通知) was issued by the NHC and the SATCM on December 20, 2022, which stipulates that the establishment of a clinic by a unit or individual shall be reported to the health administrative department or the competent department of traditional Chinese medicine of the people's government at the county level where the clinic is to be set up for the record, and the practice activities can be carried out after obtaining the clinic filing certificate. Clinics that have obtained the Medical Institution Practicing License before the implementation of the aforementioned provisions shall directly put on record, and the transition time is one year.

Administrative Measures for the Verification of Medical Institutions (for Trial Implementation)

The Administrative Measures for the Verification of Medical Institutions (For Trial Implementation) (醫療機構校驗管理辦法(試行)), which was promulgated by the MOH and came into effect on June 15, 2009, stipulates that the Medical Institution Practicing License is subject to periodic examinations and verification by registration authorities. Verification period shall be three years for general hospitals, hospitals of traditional Chinese medicine, hospitals of western medicine and traditional Chinese medicine, hospitals of ethnic minority medicine and specialized hospitals, as well as sanitariums, rehabilitation hospitals, maternity and children's health care centers, emergency centers, clinical laboratories and specialized disease prevention institutions equipped with more than 100 beds, while the verification period shall be one year for other medical institutions. The conclusion of verification is "verification qualified (校驗合格)" or "deferred verification (暫緩校驗)". If the registration authority determines the conclusion is "verification qualified", it shall stamp the verification pass stamp on the copy of the Medical Institution Practicing License. If the conclusion is "deferred verification", the registration authority shall issue a rectification notice and give one to six months of deferred verification period according to the circumstances. In the event that a medical institution fails to apply for verification as required and post re-verification procedures or unsuccessful in its re-verification application, the registration authorities may cancel its Medical Institution Practicing License.

During the Track Record Period and up to the Latest Practicable Date, each of our medical institutions holding the Medical Institution Practising Licence had completed the verification process conducted by the relevant registration authorities within each verification period, which was three-year period for Wuhan Pleiades Children's Hospital and one-year period for other medical institutions, and the conclusion of such verifications was "verification qualified" without any material findings or post re-verification procedures.

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Opinions on Implementing Classification Administration of Urban Medical Institutions

The Opinions on Implementing Classification Administration of Urban Medical Institutions (關於城鎮醫療機構分類管理的實施意見), jointly promulgated by the MOH, SATCM, Ministry of Finance (the “MOF”) and National Development and Reform Commission (the “NDRC”) on July 18, 2000 and came into effect on September 1, 2000, provide that not-for-profit and for-profit medical institutions shall be classified based on their business objectives, service purposes and implementation of divergent financial, taxation, pricing and accounting policies.

Classification of Hospitals

The Basic Standard for Medical Institutions (For Trial Implementation) (醫療機構基本標準(試行)), the Measures for the Assessment of Healthcare Institutions (醫療機構評審辦法) and the Interim Measures for the Assessment of Hospitals (醫院評審暫行辦法), which was promulgated by the MOH on September 2, 1994, July 21, 1995 and September 21, 2011 respectively, stipulates that healthcare institutions in the PRC are graded into three levels (Class I, II and III) and three sub-levels (Grade A, B, C) based on the assessment of competent authorities. Under the hospital classification system, Class I general hospitals are general hospitals mainly serve grassroots areas such as communities and towns, with a capacity exceeding 20 registered beds but less than 100 and a few basic departments, Class II general hospitals are general hospitals affiliated with a medium size city, county or district with a capacity exceeding 100 registered beds but less than 500, typically responsible for providing comprehensive healthcare services and undertaking medical education and research on a regional basis, and Class III general hospitals are general hospitals at the city, provincial or national level with a capacity exceeding 500 registered beds, typically responsible for providing specialist healthcare services, performing a bigger role with regard to medical education and scientific research, and serving as medical hubs providing care to multiple regions. The assessment of Grades itself is not a requisite for a private for-profit healthcare institution of any Class to carry out its business.

Law on the Promotion of Basic Medical Care, Hygiene and Health

Pursuant to the Law on the Promotion of Basic Medical Care, Hygiene and Health (基本醫療衛生與健康促進法), which was released by the Standing Committee of the National People’s Congress (the “SCNPC”) on December 28, 2019 and came into effect on June 1, 2020, lawful registration and classified management for not-for-profit and for-profit medical institutions shall be implemented. Government-run medical institution shall not set up non-independent legal person medical institution with other organizations, or cooperate with social capital to establish for-profit medical institutions. It also provides that the government will take measures to encourage and guide social resources to set up medical institution, and such institution will enjoy similar benefits as government-run institution, in certain areas including basic medical insurance coverage, research and teaching, access to specific medical technologies, and title assessment of medical staff, etc.

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Provisions on the Administration of Radiological Diagnosis and Treatment

According to the Provisions on the Administration of Radiological Diagnosis and Treatment (放射診療管理規定), which were promulgated by the NHFPC on January 24, 2006, came into effect on March 1, 2006 and amended on January 19, 2016, medical institutions engaged in the radio diagnosis and radiotherapy shall be equipped with the conditions required for conducting radio diagnosis and radiotherapy, and apply for the Radiation Treatment License (放射診療許可證) issued by the competent health administrative authorities. After obtaining the Radiation Treatment License, medical institution shall undertake registration of the relevant diagnosis and treatment subject with health administrative and registration authorities, which issued the Medical Institution Practising License. Medical institutions shall not conduct radio diagnosis and radiotherapy if failing in obtaining License for radiotherapy or not registering the diagnosis and treatment subject. During the course of radiotherapy, medical institutions shall take protective measures in accordance with the relevant laws and regulations. Where a medical institution provides any services in relation to radiological diagnosis and treatment without obtaining a Radiation Treatment License, the relevant health administrative departments at or above the county level may issue a warning to the medical institution in violation and order the medical institution to take corrective measures within a prescribed time limit, and may impose a fine not exceeding RMB3,000 depending on the circumstances. If the violation is serious, the relevant health administrative departments have the power to revoke the medical institution's Medical Institution Practising License.

Regulations on the Safety and Protection of Radioisotopes and Radiation Devices and Measures for Administration of the Safety Licensing of Radioactive Isotopes and Radioactive Equipment

According to Regulations on the Safety and Protection of Radioisotopes and Radiation Devices (放射性同位素與射線裝置安全和防護條例), which were promulgated by the State Council on September 14, 2005, came into effect on December 1, 2005 and revised on July 29, 2014 and March 2, 2019, respectively, and Measures for Administration of the Safety Licensing of Radioactive Isotopes and Radioactive Equipment (放射性同位素與射線裝置安全許可管理辦法), which were promulgated by Ministry of Environmental Protection on January 18, 2006 and revised on December 6, 2008, December 20, 2017, August 22, 2019 and January 4, 2021 stipulate that any entity engaging in the production, sale or use of radioisotopes or radiation devices of different categories shall obtain a Radiation Safety License (輻射安全許可證). If any entity is engaged in the production, sale or use of radioisotopes or radiation devices without a Radiation Safety License, the relevant department of ecology and environment at or above the county level may order such entity to stop the violation and take corrective measures within a prescribed time limit. If the entity fails to take any corrective actions within the prescribed time limit, the entity may be ordered to suspend production or business operation. Further, if any income had been generated from such violation, such income shall be confiscated, and if such income amounts to RMB100,000 or above, a fine of one to five times of the amount of such income may be imposed; if no such income had been generated or such income is less than RMB100,000, a fine of RMB10,000 to RMB100,000 may be imposed.

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Regulations on the Aesthetic Medical Services

Administrative Measures for Aesthetic Medical Services

The Administrative Measures for Aesthetic Medical Services (醫療美容服務管理辦法), which was promulgated by the MOH on January 22, 2002, came into effect on May 1, 2002 and amended on February 13, 2009 and last amended by NHFPC and took effect on January 19, 2016, stipulates that aesthetic medical item shall be classified as first-level subject, aesthetic surgery, aesthetic dentistry, aesthetic dermatology and aesthetic Chinese medicine shall be classified as secondary subject. Aesthetic medical attending physicians (主診醫師) and personnel providing aesthetic medical nursing services shall meet relevant requirements.

Basic Standard for Aesthetic Medical Institution and Aesthetic Medical Department (For Trial Implementation)

The Basic Standard for Aesthetic Medical Institution and Aesthetic Medical Department (For Trial Implementation) (美容醫療機構、醫療美容科(室)基本標準(試行)), which was promulgated by the MOH on April 16, 2002 and came into effect on the same date, specifies basic standards that aesthetic medical hospitals, aesthetic medical out-patient departments, aesthetic medical clinics and aesthetic medical departments should meet, such as the number of beds, clinical departments and medical personnel. For each department in the aesthetic medical clinic, it shall have at least one attending physician and at least one nurse.

Classification Catalog of Aesthetic Medical Item

The Classification Catalog of Aesthetic Medical Item (醫療美容項目分級管理目錄), or the Classification Catalog, which was promulgated by the MOH on 11 December 2009 and came into effect on the same date, classifies aesthetic medical services into four categories: (i) aesthetic surgery items; (ii) aesthetic dentistry items; (iii) aesthetic dermatological items and (iv) aesthetic Chinese medicine items. Provincial-level counterparts of the MOH may adjust the catalog based on local circumstances.

Circular on Further Strengthening Comprehensive Regulatory Enforcement in the Aesthetic Medical Industry

On April 3, 2020, the General Office of NHC, the General Office of SAMR, among others, jointly promulgated the Circular on Further Strengthening Comprehensive Regulatory Enforcement in the Aesthetic Medical Industry (關於進一步加強醫療美容綜合監管執法工作的通知) effective as of the same date, which stipulate that medical beauty services shall be implemented by the attending physician or the practicing physician under the guidance of the attending physician in accordance with the registered medical beauty service items in the medical institutions that set up medical beauty related subjects. No organization or individual shall carry out medical beauty services without meeting the legal conditions. Medical beauty

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institutions shall purchase drugs and medical devices in enterprises with production and operation qualifications. Medical beauty advertisements belong to medical advertisements, and non-medical institutions shall not publish medical advertisements.

Guidelines on the Treatment of False Publicity and Illegal Pricing in the Aesthetic Medical Services Industry

On October 13, 2022, the Bureau of Price Supervision and Inspection and Anti-Unfair Competition of the State Administration for Market Regulation issued the Guidelines on the Treatment of False Publicity and Price Offences in the Aesthetic Medical Services Industry (醫療美容行業虛假宣傳和價格違法行為治理工作指引) (the “**Guidelines**”), to facilitate market supervision department to regulate the false publicity and illegal pricing behaviors of the aesthetic medical services industry in accordance with the Anti-Unfair Competition Law of the PRC (中華人民共和國反不正當競爭法), the Pricing Law of the PRC (中華人民共和國價格法) and other relevant provisions. According to the Guidelines, the business operators in the aesthetic medical services industry shall not, in business marketing, make false or misleading representations to deceive or mislead consumers, damage the rights and interests of consumers or other business operators, jeopardize the order of fair competition. Furthermore, it is stipulated in the Guidelines that the aesthetic medical services institutions should comply with the relevant pricing code of conduct in the provision of aesthetic medical services.

Guiding Opinions on Further Strengthening the Supervision of the Aesthetic Medical Industry

On April 3, 2023, the SAMR promulgated the Guiding Opinions on Further Strengthening the Supervision of the Aesthetic Medical Industry (關於進一步加強醫療美容行業監管工作的指導意見), which clearly stipulated that aesthetic medical service is a kind of medical activity, and the institutions shall not carry out aesthetic medical service without obtaining the Medical Institution Practicing License or Clinic Filing Certificate issued by the health administrative department in accordance with the law. And it emphasized comprehensive cross-departmental supervision that aesthetic medical diagnosis and treatment activities, aesthetic medical business activities, aesthetic medical medicine, medical devices and other matters involving multi-department supervision are included in the comprehensive regulatory priorities.

Regulations on the price of healthcare services and medicine

Notice of Issues Related to the Implementation of Market Price Adjustment by Non-Public Medical Institutions

According to the Notice of Issues Related to the Implementation of Market Price Adjustment by Non-Public Medical Institutions (關於非公立醫療機構醫療服務實行市場調節價有關問題的通知) promulgated and implemented on March 25, 2014 by NDRC, the NHFPC and the MOHRSS, the price of healthcare services provided by non-public medical institutions to be set with reference to the market level. Non-public medical institutions which are for-profit in nature may set the price list for their healthcare services at their own discretion. Non-public medical institutions which are non-profit in nature shall set the price list for their

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healthcare services according to the National Standard Price List of Healthcare Services (全國醫療服務價格項目規範). For non-public medical institutions qualified to become designated medical institutions covered by medical insurance, they should be included as a designated service providers covered by social insurance such as basic medical insurance for employees and urban residents, new-type rural cooperative medical insurance, work-related injury insurance and maternity insurance in accordance with relevant procedures and adopt the same payment policy as in public hospitals. To efficiently utilize funds, medical insurance agents should determine specific payment methods and standards with such non-public medical institution by ways of negotiation under the requirements of medical insurance payment system reform.

Notice on the Pilot Scheme for Deepening the Reform of Medical Service Price

The Pilot Scheme for Deepening the Reform of Medical Service Price (深化醫療服務價格改革試點方案), which was promulgated by the NHC, the NDRC and other relevant departments on August 25, 2021, stipulates that the medical services provided by non-public medical institutions shall implement the market price adjustment policy, and those included in the payment of medical insurance fund shall be managed according to the medical insurance agreement.

Regulations on Medical Insurance and Medical Liability Insurance for Urban Employees

According to the Interim Measures for the Administration of Medical Insurance Designated Healthcare Institutions and the Provision of Basic Medical Insurance for Urban Employees (城鎮職工基本醫療保險定點醫療機構管理暫行辦法), which was promulgated by the MOH, the Ministry of Labor and Social Security and the NATCM on May 11, 1999, and the Decision of the State Council on Canceling the First Batch of 62 Items Subject to Administrative Examination and Approval of Local Governments Designated by the Central Government (國務院關於第一批取消62項中央指定地方實施行政審批事項的決定), which was promulgated by the State Council on October 11, 2015 and the Guiding Opinions of MOHRSS on Improving the Management of Designated Medical Institutions and Pharmacies of Basic Medical Insurance through Agreements (人力資源社會保障部關於完善基本醫療保險定點醫藥機構協議管理的指導意見) promulgated by MOHRSS on December 2, 2015, and became effective on the same day, the license for qualifying a medical institution as a designated medical institution to provide medical service to urban employees with basic medical insurance was canceled. Agencies and the medical institutions should strictly comply with the stipulations in the service agreement and perform the agreement seriously. The defaulting party shall be held liable to the violations of the agreement.

Regulation of the Receiving of Medical Treatment Covered by the Basic Medical Insurance Away from Home

According to Notice on Further Strengthening the Regulation of the Receiving of Medical Treatment Covered by the Basic Medical Insurance Away From Home (關於進一步加強基本醫療保險異地就醫監管的通知), which was promulgated by the General Office of the MOHRSS

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on December 19, 2016 and became effective on the same day, handling agencies in all the regions under the overall planning shall include the receipt of medical treatment away from home into the agreement-based administration of medical institutions, making it an indicator for the assessment of medical institutions, detailing and improving the clauses of the agreements, specifying that the services and management regarding, among others, the selection of medical institutions, the recording of medical information, the monitoring of medical practices and the examination and the auditing of medical expenses which are offered to the persons receiving medical treatment away from home are the same as the one to the local insured, and protect the rights and interests of the persons receiving medical treatment away from home.

Regulations relating to the online medical services

Guiding Opinions of the State Council on Vigorously Advancing the “Internet Plus” Action

According to the Guiding Opinions of the State Council on Vigorously Advancing the “Internet Plus” Action (國務院關於積極推進「互聯網+」行動的指導意見) issued by the State Council on July 1, 2015, the new mode of online medical treatment and public health shall be promoted. It is imperative to develop online medical treatment and public health services based on the internet, support third-party institutions to build the service platforms for sharing medical information such as medical images, health archives, testing reports, electronic medical records and other medical information, and gradually set up the standard system for cross-hospital sharing and exchange of medical data. The mobile internet shall be vigorously used to provide online appointments for diagnosis and treatment, reminder of waiting for diagnosis, pricing and payment, inquiry about diagnosis and treatment reports, drug delivery and other convenient services. Medical institutions shall be guided in providing basic-level checkups, higher-level diagnosis and other long-distance medical care services to small and medium-sized cities and rural areas. Internet enterprises shall be encouraged to cooperate with medical institutions in establishing online medical information platforms, strengthen the integration of regional medical care and health service resources, make full use of the internet, big data and other means, and improve the capability to prevent and control major diseases and breaking public health events. Internet-extended doctor’s advice, electronic prescription and other internet medical care and health service applications shall be vigorously explored. Qualified medical inspection institutions and medical service institutions shall be encouraged to collaborate with internet enterprises to develop gene testing, disease prevention and other health service modes.

The Opinions on Promoting the Development of “Internet Plus Health Care”

In April 2018, the Opinions on Promoting the Development of “Internet Plus Health Care” (關於促進「互聯網+醫療健康」發展的意見) issued by the General Office of the State Council encouraged medical institutions to apply the internet and other information technologies to expand the space and content of health care services, build an online and offline integrated health care service model that covers the whole process of health care. Internet hospitals depending on medical institutions shall be allowed. Medical institutions may use internet

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hospitals as their secondary name and, based on the physical hospitals, use Internet technology to provide safe and appropriate health care services, allowing follow-up online subsequent visits for some common diseases and chronic diseases. After acquiring documents on the medical records of patients, physicians shall be allowed to write prescriptions online for some common diseases and chronic diseases. Medical institutions and qualified third-party institutions shall be supported in setting up Internet information platforms to provide telemedicine, health consultation, and health management services so as to promote the effective communication among hospitals, medical personnel, and patients.

Administration of Internet Diagnosis and Treatment (Trial) and Other Two Documents

On July 17, 2018, the NHC and the SATCM jointly promulgated three documents, including the Measures for the Administration of Internet Diagnosis and Treatment (Trial) (互聯網診療管理辦法(試行)), the Measures for the Administration of Internet Hospitals (Trial) (互聯網醫院管理辦法(試行)) and the Specifications for the Administration of Telemedicine Services (Trial) (遠程醫療服務管理規範(試行)). Pursuant to the Measures for the Administration of Internet Diagnosis and Treatment (Trial), internet diagnosis and treatment activities shall be provided by the medical institutions that have obtained a “Medical Institution Practicing License,” and such medical institution shall file an application for practicing registration of Internet diagnosis and treatment activities with the authority issuing the Medical Institution Practicing License if it intends to carry out Internet diagnosis and treatment activities. Where the application is accepted, registration shall be conducted, and “Internet diagnosis and treatment” shall be added to the service mode in the duplicate of the Medical Institution Practicing License. The Internet-based diagnosis and treatment activities carried out by a medical institution shall be consistent with its diagnosis and treatment subjects. Physicians and nurses carrying out internet diagnosis and treatment activities shall be able to be found in the national electronic registration system of physicians and nurses.

Pursuant to the Measures for the Administration of Internet Hospitals (Trial), “internet hospitals” include: (a) internet hospitals as the second name of physical medical institutions, and (b) internet hospitals that are independently established by relying on the physical medical institutions. When a patient does not receive medical treatment in a physical medical institution, a physician may only provide subsequent visits for a patient of some common diseases and chronic diseases through the Internet hospital. Internet hospitals may provide contract signing for family doctors. When diagnosis and examination need to be conducted by medical staff members in the event of change in the disease of a patient, the medical institution and its medical staff members shall immediately stop Internet diagnosis and treatment activities and direct patients to receive medical treatment in a physical medical institution. Internet hospitals who provide internet diagnosis and treatment activities shall strictly comply with the Measures for the Administration of Prescriptions and other provisions on the administration of prescriptions (處方管理辦法). Before issuing a prescription online, the physician shall have the patient’s medical records and issue a prescription online for a same disease diagnosed after confirming that the patient is specifically diagnosed in a physical medical institution to have a common disease or chronic disease or several common diseases or chronic diseases.

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Rules on the Supervision of Internet Diagnosis and Treatment (Trial)

On February 8, 2022, the NHC and the SATCM jointly promulgated the Rules on the Supervision of Internet Diagnosis and Treatment (Trial) (互聯網診療監管細則(試行)), which applies to regulating the internet diagnosis and treatment activities carried out by medical institutions in accordance with the Measures for the Administration of Internet Diagnosis and Treatment (Trial) (互聯網診療管理辦法(試行)) and the Measures for the Administration of Internet Hospitals (Trial) (互聯網醫院管理辦法(試行)). Pursuant to such rules, physicians who practice internet diagnosis and treatment activities at internet hospitals other than their main institutions of practice shall file Multi-site Practice Registration/Filing. A medical institution shall conduct real-name verification for the medical staff members carrying out internet diagnosis and treatment activities.

Regulations on the Supervision over pharmaceuticals and medical devices in medical Institutions

Measures for the Supervision and Administration of Pharmaceuticals in Medical Institutions (for Trial Implementation)

The Measures for the Supervision and Administration of Pharmaceuticals in Medical Institutions (for Trial Implementation) (醫療機構藥品監督管理辦法(試行)), promulgated by China Food and Drug Administration (the “CFDA”) and came into effect on October 11, 2011, stipulate that medical institutions must purchase pharmaceuticals from enterprises qualified for the production or distribution of pharmaceuticals and comply with certain standards in respect of the storage, dispensation and use of such pharmaceuticals. Pharmaceutical preparation dispensed by a medical institution must only be used by and for that medical institution. Medical institutions are prohibited from selling prescription pharmaceuticals to the public by such means as post, online transaction and open-shelf selection.

Prescription Management

According to the Administrative Measures for Prescriptions (處方管理辦法), which was promulgated by the MOH on February 14, 2007 and came into effect on May 1, 2007, a registered medical practitioner is entitled to issue prescriptions at his registered practice location. The Measures for the Classification and Administration of Prescription Pharmaceuticals and Non-prescription Pharmaceuticals (For Trial Implementation) (處方藥與非處方藥分類管理辦法(試行)), which were promulgated by CFDA on June 18, 1999 and came into effect on January 1, 2000, set forth different systems for the control of prescription and non-prescription drugs. Medical institutions can decide or recommend the use of nonprescription pharmaceuticals with regard to medical necessary.

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Regulations on the Administration of Narcotic Drugs and Psychotropic Drugs

According to the Regulations on the Administration of Narcotic Drugs and Psychotropic Drugs (麻醉藥品和精神藥品管理條例), which was promulgated by the State Council on August 3, 2005, amended on December 7, 2013, February 6, 2016 and December 6, 2024, and came into effect on January 20, 2025, any medical institution needs to use narcotic drugs and the psychotropic drugs of category I shall be subject to the approval of the competent department of health, and obtain the seal card for purchasing narcotic drugs and the psychotropic drugs of category I (麻醉藥品、第一類精神藥品購用印鑒卡).

Administrative Measures on Internet Drug Information Services

Pursuant to the Administrative Measures on Internet Drug Information Services (互聯網藥品信息服務管理辦法) promulgated by the NMPA on July 8, 2004 and amended on November 17, 2017, the Internet drug information services, i.e. provision of information of drugs and medical devices through the Internet, are classified into commercial Internet drug information services and non-commercial Internet drug information services. The competent food and drug authority reviews the website operated by an entity that applies for providing Internet drug information services and issues the Internet Drug Information Service Certificate to such entity once meets the requirements.

The Law of the PRC on Maternal and Infant Healthcare and its Implementation Measures, the Management Measures of Special Technology Services Licensing and Personnel Qualification of Maternal and Infant Care

According to the Law of PRC on Maternal and Infant Healthcare (中華人民共和國母嬰保健法), which was promulgated by the SCNPC on October 27, 1994 and last revised on November 4, 2017 and its Implementation Measures (中華人民共和國母嬰保健法實施辦法), which was promulgated by the State Council on June 20, 2001, and last revised on July 20, 2023 and the Management Measures of Special Technology Services Licensing and Personnel Qualification of Maternal and Infant Care (母嬰保健專項技術服務許可及人員資格管理辦法), which was promulgated by the NHC on August 7, 1995 and last revised on January 8, 2021, medical institutions carry out pre-marital medical examination, genetic disease diagnosis and pre-natal diagnosis, ligation operations and operations for termination of gestation must be approved by health administrative authorities at various levels in accordance with regulations and obtain relevant qualification certificates.

Regulations on Supervision and Administration of Medical Devices

In the PRC, medical devices are classified into three different categories, Class I, Class II and Class III, based on the invasiveness of and risks associated with each medical device. Class I medical devices refer to those devices with low risks and whose safety and effectiveness can be ensured through routine administration. Class II medical devices refer to those devices with moderate risks and whose safety and effectiveness shall be strictly controlled and administered. Class III medical devices refer to those devices with relatively

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high risks and whose safety and effectiveness must be strictly controlled and administered with special measures. According to the Regulations on Supervision and Administration of Medical Devices (醫療器械監督管理條例) promulgated by the State Council on January 4, 2000 and lastly amended on December 6, 2024 and came into effect on January 20, 2025, to engage in the operation of Class II medical devices, an operating enterprise shall make a record-filing with the municipal level drug supervision and administration department, while to engage in the operation of Class III medical devices, an operating enterprise shall apply for the of Medical Devices Operation License (醫療器械經營許可證) to the municipal level drug supervision and administration department.

Measures for the Supervision and Administration of Medical Devices Operation

Pursuant to the Measures for the Supervision and Administration of Medical Devices Operation (醫療器械經營監督管理辦法) which were promulgated on July 30, 2014 and amended on November 17, 2017 and March 10, 2022, an enterprise engaging in the operation of medical devices shall have business premises and storage conditions suitable for the operation scale and scope and shall have quality control department or personnel suitable for the medical devices it operates. An enterprise engaged in the operation of Class I medical devices is not required for license or record filing, the operation of Class II medical devices shall file with the municipal level drug supervision and administration department and provide proofing materials for satisfying the relevant conditions of engaging in the operation of medical devices, while an enterprise engaged in the operation of Class III medical devices shall apply for a Medical Devices Operation License to the municipal level drug supervision and administration department and provide proofing materials for satisfying the relevant conditions of engaging in the operation of such medical devices. Where matters stated on the Medical Devices Operation License of a Class III medical device operator change, or the business premises, mode of operation, business scope and warehouse addresses of a Class II medical device operator change, the operator shall apply to the competent drug supervision and administration department for filing of the change in a timely manner. The classification of specific medical devices is stipulated in the Medical Device Classification (醫療器械分類目錄), which was issued on August 31, 2017 and recently amended on August 15, 2023. Pursuant to the Medical Device Classification, the RF treatment instrument and RF skin treatment instrument products are included in the management system of Class III medical devices.

Laws and regulations on medical personnel of healthcare institutions

Law on Doctors of the PRC

The Law on Medical Practitioners of the PRC (中華人民共和國執業醫師法) promulgated by the SCNPC on June 26, 1998 was repealed by the Law on Doctors of the PRC (中華人民共和國醫師法), which was issued by the SCNPC on August 20, 2021 and came into effective on March 1, 2022. The Law on Doctors of the PRC provides that physicians in the PRC, including licensed physicians and licensed assistant physicians, must obtain qualification certificates for their medical profession. Qualified physicians and qualified assistant physicians must register with the competent health authorities at or above the county level. After

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registration, physicians may practice in medical institutions at their registered location and under the category and scope of practice as registered and engage in the corresponding medical and health services. On February 28, 2017, the NHFPC promulgated the Administrative Measures for the Registration of Medical Practitioners (醫師執業註冊管理辦法) (the “**Medical Practitioners Registration Measures**”), which became effective on April 1, 2017, further stipulate that medical practitioners shall obtain the Practicing Certificate to practise upon registration and provide in detail the requirements and procedures for the registration and the modifications to be made to such registration upon occurrence of certain prescribed circumstances.

Several Opinions on Accelerating the Development of Medical Institutions with Social Capital and Several Opinions on Promoting and Standardising Multi-Institution Practice of Medical Practitioners

Several Opinions on Accelerating the Development of Medical Institutions with Social Capital (關於加快發展社會辦醫的若干意見), promulgated on December 30, 2013 by the NHFPC and the SATCM, specifically stipulate that multi-institution practices of medical practitioners shall be permitted and relevant authorities should permit the orderly movements of the medical personnel among medical institutions of various sponsorships. The Several Opinions on Promoting and Standardising Multi-Institution Practice of Medical Practitioners (關於印發推進和規範醫師多點執業的若干意見的通知), jointly issued by the NHFPC, the NDRC, the Ministry of Human Resources and Social Security, the SATCM and the China Insurance Regulatory Commission on November 5, 2014, stipulate that the clinical, dental and traditional Chinese medicine practitioners are allowed to practise in multiple places. According to the Medical Practitioners Registration Measures, for any other institution in which the medical practitioner intends to practise, such medical practitioner shall apply to the health administrative authority for approval on the practice of such institution for separate registration, in which the name of such institution shall be indicated.

Interim Administrative Measures on Foreign physicians’ Short-term Medical Practice in China

According to the Interim Administrative Measures on Foreign physicians’ Short-term Medical Practice in China (外國醫師來華短期行醫暫行管理辦法), promulgated by the MOH on October 7, 1992, became effective on January 1, 1993 and amended on November 28, 2003 and revised by the NHFPC on January 19, 2016, foreign doctors practicing medicine in China must be registered and obtain the Temporary License for Foreign Physician to Practice Medicine in PRC (外國醫師短期行醫許可證).

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Regulations on Nurses

The Regulations on Nurses (護士條例), promulgated by the State Council on January 31, 2008 and came into effect on May 12, 2008 and amended on March 27, 2020, provide that a nurse must obtain a Nurse's Practicing Certificate (護士執業證書), which is valid for five years. The number of nurses on duty at a healthcare institution shall not be less than the standard number as prescribed by the public health administrative authority of the State Council.

Administrative Measures for the Registration of Practising Nurses

Pursuant to the Administrative Measures for the Registration of Practising Nurses (護士執業註冊管理辦法) promulgated by the MOH on May 6, 2008, became effective on May 12, 2008 and amended by the NHC on January 8, 2021, nurses must register and obtain the Nurse Practising Certificate (護士執業證書) before they practise nursing at the registered practising place. Those who are not registered or have not obtained the Nurse Practising Certificate are not allowed to engage in nursing activities regulated by medical treatment standards.

Laws and regulations on medical malpractice

Civil Code of the PRC

The Civil Code of the People's Republic of China (民法典), which was promulgated by the National People's Congress on May 28, 2020 and became effective on January 1, 2021, requires that, if a healthcare institution or its medical personnel are at fault for damage inflicted on a patient during the course of diagnosis and treatment, the healthcare institution will be liable for compensation. Healthcare institutions and their medical personnel should protect the privacy and personal information of their patients. Whoever divulges the patients' private or personal information or discloses medical records without consent shall bear tortious liability.

Regulations on Handling Medical Malpractice

The Regulations on Handling Medical Malpractice (醫療事故處理條例), which was promulgated by the State Council on April 4, 2002 and came into effect on September 1, 2002, provides a legal framework and detailed provisions regarding the prevention, technical identification, disposition, supervision, compensation and penalties of medical malpractice. For the purpose of the Regulation, medical malpractice refers to an accident involving personal injury to patients caused by medical institutions or medical personnel due to malpractice as a result of violation of the laws, administrative regulations or departmental rules on medical and health administration, or of standards or procedures of medical treatment.

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Regulations on Prevention and Handling of Health Care Disputes

Regulations on Prevention and Handling of Health Care Disputes (醫療糾紛預防和處理條例), which was promulgated by the State Council on July 31, 2018 and came into effect on October 1, 2018, provides a legal mechanism formulated in a bid to prevent and properly handle health care disputes.

Regulations on Medical Advertising in the PRC

Advertisement Law of the PRC

The Advertisement Law of the PRC (中華人民共和國廣告法) (the “**Advertisement Law**”), which was promulgated by the SCNPC on October 27, 1994 and came into effect on February 1, 1995 and further amended on April 24, 2015 and October 26, 2018 and April 29, 2021, provides that advertisements shall not contain false statements and be deceitful or misleading to consumers. Advertisements legally required to receive censorship, including those that are relating to pharmaceuticals and medical devices, shall be reviewed by relevant authorities in accordance with relevant rules before being published.

Administrative Measures for Online Advertising

The Administrative Measures for Online Advertising (互聯網廣告管理辦法) (the “**Internet Advertising Measures**”) regulating Internet-based advertising activities were promulgated by the SAMR on February 25, 2023 and became effective on May 1, 2023. According to the Internet Advertising Measures, Internet advertisers shall ensure the authenticity of their advertisements and shall not publish or circulate advertisements that interfere with the normal use of the Internet by users. In addition, the Internet Advertising Measures prohibit the use of fraudulent means that induces users to click on advertisements and the attachment of advertisements or advertising links in emails without permission.

Administrative Measures on Medical Advertisement

The Administrative Measures on Medical Advertisement (醫療廣告管理辦法), jointly promulgated by the SAIC and the MOH on September 27, 1993, took effect on December 1, 1993, amended on November 10, 2006 and came into effect on January 1, 2007, require that medical advertisements shall be reviewed by relevant health authorities and obtain a Medical Advertisement Examination Certificate (醫療廣告審查證明) before they may be released by a healthcare institution. Medical Advertisement Examination Certificate has an effective term of one year and may be renewed upon application.

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Regulations on environmental protection related to healthcare institutions

Environmental Protection Law of PRC and Environmental Impact Assessment Law of PRC

Pursuant to the Environmental Protection Law of PRC (中華人民共和國環境保護法) promulgated by the SCNPC on December 26, 1989 and became effective on the same day, amended on April 24, 2014 and became effective on January 1, 2015, the waste discharge licensing system has been implemented in the PRC and entities that discharge medical sewage to water bodies directly or indirectly shall obtain a waste discharge license.

Furthermore, installations for the prevention and control of pollution at a construction project must be designed, built and commissioned together with the principal part of the project. According to the Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例) promulgated by the State Council on November 29, 1998 and amended on July 16, 2017 and effective on October 1, 2017, and the Environmental Impact Assessment Law of PRC (中華人民共和國環境影響評價法) promulgated by the SCNPC on October 28, 2002, became effective on September 1, 2003 and amended on July 2, 2016 and December 29, 2018, the State implements administration by classification on the environmental impact of construction projects according to the level of impact on the environment. The construction entity shall prepare an environmental impact report, or an environmental impact form or complete an environmental impact registration form (the “Environmental Impact Assessment Documents”) for reporting and filing purpose. If the Environmental Impact Assessment Documents of a construction project have not been reviewed by the approving authority in accordance with the law or have not been granted approval after the review, the construction entity is prohibited from commencing construction works.

Administrative Measures for Pollutant Discharge Licensing

Regulation on the Administration of Pollutant Discharge Licensing (排污許可管理條例), which was promulgated by the State Council on January 24, 2021 and took effect on March 1, 2021, and the Administrative Measures for Pollutant Discharge Licensing (排污許可管理辦法), which was promulgated by the Ministry of Ecology and Environment on April 1, 2024, and became effective on July 1, 2024, stipulate that the enterprises, public institutions and other production operators (hereinafter referred to as the “pollutant discharge entities”) included in the classified management catalog of pollutant discharge permits for stationary sources of pollution shall apply for and obtain a pollutant discharge permit as per the prescribed time limit; and those are not included in the catalog are not required to do so for the time of being.

Pursuant to the Classified Management Catalogue of Pollutant Discharge Permits for Stationary Sources of Pollution (2019 Edition) (固定污染源排污許可分類管理名錄(2019年版)), which was promulgated by the Ministry of Ecology and Environment on December 20, 2019 and became effective on the same day, a pollutant discharge entity subject to registration management is not required to apply for a pollutant discharge permit. It shall fill in the

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pollutant discharge registration form on the management information platform of state pollutant discharge permits, and register with its basic information, pollutant discharge route, pollutant discharge standards implemented, pollution prevention and control measures adopted, and other information.

Regulations on the Management of Medical Waste and its Implementation Measures

The Regulations on the Management of Medical Waste (醫療廢物管理條例), promulgated by the State Council on June 16, 2003 and came into effect on the same day and further amended and came into effect on January 8, 2011, and the Implementation Measures for the Management of Medical Waste of Medical and Health Institutions (醫療衛生機構醫療廢物管理辦法), promulgated by the MOH on October 15, 2003 and came into effect on the same day, stipulate that healthcare institutions must categorise the medical waste in accordance with the Classified Catalogue of Medical Waste (醫療廢物分類目錄) for management purpose and timely deliver medical waste to a medical waste disposal entity approved by the environmental protection administrative department at or above the county level for centralised disposal.

Regulations on Urban Drainage and Sewage Treatment

The Regulations on Urban Drainage and Sewage Treatment (城鎮排水與污水處理條例), which were promulgated by the State Council on October 2, 2013 and came into effect on January 1, 2014, require that urban entities and individuals shall dispose sewage through urban drainage facilities covering their geographical area in accordance with relevant rules. Companies or other entities engaging in medical activities shall apply for a Sewage Disposal Drainage License (污水排入排水管網許可證) before disposing sewage into urban drainage facilities. Sewage-disposing entities and individuals shall pay sewage treatment fee in accordance with relevant rules.

Fire prevention design and acceptance

The Fire Prevention Law of the PRC (中華人民共和國消防法) (the “**Fire Prevention Law**”), was promulgated on April 29, 1998, then became effective on September 1, 1998 and last amended on April 29, 2021. According to the Fire Prevention Law, for special construction projects stipulated by the housing and urban-rural development authority of the State Council, the developer shall submit the fire safety design documents to the housing and urban-rural development authority for examination, while for construction projects other than those stipulated as special development projects, the developer shall, at the time of applying for the construction permit or approval for work commencement report, provide the fire safety design drawings and technical materials which satisfy the construction needs.

According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (建設工程消防設計審查驗收管理暫行規定) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC on April 1, 2020, then became effective on June 1, 2020 and last amended on August 21, 2023 and became

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effective on October 30, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system should be applied.

Regulations on Cybersecurity

Cybersecurity Law

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the PRC (中華人民共和國網絡安全法) (“**Cybersecurity Law**”), which became effective on June 1, 2017 and was amended on October 28, 2025, and will become effective on January 1, 2026. The Cybersecurity Law requires network operators to comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. The Cybersecurity Law further requires network operators to take all necessary measures in accordance with applicable laws, regulations and compulsory national standards to safeguard the safe and stable operation of the networks, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

Cybersecurity Review Measures

On December 28, 2021, the Cyberspace Administration of China (the “**CAC**”), and other related authorities promulgated the Cybersecurity Review Measures (2021) (網絡安全審查辦法(2021年)), which became effective on February 15, 2022. The Cybersecurity Review Measures proposes the following key matters: (i) the network platform operators who are engaged in data processing are subject to the regulatory scope; (ii) the China Securities Regulatory Commission (the “**CSRC**”) is included as one of the regulatory authorities for purposes of jointly establishing the state cybersecurity review working mechanism; (iii) the network platform operators holding personal information of more than one million users and seeking a listing in foreign countries shall file for cybersecurity review with the Cybersecurity Review Office; and (iv) the purchase of network products and services by critical information infrastructure operator (“the **CIIO**”), which affects or may affect national security, shall be subject to cybersecurity review in accordance with the present Measures.

Regulations on the Administration of Cyber Data Security

On September 24, 2024, the State Council published the Regulations on the Administration of Cyber Data Security (網絡數據安全管理條例) (the “**Data Security Regulations**”) and took effect on January 1, 2025, which regulates the specific requirements in respect of the data processing activities conducted by data processors through internet in the view of personal data protection, important data safety, data cross-broader safety management and obligations of internet platform operators.

Measures for Data Cross-border Transfer Security Assessment

On July 7, 2022, the CAC promulgated the Measures for Data Cross-border Transfer Security Assessment (數據出境安全評估辦法), which became effective on September 1, 2022. On February 22, 2023, the CAC promulgated the Measures on Standard Contract for Outbound Transfer of Personal Information (個人信息出境標準合同辦法) which took effect on June 1, 2023. Following those two measures, on March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-border Data Flows (促進和規範數據跨境流動規定), which took effect on the same day. The Provisions on Facilitating and Regulating Cross-border Data Flows optimized and reshaped the regulatory regime of the outbound transfer of data by adjusting the applicable scope of the outbound data transfer mechanisms as set forth by the previous measures. According to the Provisions on Facilitating and Regulating Cross-border Data Flows, a data handler that is not a critical information infrastructure operator, will be exempted from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal protection certification (together, the **“Outbound Data Transfer Mechanisms”**), if such data handler accumulatively transfers overseas ordinary personal information of less than 100,000 individuals since the January 1 of the current year. The outbound transfer of personal information under certain special scenarios, such as cross-border HR management, will be also exempted from any of the Outbound Data Transfer Mechanisms. Under the Provisions on Facilitating and Regulating Cross-border Data Flows, the currently applicable scope of the Outbound Data Transfer Mechanisms is as follows:

- A data handler shall declare security assessment for its outbound data transfer to the CAC through the online system designated by CAC for transferring data overseas under any of the following circumstances: (i) where a data handler provides important data overseas; (ii) where a critical information infrastructure operator transfers personal information overseas; (iii) where a data handler has accumulatively provided overseas ordinary personal information of 1 million or more individuals or sensitive personal information of 10,000 or more individuals since January 1 of the current year.
- A data handler that is not a critical information infrastructure operator, shall sign standard contract with overseas recipient and file for record through the online system designated by CAC or passing the personal information certification conducted by the approved certification agency if its outbound transfer of personal information falls under any of the following circumstances: (i) where a data handler has accumulatively provided overseas ordinary personal information of 100,000 or more but less than 1 million individuals since January 1 of the current year; (ii) where a data handler has accumulatively provided overseas sensitive personal information of less than 100,000 individuals since January 1 of the current year.

The Data Security Law of the PRC

The Data Security Law of the PRC (中華人民共和國數據安全法), promulgated by the SCNPC on June 10, 2021, which came into effective on September 1, 2021. The Data Security Law clarifies the scope of data to cover a wide range of information records generated from all aspects of production, operation and management of government affairs and enterprises in the process of the gradual transformation of digitalization, and requires that data collection shall be conducted in a legitimate and proper manner, and the theft or illegal collection of data is not permitted. Data processors shall establish and improve whole-process data security management rules, organize and implement data security training and take appropriate technical measures and other necessary measures to protect data security. In addition, data processing activities shall be conducted on the basis of the graded protection system for cybersecurity. Monitoring of data processing activities shall be strengthened, and remedial measures shall be taken immediately in case of discovery of risks regarding data security related defects or bugs. In case of data security incidents, responsive measures shall be taken immediately, and disclosure to users and report to the competent authorities shall be made in a timely manner.

Regulations Relating to Generative Artificial Intelligence Services

On July 10, 2023, the Cyberspace Administration of China (the “CAC”) promulgated the Interim Measures for the Management of Generative Artificial Intelligence Service (《生成式人工智能服務管理暫行辦法》) (the “AI Measures”), effective on August 15, 2023. The AI Measures impose compliance requirements for providers of generative artificial intelligence services (the “AI Providers”) to the general public within the territory of PRC. The AI Measures provide, among other things, that AI Providers of text, image, audio or video to the general public shall (i) assume the responsibilities as the producers of the AI-generated content thereon, and (ii) any AI Providers with attribute of public opinions or capable of social mobilization shall conduct security assessment, and complete the formalities for algorithm filing, change or deregistration in accordance with the relevant regulations. In addition, on February 29, 2024, the National Technical Committee on Cybersecurity of Standardization Administration of China promulgated the Basic Security Requirement for Generative Artificial Intelligence Service (《生成式人工智能服務安全基本要求》) as a supporting document for AI Measures. If any AI Providers violates the relevant compliance requirements, the competent authorities may require such AI Providers to cease providing generative artificial intelligence services or impose other administrative penalties on such AI Providers.

Civil Code of the PRC

The Civil Code of the PRC (中華人民共和國民法典) was issued on May 28, 2020 and took effect on January 1, 2021, which provides that personal information of natural persons is protected by law. Any organization or individual who needs to obtain the personal information of others, shall obtain and ensure information security in accordance with the law, shall not illegally collect, use, process, transmit personal information of others, shall not illegally trade, provide or disclose the personal information of others.

Personal Information Protection Law of the PRC

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the PRC (中華人民共和國個人信息保護法) (the “**Personal Information Protection Law**”), which came into effect on November 1, 2021. The law aims to protect the rights and interests of personal information and regulate the processing of personal information. The Personal Information Protection Law stipulates certain important concepts with respect to personal information processing: (i) “personal information” refers to all kinds of information related to identified or identifiable natural persons recorded by electronic or other means, excluding the information processed anonymously; (ii) “processing of personal information” includes the collection, storage, use, processing, transmission, provision, disclosure and deletion, etc. of personal information; and (iii) “personal information processor” refers to an organization or individual that independently determines the purpose and method of the processing in the processing of personal information. Except as otherwise provided in the Personal Information Protection Law, a personal information processor may only process personal information under the circumstances where the relevant individuals’ consents have been obtained or where certain contractual arrangements, employment relationships, public emergencies, performance of statutory duties or obligations or publishing of press release for public interests require so. Pursuant to the Ninth Amendment to the Criminal Law of the PRC (中華人民共和國刑法修正案(九)), issued by the SCNPC in August 2015, which became effective in November 2015, persons or organizations who sell or provide personal information of citizens to others or obtain personal information in violation of relevant national provisions and circumstances is serious, shall subject to criminal penalty. In addition, on May 8, 2017, the Supreme People’s Court and the Supreme People’s Procuratorate issued the Interpretations on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens’ Personal Information (最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋), which became effective on June 1, 2017 and defines the scope of personal under the Criminal Law of the PRC and clarifies other issues relevant to the criminal offense of infringement of personal information.

Administrative Measures for the Cybersecurity of Medical and Healthcare Institution

On August 8, 2022, the NHC, SATCM, and National Bureau of Disease Control and Prevention jointly promulgated the Administrative Measures for the Cybersecurity of Medical and Healthcare Institution (醫療衛生機構網絡安全管理辦法) with immediate effect. Administrative Measures for the Cybersecurity of Medical and Healthcare Institutions require full life-cycle management of cyber security and data security, including but not limited to strengthening system construction, implementing daily network maintenance and monitoring, conducting annual self-inspection and rectification, and classifying and grading data assets.

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Regulations for Medical Institutions on Medical Records Management

Pursuant to the Regulations for Medical Institutions on Medical Records Management (2013 Version) (醫療機構病歷管理規定(2013年版)) released by the NHFPC and the SATCM on November 20, 2013, and effective from January 1, 2014, the medical institutions and medical practitioners shall strictly protect the privacy information of patients, and any leakage of patients' medical records for non-medical, non-teaching or non-research purposes is prohibited.

Measures for Administration of Population Health Information (for Trial Implementation)

The NHFPC issued the Measures for Administration of Population Health Information (for Trial Implementation) (人口健康信息管理辦法(試行)) on May 5, 2014, which refers the medical health service information as the population healthcare information, and emphasizes that such information cannot be stored in offshore servers, and the offshore servers shall not be hosted or leased.

Management Measures of Standards, Safety and Service of National Health and Medical Big Data (for Trial Implementation)

Pursuant to the Management Measures of Standards, Safety and Service of National Health and Medical Big Data (for Trial Implementation) (國家健康醫療大數據標準、安全和服務管理辦法(試行)), promulgated by the NHC on July 12, 2018, the medical institutions should establish relevant safety management systems, operation instructions and technical specifications to safeguard the safety of healthcare big data generated in the process of health management service or prevention and cure service of diseases. And it also stipulates that such healthcare big data should be stored in onshore servers and shall not be provided overseas without safety assessment.

Decision on Strengthening the Protection of Online Information, Provisions on Protection the Personal Information of Telecommunication and Internet Users and Scope of Necessary Personal Information for Common Types of Mobile Internet Applications

Pursuant to the Decision on Strengthening the Protection of Online Information (關於加強網絡信息保護的決定), issued by the SCNPC in December 2012, and the Provisions on Protection the Personal Information of Telecommunication and Internet Users (電信和互聯網用戶個人信息保護規定), issued by the MIIT in July 2013, any collection and use of any user personal information must be subject to the consent of the user, and abide by the applicable law, rightfulness and necessity of the business and fall within the specified purposes, methods and scopes in the applicable laws. In addition, the CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the Notice on Promulgation of the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (常見

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類型移動互聯網應用程序必要個人信息範圍規定) in March 2021, effective from May 1, 2021, specifying that the operator of an internet application shall not refuse an user to use the App's basic functional services on the ground that the user disagree with the collection of unnecessary personal information.

Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps

On January 23, 2019, the Office of the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security, and the SAMR jointly issued the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps (關於開展App違法違規收集使用個人信息專項治理的公告), which underlines that App operators shall, by following the principles of lawfulness, legitimacy and necessity, not collect personal information that is not related to the services provided; when collecting personal information, they shall display the rules for the collection and use of personal information in an easy-to-understand, simple and clear manner, and personal information subjects shall independently choose and give consent; they shall not force the users to make authorization in the forms of default, bundling, stopping installation and use, etc., and may not collect personal information in violation of laws and regulations or against the agreements with users.

Measures to Identify Illegal Collection and Usage of Personal Information by Apps

On November 28, 2019, the CAC, MIIT, the Ministry of Public Security and SAMR jointly issued the Measures to Identify Illegal Collection and Usage of Personal Information by Apps (App違法違規收集使用個人信息行為認定方法), which lists six types of activities as illegal collection and usage of personal information, including “not publishing rules on the collection and usage of personal information” and “not providing privacy rules.”

Notice on Carrying out the Filing of Mobile Internet Applications

On July 21, 2023, the Ministry of Industry and Information Technology issued the Notice on Carrying out the Filing of Mobile Internet Applications (關於開展移動互聯網應用程序備案工作的通知), requiring APP operator engaged in Internet information services within the territory of the People's Republic of China to complete filing formalities in accordance with the Anti-Telecommunications Network Fraud Law of the People's Republic of China (中華人民共和國反電信網絡詐騙法) and the Measures for the Administration of Internet Information Services (互聯網信息服務管理辦法). App operator shall complete filing formalities with the provincial-level communications administration bureau where they are domiciled, and their network access service providers and app distribution platforms (including the distribution platforms of mini programs, quick applications and others) shall submit such applications online for inspection and review through the “National Internet Basic Resources Management System (國家互聯網基礎資源管理系統)”.

Laws and regulations related to intellectual property rights

Trademark

Pursuant to the Trademark Law of the PRC (中華人民共和國商標法) which became effective on March 1, 1983, and last amended on April 23, 2019 and took effect on November 1, 2019, and the Regulation for the Implementation of Trademark Law of the PRC (中華人民共和國商標法實施條例) which became effective on September 15, 2002 and was amended on April 29, 2014 and took effect on May 1, 2014, the Trademark Office of the administrative department for industry and commerce under the State Council is responsible for the registration and administration of trademarks in the PRC. A trademark registrant enjoys an exclusive right to the trademark. A trademark registrant may, by entering into a trademark licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licensor shall report the license to the Trademark Office for recordation, and the Trademark Office shall publish the same. An unrecorded license may not be used as a defence against a third party in good faith.

Domain Names

On June 18, 2019, the China Internet Network Information Centre (the “CNNIC”) issued the Implementing Rules for the Registration of National Top-level Domain Names (國家頂級域名註冊實施細則) which took effect on June 18, 2019 setting forth the detailed rules for registration of domain names. Pursuant to the Measures for the Administration of Internet Domain Names (互聯網域名管理辦法) promulgated on August 24, 2017 and became effective on November 1, 2017, registration of domain name shall follow the principle of “first apply, first register”.

Copyright Law of the PRC and Measures for the Registration of Computer Software Copyright

The Copyright Law of the PRC (中華人民共和國著作權法), which was promulgated by the SCNPC on September 7, 1990, came into effect on June 1, 1991 and was amended on October 27, 2001, February 26, 2010 and November 11, 2020, specifies that works of Chinese citizens, legal persons or other organizations, including literature, art, natural sciences, social sciences, engineering technologies and computer software created in writing or oral or other forms, whether published or not, shall enjoy the copyright. Copyright holder can enjoy multiple rights, including the right of publication, the right of authorship and the right of reproduction. The Measures for the Registration of Computer Software Copyright (計算機軟件著作權登記辦法), which was promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day and was last amended on June 18, 2004, regulates the registration of software copyright, the exclusive licensing contract and assignment contracts of software copyright. The National Copyright Administration is mainly responsible for the

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registration and management of national software copyright and designates the China Copyright Protection Center as the agency for software registration. The China Copyright Protection Center will grant certificates of registration to computer software copyright applicants.

Laws and regulations related to foreign investment in the PRC

Company Law of the PRC

The Company Law of the PRC (中華人民共和國公司法) (the “**Company Law**”), which was promulgated by the SCNPC on December 29, 1993 and came into effect on July 1, 1994, last amended on December 29, 2023 and became effective on July 1, 2024, provides that companies established in the PRC may take form of company of limited liability or company limited by shares. Each company has the status of a legal person and owns its assets itself. Assets of a company may be used in full for the company’s liability. The Company Law applies to foreign-invested companies unless relevant laws provide otherwise.

Foreign Investment Law of the PRC

On March 15, 2019, the National People’s Congress, promulgated the Foreign Investment Law of the PRC (中華人民共和國外商投資法) (the “**FIL**”), which came into effect on January 1, 2020 and replaced the trio of laws regulating foreign investment in the PRC, namely, the Law on Sino-Foreign Equity Joint Ventures (中華人民共和國中外合資經營企業法), the Wholly Foreign-Owned Enterprise Law (中華人民共和國外資企業法) and the Cooperative Joint Venture Law (中華人民共和國中外合作經營企業法). Its implementation of regulations promulgated by the State Council on December 26, 2019 also came into effect on January 1, 2020. The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition.

According to the FIL, the “foreign investment” refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises or other organizations (the “**Foreign Investors**”), including the following: (i) Foreign Investors establishing foreign-invested enterprises in China alone or collectively with other investors; (ii) Foreign Investors acquiring shares, equities, properties or other similar rights of Chinese domestic enterprises; (iii) Foreign Investors investing in new projects in China alone or collectively with other investors; and (iv) Foreign Investors investing through other ways prescribed by laws and regulations or the State Council. The State adopts the management system of pre-establishment national treatment and negative list for foreign investment. The pre-establishment national treatment refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favourable than that granted to domestic investors and their investments; the negative list refers to special administrative measures for access of foreign investment in specific fields as stipulated by the State. The State will give national treatment to foreign investments outside the negative list. The negative list will be released by or upon approval by the State Council.

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The Measures for the Reporting of Foreign Investment Information

The Provisional Measures for the Filing Administration of Establishment and Changes of Foreign-Invested Enterprises (2018 Revision) (外商投資企業設立及變更備案管理暫行辦法(2018年修正)), which was promulgated by the Ministry of Commerce of the PRC (the “MOFCOM”) on June 29, 2018 and implemented on June 30, 2018, was terminated and replaced by the Measures on Reporting of Foreign Investment Information (外商投資信息報告辦法) on January 1, 2020.

The Measures for the Reporting of Foreign Investment Information, which was promulgated by the MOFCOM and the State Administration for Market Regulation on December 30, 2019 and came into effect on January 1, 2020, stipulates that a foreign investor who establishes a foreign-invested enterprise within China shall submit an initial report through the enterprise registration system when undergoing formation registration of the foreign-funded enterprise, a foreign investor that acquires a domestic non-foreign-invested enterprise by equity merger shall submit an initial report through the enterprise registration system when undergoing modification registration of the acquired enterprise.

Domestic regulations on establishment of foreign invested medical institutions

Catalogue of Industries for Encouraging Foreign Investment and Special Administrative Measures (Negative List) for the Access of Foreign Investment

Investment in the PRC by foreign investors are mainly regulated by the Catalogue of Industries for Encouraging Foreign Investment (2022 Edition) (鼓勵外商投資產業目錄(2022年版)), which was promulgated by the NDRC and the MOFCOM on October 26, 2022 and took effect on January 1, 2023. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021) (外商投資准入特別管理措施(負面清單)(2021年版)) (the “**2021 Negative List**”), jointly promulgated by the NDRC and MOFCOM on December 27, 2021 and came into effect on January 1, 2022, listed the restrictive measures for the entry of foreign investment in a unified manner and stipulate that foreign investors may not invest in prohibited foreign investment industries as provided by the 2021 Negative List. On September 6, 2024, the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (外商投資准入特別管理措施(負面清單)(2024年版)) (the “**2024 Negative List**”) was promulgated by the NDRC and the MOFCOM and came into force on November 1, 2024, whereby the 2021 Negative List was simultaneously repealed. According to the 2024 Negative List, medical institutions are limited to the form of equity joint ventures.

Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions

The Interim Administrative Measures on Sino-Foreign Equity Medical Institutions and Sino-Foreign Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法), which was promulgated by MOH and the Ministry of Foreign Trade and Economic Cooperation of the PRC on May 15, 2000 and came into effect on July 1, 2000, allow foreign investors to

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partner with Chinese entities to establish a medical institution in China by means of equity joint venture or cooperative joint venture. Establishment of equity joint venture or cooperative joint venture shall meet certain requirements, including the total investment sum shall not be less than RMB20 million and the equity percentage of the Chinese partner in the joint venture shall not be less than 30%. Establishment of equity joint venture or cooperative medical institutions shall be subject to approval by relevant authorities.

Administrative Measures on Sino-Foreign Equity and Cooperative Medical Institutions in the Sichuan Province

The Administrative Measures on Sino-Foreign Equity and Cooperative Medical Institutions in the Sichuan Province (四川省中外合資、合作醫療機構管理辦法), which was promulgated by the Sichuan Ministry of Health and Sichuan Ministry of Commerce on March 15, 2012, became effective on April 15, 2012 and amended on January 16, 2015, stipulates that equity ratio or interests attributable to the joint venture and Chinese party of Sino-Foreign joint ventures and cooperative medical institutions shall not be less than 10%.

Regulations on mergers and acquisitions of domestic companies by foreign investors

The Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), or the M&A Rules, jointly promulgated by the MOFCOM and other 5 departments on August 8, 2006 and subsequently amended on June 22, 2009, require that, foreign investors acquiring domestic companies by means of asset acquisition or equity acquisition shall comply with relevant foreign investment industry policies, and where a domestic company, enterprise or natural person intends to acquire its or his/her related domestic company through an overseas company established or controlled by it or him/her, the acquisition shall be subject to the approval of the MOFCOM.

Regulations on the management of lease housing

Pursuant to (i) the Law on Administration of Urban Real Estate of the PRC (中華人民共和國城市房地產管理法), promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019 and took effect on January 1, 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (商品房屋租賃管理辦法), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines.

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Laws and regulations related to labour protection

According to the (i) Labour Law of the PRC (中華人民共和國勞動法) effected on January 1, 1995 and amended on December 29, 2018, (ii) the Labour Contract Law of the PRC (中華人民共和國勞動合同法) effected on January 1, 2008 and amended on December 28, 2012 and took effect on July 1, 2013, and (iii) the Regulations on the Implementation of the Labour Contract Law of the PRC (中華人民共和國勞動合同法實施條例) issued and became effective on September 18, 2008, an employer must enter into a written labour contract with any employees and the wage or salary must not be lower than the local minimum wage or salary. In addition, an employer must establish a system related to occupation health and safety, provide job training for employees to avoid occupational hazards and protect the rights of employees. When an employer recruits any employees, such employer must inform the employees of the work content, work conditions, work place, occupational hazards, safety conditions and labour compensations.

According to (i) the Social Insurance Law of the PRC (中華人民共和國社會保險法), which was implemented on July 1, 2011 and amended on December 29, 2018, (ii) the Provisional Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), issued and effected on January 22, 1999 and revised on March 24, 2019, (iii) the Provisional Measures on Maternity Insurance of Enterprise Employees (企業職工生育保險試行辦法), issued on December 14, 1994 and effected January 1, 1995, (iv) the Regulations on Unemployment Insurance (失業保險條例), issued and effective on January 22, 1999, and (v) the Regulations on Work Related Injuries (工傷保險條例), effected on January 1, 2004 and amended on December 20, 2010 and took effect on January 1, 2011, an employer must make contributions to a number of social security funds for its employees, including the basic pension insurance, basic medical insurance, maternity insurance, unemployment insurance and work-related injury insurance. According to the Regulations on Management of Housing Provident Fund (住房公積金管理條例), effected on April 3, 1999 and last amended on March 24, 2019, an employer must open a housing fund account with the department responsible for the management of housing fund for its employees and make contributions to such housing fund.

According to the Interpretation (II) of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**Interpretation (II)**”), which became effective on September 1, 2025, where the employer and the employee agree, or the employee promises the employer, that there is no need to make social insurance contributions, the people's court shall determine that such agreement or promise is invalid. Where the employer fails to make social insurance contributions in accordance with the law, and the employee requests to terminate the labor contract and claim economic compensation in accordance with item (3) of Article 38 of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the people's court shall uphold such claim. As advised by our PRC Legal Adviser, the Interpretation (II) has neither repealed any existing laws relating to social insurance nor

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expanded the potential risk exposure for the Group's failure to make full payment of the social insurance during the Track Record Period. Therefore, there will be no material impact of Interpretation (II) on the Company's social insurance contribution.

Laws and regulations related to taxation

Enterprise Income Tax

According to (i) Enterprise Income Tax Law of PRC (the “**PRC EIT Law**”), which was promulgated by the National People's Congress on March 16, 2007 and came into effect on January 1, 2008, and further amended on February 24, 2017 and December 29, 2018 and (ii) the Implementation Regulations on the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例) (the “**EIT Rules**”), which was promulgated by the State Council on December 6, 2007 and came into effect on January 1, 2008 and last revised on December 6, 2024, and came into effect on January 20, 2025, the tax rate for both domestic-funded enterprises and foreign-invested enterprises is 25%. Under the PRC EIT Law and PRC EIT Rules, enterprises are classified as either “resident enterprises” or “non-resident enterprises”. Enterprises established outside the PRC whose “de facto management bodies” are located in the PRC are considered “resident enterprises” and subject to the uniform 25% PRC EIT rate for their global income. According to the PRC EIT Rules, a “de facto management body” refers to a managing body that exercises, in substance, overall management and control over the manufacture and business, personnel, accounting and assets of an enterprise. Dividends, bonuses and other equity investment proceeds distributed between qualified resident enterprises shall be tax-free income.

The PRC EIT Law provides that a non-resident enterprise refers to an entity established under foreign law whose “de facto management bodies” are not within the PRC but which have an establishment or place of business in the PRC, or which do not have an establishment or place of business in the PRC but have income sourced within the PRC. PRC EIT Rules provide that after January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-resident enterprise investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with such establishment or place of business, to the extent such dividends are derived from source within the PRC. The income tax on the dividends may be reduced pursuant to a tax treaty between the PRC and the jurisdiction in which the non-resident enterprise investors is located if the non-resident enterprise investor is determined by the competent PRC tax authority to have satisfied relevant conditions and requirements.

The Announcement on Several Issues Concerning the Enterprise Income Tax on Indirect Transfer of Assets by Non-Resident Enterprises (關於非居民企業間接轉讓財產企業所得稅若干問題的公告) (the “**SAT Circular 7**”) was issued by the SAT on February 3, 2015 and last amended on December 29, 2017, provides comprehensive guidelines heightening the PRC tax authorities' regulation on, indirect transfers by a non-resident enterprise of assets, including assets of organisations and premises in PRC, immovable property in the PRC, equity investments in PRC resident enterprises. On October 17, 2017, the SAT issued the

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Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (關於非居民企業所得稅源泉扣繳有關問題的公告), which took effect on December 1, 2017 and amended on June 15, 2018, the balance after deducting the equity net value from the equity transfer income shall be the taxable income amount for equity transfer income.

Under the SAT Circular 7 and the Law of the People's Republic of China on the Administration of Tax Collection (中華人民共和國稅收徵收管理法), which was promulgated by the SCNPC on September 4, 1992 and latest amended on April 24, 2015, in the case of an indirect transfer, entities or individuals obligated to pay the transfer price to the transferor shall act as withholding agents. If they fail to make withholding or withhold the full amount of tax payable, the transferor of equity shall declare and pay tax to the relevant tax authorities within seven days from the occurrence of tax payment obligation.

Tax Treaties

According to the Treaty on the Avoidance of Double Taxation and Tax Evasion between Mainland and Hong Kong (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “**Tax Treaty**”) entered into between Mainland China and HKSAR on August 21, 2006, if the non-PRC parent company of a PRC enterprise is a Hong Kong resident which beneficially owns 25% or more interest in the PRC enterprise, the 10% withholding tax rate applicable under the EIT Law may be lowered to 5% for dividends and 7% for interest payments once approvals have been obtained from the relevant tax authorities.

Pursuant to the Notice on the Several Issues of the Implementation of Tax Treaty (國家稅務總局關於執行稅收協定股息條款有關問題的通知), which was promulgated by the SAT and came into effect on February 20, 2009, the non-resident taxpayer or the withholding agent is required to obtain and keep sufficient documentary evidence proving that the recipient of the dividends meets the relevant requirements for enjoying a lower withholding tax rate under a tax treaty. Pursuant to the Administrative Measures for Tax Treaty Treatment for Non-resident Taxpayers (非居民納稅人享受稅收協定待遇管理辦法), which was promulgated by the SAT on August 27, 2015 and amended on June 15, 2018, and further replaced by the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Nonresident Taxpayers Enjoying Treaty Benefits (國家稅務總局關於發佈《非居民納稅人享受協定待遇管理辦法》的公告), which took effect on January 1, 2020, any non-resident taxpayer satisfying the conditions for enjoying the tax treaty treatment may be entitled to the tax treaty treatment on its own when filing a tax return or making a withholding declaration through a withholding agent, subject to the subsequent administration by the tax authorities. The Announcement of the State Administration of Taxation on Issues Relating to “Beneficial Owner” in Tax Treaties (國家稅務總局關於稅收協定中“受益所有人”有關問題的公告) issued by the SAT on February 3, 2018 and came into effect on April 1, 2018, provides that the “beneficial owner” shall mean a person who has the ownership and control over the income and the rights and property from which the income is derived. When an individual who is a resident of the treaty counterparty derive dividend income from the PRC, the individual may be determined as a “beneficial owner”.

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Value-Added Tax

The Interim Provisions on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例), which was promulgated by the State Council on December 13, 1993, came into effect on January 1, 1994, and last amended on November 19, 2017, and the Implementing Rules of the Interim Provisions on Value-added Tax of the PRC (中華人民共和國增值稅暫行條例實施細則), promulgated by the MOF and became effective on December 25, 1993, and last amended on October 28, 2011, set out that all taxpayers selling goods or providing processing, repairing or replacement services and importing goods in the PRC shall pay a value-added tax. The tax rate for taxpayers engaging in the sales of goods, labour services, tangible movables lease services or the importation of goods shall be 17% unless otherwise stipulated. According to the Trial Scheme for the Conversion of Business Tax to Value-added Tax (營業稅改徵增值稅試點方案), which was promulgated by the MOF and the SAT, the government launched gradual taxation reforms starting from January 1, 2012, whereby it collected value-added tax in lieu of business tax on a trial basis in regions and industries showing strong economic performance, such as transportation and certain modern service industries.

Furthermore, according to the Notice of the Ministry of Finance and the State Administration of Taxation on Overall Implementation of the Pilot Program of Replacing Business Tax with Value-added Tax (財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知), all business tax payers in consumer service industry shall pay value-added tax in lieu of business tax from May 1, 2016 and the medical service provided by the medical institution could be the exempted from value-added tax.

On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which will become effective on January 1, 2026, and the Interim Provisions on Value-added Tax of the PRC will be abolished.

Laws and regulations over foreign exchange

The Regulations on the Control of Foreign Exchange of the PRC (中華人民共和國外匯管理條例), which was promulgated by the State Council on January 29, 1996, became effective on April 1, 1996 and was last amended on August 5, 2008, set out that foreign exchange receipts of domestic institutions or individuals may be remitted back to the PRC or deposited abroad and that SAFE shall specify the conditions relating to the requirements, time periods and other aspects of such remittance and deposits in accordance with the international receipts, payments status and requirements of foreign exchange administration. Domestic institutions or individuals that make direct investments abroad or are engaged in the distribution or sale of valuable securities or derivative products overseas shall register according to SAFE regulations. Such institutions or individuals subject to prior approval or record-filing with other competent authority shall complete the required approval or record-filing prior to foreign exchange registration. The exchange rate for RMB follows a managed floating exchange rate system based on market demand and supply.

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The Regulations on the Administration of the Settlement, Sale and Payment of Foreign Exchange (結匯、售匯及付匯管理規定), which was promulgated by the People's Bank of China on June 20, 1996 and came into effect on July 1, 1996, provide that foreign exchange earnings under the current account of FIEs may be retained to the fullest extent specified by the relevant foreign exchange bureau. Any portion in excess of such amount shall be sold to a designated foreign exchange bank or through a foreign exchange swap centre.

On March 30, 2015, the SAFE promulgated Notice on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign-Funded Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知) (the “**Circular 19**”), which came into effect on June 1, 2015. According to Circular 19, the foreign exchange capital of FIEs shall be subject to the discretionary foreign exchange settlement (the “**Discretionary Foreign Exchange Settlement**”) and its proportion is temporarily determined as 100%. Furthermore, Circular 19 stipulates that the use of capital by FIEs shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of an FIE and capital in RMB obtained by the FIE from foreign exchange settlement shall not be used for certain purposes as prescribed in the Circular 19. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Regulating Policies on the Management of the Settlement of Foreign Exchange of Capital Accounts (關於改革和規範資本項目結匯管理政策的通知) (the “**SAFE Circular 16**”). The SAFE Circular 16 unifies policies on discretionary settlement of foreign exchange receipts under capital accounts of domestic institutions.

Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知), which was issued and effected on July 4, 2014, provides that PRC residents shall register with the SAFE and its local branches in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with assets or equity interests of onshore companies or offshore assets or interests held by the PRC residents. Following the initial registration, any change of basic information such as individual shareholder, name and term of operation or upon capital increase or deduction, share transfer or swap, merger or division and other significant change, shall report to the SAFE for foreign exchange alteration of the registration formality for offshore investment in time.

The Notice on Further Simplifying and Improving Foreign Exchange Administration Policies in respect of Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知), which was issued on February 13, 2015 and effected on June 1, 2015 and amended on December 30, 2019, provides that PRC residents may register with qualified banks instead of SAFE in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. The SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks.

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According to the Circular of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知), which was issued and came into effect on December 4, 2023 by the SAFE, the equity transfer consideration paid in foreign currency by domestic entities owe to domestic equity transferors (including institutions and individuals), as well as the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital project settlement account directly. The funds in the capital project settlement account can be independently settled and utilized.

Laws and regulations related to dividend distribution

The principal laws and regulations governing distribution of dividends of FIEs include the Company Law, the FIL and its implementation of regulations. FIEs in the PRC may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, FIEs are required to set aside as general reserves at least 10% of their after-tax profit, until the cumulative amount of their reserves reaches 50% of their registered capital.

Regulations relating to stock incentive plans

According to the Notice of the State Administration of Foreign Exchange on Issues Relating to the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知), or the Share Incentive Rules, which was issued on February 15, 2012 and other regulations, directors, supervisors, senior management and other employees participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or non-PRC citizens residing in China for a continuous period of not less than one year, subject to certain exceptions, are required to register with SAFE. All such participants need to authorize a qualified PRC agent, such as a PRC subsidiary of the overseas publicly-listed company to register with SAFE and handle foreign exchange matters such as opening accounts, and transfer and settlement of the relevant proceeds. The Share Incentive Rules further require an offshore agent to be designated to handle matters in connection with the exercise of share options and sales of proceeds for the participants of the share incentive plans. Failure to complete the said SAFE registrations may subject the participating directors, supervisors, senior management and other employees to fines and other legal sanctions.

Laws and regulations in relation to anti-bribery

According to the Anti-Unfair Competition Law of the PRC (中華人民共和國反不正當競爭法) promulgated by SCNPC, as last amended on June 27, 2025 and effective on October 15, 2025, and the Interim Provisions on the Prohibition of Commercial Bribery (關於禁止商業賄賂行為的暫行規定) promulgated by the SAIC on November 15, 1996, any business operator shall not provide or promise to provide economic benefits (including cash, other property or by other means) to a counter-party in a transaction or a third party that may be able to influence

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the transaction, in order to entice such party to secure a transactional opportunity or competitive advantages for the business operator. Any business operator breaching the relevant anti-bribery rules above-mentioned may be subject to administrative punishment or criminal liability depending on the seriousness of the cases.

Regulations on overseas listing

CSRC Filing Requirements for Overseas Offering and Listing

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and five supporting guidelines (together, the “**Trial Filing Measures**”), which came into effect on March 31, 2023. The Trial Filing Measures shall apply to the following overseas issuance: (i) direct overseas offerings and listings of PRC domestic companies, and (ii) indirect overseas offering and listing of a foreign company with major business operations and/or assets located in the PRC. An issuer will be qualified for the scenario (ii) above, if it satisfies both conditions below: (i) more than 50% of its audited financial indicators (operating revenue, profits, total assets or net assets) for the most recent accounting year is accounted for by the domestic companies of the issuer; and (ii) major business activities or operations are conducted in PRC, or main places of business are located in PRC or the majority of senior management domicile in PRC or are Chinese citizens. Despite the foregoing, regulators have the discretion to determine whether or not an overseas offering and listing is indirect on a substance over form basis. The securities subject to the Trial Filing Measures include equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities.

According to the Trial Filing Measures, the issuer shall submit the required filing documents to the CSRC within three working days after the overseas listing application is submitted to the relevant overseas regulator or listing venue. Once the filing documents are complete and in compliance with the stipulated requirements, the CSRC will, within 20 working days, conclude the review procedure and publish the filing results on the CSRC website. To the extent the filing documents are incomplete or do not conform to stipulated requirements, the CSRC will, within five working days upon receipt of filing documents, request supplementation and amendment to the filing. Then the issuer has 30 days to prepare any requested supplemented/amended filing. In addition, following the listing in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of the following events involving the issuer: (i) change of control; (ii) investigations or sanctions imposed by overseas regulators; (iii) change of listing status or transfer of listing market; and (iv) voluntary or involuntary delisting.

The Trial Filing Measures also stipulate that following cases may be rejected by the CSRC: (i) offerings and listings are explicitly prohibited by laws and regulations; (ii) offerings and listings may endanger national security as reviewed and determined by competent authorities under the PRC State Council in accordance with law; (iii) domestic companies of the listing applicant or its controlling shareholder or actual controlling person are involved in criminal offenses in the last three years, such as corruption, bribery, embezzlement,

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misappropriation of property, or undermining the order of the socialist market economy; (iv) domestic companies of the listing applicant is under investigations for suspicion of criminal offenses or is involved in major violations of laws and regulations and no conclusion of the investigation has yet been made; or (v) there are material ownership disputes over equity interests held by controlling shareholders or by shareholders who are controlled by the controlling shareholder or actual controlling person.

Non-compliance with the Trial Filing Measures will result in regulatory action by the CSRC and fines for PRC issuers in an amount up to RMB10 million.

Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) (the “**Provision on Confidentiality**”), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas listing subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State.

APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN SINGAPORE

Distinct SG’s operations are subject to various laws, rules, regulations and policies in Singapore where it operates. This section contains a summary of certain aspects of Singapore laws, rules, regulations and policies which are relevant to Distinct SG’s operation and business.

Medical Registration Act 1997 of Singapore (“MRA”)

The MRA provides for, among others, the establishment of the SMC and the registration of medical practitioners in Singapore.

The functions of the SMC include, among others:

- (a) to keep and maintain registers of registered medical practitioners;

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- (b) to approve or reject applications for registration under the MRA or to approve any such application subject to such restrictions as it may think fit;
- (c) to issue practising certificates to registered medical practitioners;
- (d) to make recommendations to the appropriate authorities for the training and education of registered medical practitioners; and
- (e) to determine and regulate the conduct and ethics of registered medical practitioners.

No person shall practice medicine or do any act as a medical practitioner unless he is registered under the MRA and has a valid practising certificate. Any person who is not so qualified and, among others, (i) practices medicine; (ii) wilfully and falsely pretends to be a duly qualified medical practitioner; (iii) practices medicine or any branch of medicine, under the style or title of amongst others physician, surgeon, doctor; or (iv) advertises or holds himself out as a medical practitioner, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding 12 months or to both. In the case of a second or subsequent conviction, a fine not exceeding S\$200,000 or imprisonment for a term not exceeding two (2) years or both will be imposed.

Healthcare Services Act 2020 of Singapore (“HCSA”)

Under the HCSA, among other things, a person must not provide a licensable healthcare service unless the person is authorised to do so by a licence or is exempt in relation to the licensable healthcare service. Licences under the HCSA should also be obtained for the purposes of providing a licensable healthcare service: (a) at any permanent premises in Singapore that is not an approved permanent premise for the provision of the licensable healthcare service; (b) using any conveyance that is not an approved conveyance for the provision of the licensable healthcare service; or (c) by any other service delivery mode that is not approved under section 11B of the HCSA for the provision of the licensable healthcare service.

In granting an approval, the Director-General may impose any conditions that the Director-General considers requisite or expedient having regard to the purposes of the HCSA. The Director-General may also take any regulatory action, including revoking the licence of the licensee, if there is, among others, a breach of any of the provisions of the HCSA.

Persons who contravene the HCSA may be guilty of offences. For example, a person who provides a licensable healthcare service without a licence shall be guilty of an offence and shall be liable on conviction in the case of a first offence, to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding two (2) years or to both. A licensee that provides a licensable healthcare service at any permanent premises in Singapore that is not an approved permanent premises for the provision of the licensable healthcare service shall be guilty of an offence and shall be liable on conviction, in the case of a first offence, to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding 12 months or to both.

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Additionally, a licensee is required to keep and maintain proper medical records. Licensees are required under the HCSA to implement any prescribed safeguards to protect the medical records and any computer system used to keep and maintain those records against accidental or unlawful loss, modification or destruction, and unauthorised access, disclosure, copying, use or modification. Licensees are also required to: (a) monitor and periodically evaluate the aforementioned safeguards to ensure that the safeguards are effective and all individuals employed or authorised by the licensee who access or handle any aforementioned record comply with the safeguards; and (b) take all appropriate steps to ensure that each individual employed or authorised by the licensee who accesses or handles any record is aware of the relevant safeguards and the individual's role and responsibility in maintaining the confidentiality, integrity and availability of the records.

APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN MALAYSIA

Private Healthcare Facilities and Services Act 1998 of Malaysia (“PHFSA”) and the Private Healthcare Facilities and Services (Private Medical Clinics or Private Dental Clinics) Regulations 2006

Under the PHFSA, no person shall establish, maintain, operate or provide a private medical clinic unless it is registered under the PHFSA. A private medical clinic means any premises, other than a Government healthcare facility, used or intended to be used for the practice of medicine on an outpatient basis including (a) the screening, diagnosis or treatment of any person suffering from, or believed to be suffering from, any disease, injury or disability of mind or body; (b) preventive or promotive healthcare services; and (c) the curing or alleviating of any abnormal condition of the human body by the application of any apparatus, equipment, instrument or device.

Upon receiving and having considered the application, the Director General may register the private medical clinic with or without such terms or conditions as he may deem necessary and issue a certificate of registration. A certificate of registration to establish, maintain, operate or provide a private medical clinic may only be issued to a registered medical practitioner. The Director General may also take any regulatory action, including suspending or revoking the registration granted, if the holder of the certificate of registration has, among others, committed a breach of any term or condition imposed by the Director General on the registration or has been convicted for an offence under the PHFSA or any other written law.

A person who contravenes any of the provisions of the PHFSA commits an offence and shall be liable on conviction in the case of a natural person, to a fine not exceeding RM10,000 ringgit or to imprisonment for a term not exceeding 3 months or to both; and for a continuing offence to a fine not exceeding RM500 for every day or part of a day during which the offence continues after conviction.

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The holder of a certificate of registration or a person in charge of a private medical clinic shall keep and maintain a Patient's Medical Record Register to record the movement of patient's medical record. The Patient's Medical Record Register shall ensure that for each attendance, each patient's medical record shall have, among others, information on:

- (a) name, address, date of birth and gender;
- (b) name and contact details of next of kin or legal guardian;
- (c) relevant clinical details of the patient including-
 - i. clinical history on attendance;
 - ii. medication orders signed by the registered medical practitioner;
 - iii. known allergies and drug sensitivities;
 - iv. current medication; and
 - v. results of any relevant diagnostic tests.

All entries in a patient's medical record shall be (a) dated and authenticated by the person who gave the order, provided the care or performed the observation, examination, assessment, treatment or other service to which the entry pertains; and (b) legibly written in ink, typewritten or recorded on a computer terminal which is designed to receive such information and if recorded and stored in a computer, it may be stored on magnetic tapes, discs or other devices suited to the storage of data.

Any person who contravenes the above regarding the requirement to maintain a Patient's Medical Record, or the information to be included therein, commits an offence and shall on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 1 month or to both.

Medical Act 1971 of Malaysia ("MA")

The MA provides for, among others, the establishment of the Malaysian Medical Council ("MMC"), that have the function of registering medical practitioners and to regulate the practice of medicine in Malaysia.

The powers and functions of the MMC include, among others:

- (i) To regulate the standards of practice for registered medical practitioners;
- (ii) To regulate the professional conduct and ethics of registered medical practitioners;

REGULATORY OVERVIEW

- (iii) To approve or refuse any application for registration or certification of medical practitioners, in accordance with the MA or regulations;
- (iv) To determine any fees or fines payable;
- (v) To issue certificates relevant to medical practice, such as registration and practising certificates;
- (vi) To recognize and accredit medical qualifications.

Any person who is not registered or exempted from registration under the MA who, among others, (i) practices medicine or surgery; (ii) wilfully and falsely pretends to be a duly registered under the MA or qualified to practice medicine or surgery; (iii) wilfully and falsely takes or uses any name, title, addition or description implying that he is registered under this Act, or that he is recognised by law as a physician or surgeon or licentiate in medicine and surgery or a practitioner in medicine or an apothecary; (iv) wilfully and falsely takes or uses any name, title, addition or description, or uses any instrument, calculated to induce any person to believe that he is qualified to practise medicine or surgery according to modern scientific methods; or (v) uses the term “clinic” or “hospital” or “dispensary” or any equivalent term in any other language in the signboard over his place of practice in purported practice of medicine or surgery as a person registered under the MA, shall be guilty of an offence and shall on conviction, be liable in respect of a first offence to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years; and in respect of subsequent offences, to a fine not exceeding RM100,000 or to imprisonment for term not exceeding three years or to both.

APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE U.S.

The Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “Final Rule”)

On October 28, 2024, the U.S. Department of the Treasury issued the final rule to implement the Executive Order of August 9, 2023. The Final Rule has become effective on January 2, 2025.

The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China that are engaged in certain activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Final Rule are in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons.

The Company currently customizes, configures and fine-tune the AI models of third parties strictly for its own internal and non-commercial use (e.g., not for sale or licensing), and based on the Company’s internal due diligence that the artificial intelligence system the Group

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utilizes is not (i) designed to be used for a military end use, or government intelligence or mass-surveillance end use, (ii) intended to be used for cybersecurity applications, digital forensic tools, penetration testing tools, or the control of robotic systems, or (iii) trained using computing power greater than the computational operations prescribed in the Final Rule, among other things, the Company believes that it is not a “Covered Foreign Person” as defined in the Final Rule on the basis that the Group’s current business activities and operations do not involve the specified technologies in the set of technologies of concern. Therefore, the implementation of Final Rule has no material impact on the Group’s business, financial condition and the results of operations.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are a private mid- to high-end comprehensive healthcare service provider in China. Our history can be traced back to April 2012 with the establishment of our then holding company, Distinct Investment Consulting, through which we commenced our operation in China. Our founder and chief executive officer, Mr. Wang, has been instrumental in guiding our Company through a period of rapid growth together with our co-founders, Mr. SHI Yi (施翼), Dr. ZHU Yan (朱岩) and Mr. ZHOU Fang (周方). For further details of the background and experience of our founders, please refer to the section headed “Directors and Senior Management” in this prospectus. Over the years of operation, we have accumulated extensive experience in the provision of healthcare service with presence in the PRC, Singapore and Malaysia.

Since the establishment of our Group, we underwent several rounds of financing in our Group. For details of our historical financings, please refer to the paragraph headed “—Pre-IPO Investments” in this section.

KEY MILESTONES

The following table sets forth certain key business development milestones of our Group:

Year	Milestone
2012	We established Distinct Investment Consulting, our then holding company and we commenced our outpatient business through our first clinic with a GFA of approximately 50 sq.m. in Shenzhen.
2015	We expanded beyond Shenzhen and grew our geographic footprint by establishing our first outpatient clinics in Guangzhou and Beijing.
2018	We established our first healthcare service institution that attains a GFA of over 1,000 sq.m. and with over five specialties. Shenzhen Zhuojian, which was located in Shenzhen, had a GFA of approximately 1,629.35 sq.m., offering seven specialties including pediatrics, dentistry, eye care, dermatology, ENT, women’s health, and internal medicine.
2020	We launched our annual fee-based “Distinct membership program” across our healthcare service institutions. We obtained license to commence online outpatient services.
2021	We established our first overseas clinic in Singapore.
2024	We expanded our Group through the acquisition of Wuhan Dragon World.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions across China, four general practice clinics in Singapore, and one general practice clinic in Malaysia. The following sets forth details of our major subsidiaries which have made material contribution to our Group's revenue and assets during the Track Record Period or are of strategic importance to us:

Name	Principal business activities	Share capital/ Registered capital	Date and place of incorporation	Equity Interest Controlled by our Group
Shenzhen Zhuokang	Provision of healthcare service	RMB2,000,000	March 6, 2014; PRC	100%
Guangzhou Zhuorui	Provision of healthcare service	RMB2,000,000	July 19, 2014; PRC	100%
Shenzhen Zhuozheng . . .	Provision of healthcare service	RMB2,000,000	May 13, 2015; PRC	100%
Shenzhen Zhuojian	Provision of healthcare service	RMB2,000,000	August 14, 2015; PRC	100%
Chengdu High-tech Distinct	Provision of healthcare service	RMB2,000,000	August 2, 2016; PRC	100%
Guangzhou Zhuoxiang . .	Provision of healthcare service (including online services)	RMB2,000,000	January 4, 2017; PRC	100%
Wuhan Pleiades Children's Hospital . . .	Provision of healthcare service	RMB10,000,000	March 10, 2017; PRC	70%
Distinct Digital Tech . . .	Provision of online sale services	RMB5,000,000	December 25, 2019; PRC	100%
Guangzhou Distinct Hospital	Provision of healthcare service	RMB30,000,000	May 11, 2022; PRC	100%

For details of all our subsidiaries during the Track Record Period, see Note 1.3 to the Accountant's Report set out in Appendix I to this prospectus.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

MAJOR CORPORATE DEVELOPMENT OF OUR GROUP

Establishment of our first onshore company, Distinct Investment Consulting, in 2012

Distinct Investment Consulting, the then holding company and currently one of our five VIE Medical Management Companies, was established by Ms. Gu, our founder Mr. Wang's mother, and Mr. Shi, one of our co-founders, as a limited liability company on April 12, 2012, with an initial registered capital of RMB1 million. Since May 2012, Mr. Wang has been the chairperson in charge of the overall management. The initial shareholding structure of Distinct Investment Consulting upon establishment was as follows:

Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	(%)
Ms. Gu	999,000	99.9
Mr. Shi	1,000	0.1
Total	1,000,000	100.0

Early development in Distinct Investment Consulting till 2014

Through a series of capital injection from May 2012 to April 2014 where the new subscribers subscribed for additional registered share capital at the price equal to their respective subscribed registered capital, as of April 16, 2014, the shareholding structure of Distinct Investment Consulting was as follows:

Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	(%)
Ms. Gu	4,500,000	40.36
Mr. Shi ⁽¹⁾	900,000	8.07
ZHU Yan (朱岩) ⁽²⁾	150,000	1.35
ZHAO Yu (趙瑜) ⁽³⁾	3,000,000	26.90
SHAO Gui'e (邵桂娥) ⁽⁴⁾	1,200,000	10.76
SONG Xin (宋昕)	650,000	5.83
ZHANG Xiangdong (張向東) ⁽⁵⁾	600,000	5.38
ZHANG Dongsheng (張東生)	150,000	1.35
Total	11,150,000	100.0

Notes:

(1) Mr. Shi is our co-founder and Director.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (2) Dr. ZHU Yan is one of our co-founders and an executive vice president of the Group.
- (3) Ms. ZHAO Yu is the spouse of Mr. ZHANG Jianxin (張建新).
- (4) SHAO Gui'e is the mother of Mr. CAO Shaoshan, who is our Director.
- (5) Mr. ZHANG Xiangdong is our Director.

Establishment of our Company and Distinct Ruixiang in 2014

On February 13, 2014, for the purpose of facilitating overseas investment from Series A Investors, our Company was incorporated in the Cayman Islands as an exempted company with limited liability.

On the same day, our Company had allotted and issued an aggregate 14,150,000 ordinary Shares to the holding vehicles of the then shareholders of Distinct Investment Consulting and/or their respective family members of such then shareholders at nominal consideration.

On April 22, 2014, Distinct Ruixiang was established by Distinct HK, the Company's wholly-owned subsidiary.

Entering into the Previous Contractual Arrangements in 2014 which was terminated in 2017

On April 28, 2014, Distinct Ruixiang, the Company's indirect wholly-owned onshore subsidiary, entered into a series of contractual arrangements (the "**Previous Contractual Arrangements**") with Distinct Investment Consulting and each of its then shareholders for the purpose of controlling Distinct Investment Consulting and consolidating Distinct Investment Consulting's financial performance into our Group.

In March 2017, to facilitate financing from Series C Onshore Investors in Distinct Ruixiang, our previous indirectly wholly-owned onshore holding subsidiary, the Group decided to hold equity interests in the PRC operating subsidiaries directly instead of controlling such entities through the contractual arrangement. Accordingly, the Group unwound the Previous Contractual Arrangements. The then shareholders of Distinct Investment Consulting transferred their respective shareholding interests to Qianhai Distinct, a wholly-owned subsidiary of Distinct Ruixiang, at nominal consideration due to the net liability position of Distinct Investment Consulting. Distinct Investment Consulting together with its operating subsidiaries in the PRC became indirect subsidiaries of Distinct Ruixiang.

Distinct Ruixiang became wholly owned by the Group again in October 19, 2020, upon the completion of the required overseas direct investment procedure and the corresponding transfer of the the Series C Onshore Investors' equity interests in Distinct Ruixiang to our wholly-owned subsidiary, Distinct HK. See "— Pre-IPO Investments — Series C Financing" in this section for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Reorganization in 2024

In anticipation of the proposed Listing, our Group underwent the following Reorganization steps.

Prior to the Reorganization, all the healthcare institutions of our Group located in the PRC were wholly owned by four medical management companies, namely Distinct Consultation, Distinct Investment Consulting, Distinct Investment and Distinct Shenzhen (collectively, the “**Medical Management Companies**”). Among all the four Medical Management Companies, other than Distinct Shenzhen which was owned by the Company and Shenzhen Qianhai Humansa Health Management Consulting Co., Ltd. (深圳市前海仁山優社健康管理諮詢有限公司) (“**Humansa Health**”) as to 51% and 49%, respectively, the remaining three Medical Management Companies were wholly owned by our Company. Other than healthcare institutions, there were certain other subsidiaries held by those Medical Management Companies not subject to the foreign ownership restriction pursuant to applicable laws and regulations in the PRC (the “**Non-restricted Subsidiaries**”).

1. Acquisition of 30% equity interests in the four Medical Management Companies

On April 25, 2024, Zhuozheng Xinhe, a company owned by Mr. Zhou, Dr. Zhu and Ms. Qiu (i.e. the Relevant Shareholders) as to 33.5%, 33.5% and 33%, respectively, subscribed for additional 30% registered capital for each of Distinct Consultation, Distinct Investment Consulting and Distinct Investment at a price equal to the subscribed registered capital. Upon the completion of subscription, Zhuozheng Xinhe owned 30% equity interest in each of Distinct Consultation, Distinct Investment Consulting and Distinct Investment, while our Group, via the wholly-owned subsidiary, Qianhai Distinct, owned the remaining 70% equity interest in each of the three Medical Management Companies.

On May 4, 2024, Zhuozheng Xinhe acquired 30% equity interest in Distinct Shenzhen from Qianhai Distinct at the consideration of RMB9 million based on the appraised value and registered capital of Distinct Shenzhen. Upon such transfer, Distinct Shenzhen was owned by Zhuozheng Xinhe, Qianhai Distinct and Humansa Health as to 30%, 21% and 49%, respectively.

2. Establishment of new medical management company and acquisition of Sichuan Institutions

As regulatory restrictions on the foreign ownership in medical institutions in Sichuan Province (the “**Sichuan Institutions**”) are different from those restrictions imposed on medical institutions in other provinces, on April 26, 2024, Qianhai Distinct and Zhuozheng Xinhe established Distinct Management as the medical management company for Sichuan Institutions and owned Distinct Management as to 90% and 10%, respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On May 10, 2024, Distinct Management acquired the entire equity interests in the Sichuan Institutions, namely, Chengdu High-tech Distinct and Chengdu Qingyang Distinct from Distinct Investment, at the consideration of RMB15 million and RMB100,000, based on the appraised value and registered capital of such Sichuan Institutions respectively.

3. Execution of Contractual Arrangements

On May 10, 2024, the Relevant Shareholders, Zhuozheng Xinhe, VIE Medical Management Companies and Qianhai Distinct entered into the Contractual Arrangements. See “Contractual Arrangements” for more details.

4. Transfer of Non-restricted Subsidiary

Prior to the Reorganization, Shenzhen Zhuotai Rescue Transportation Limited (深圳卓泰醫療救援轉運有限公司) (“**Zhuotai Transportation**”), a Non-restricted Subsidiary, was wholly owned by Distinct Investment Consulting. The principal business of Zhuotai Transportation is providing transportation services, such as air ambulances, scheduled flights, ground ambulances, and personalized transfer plans tailored to meet specific patient needs, which does not fall within the categories of restricted or prohibited foreign investment as specified in the Negative List (as defined below in the section headed “Contractual Arrangements”).

To ensure the Contractual Arrangements satisfy the “narrowly tailored” principle in compliance with Chapter 4.1 of the Guide for New Listing Applicants, Qianhai Distinct, through its wholly owned subsidiary, Distinct Digital Tech, acquired entire equity interest in Zhuotai Transportation from Distinct Investment Consulting on April 26, 2024 at the consideration of RMB5 million based on the appraised value and registered capital of Zhuotai Transportation.

The steps of the Reorganization which were conducted in the PRC as described under “— Reorganization in 2024” above have completed the registrations with local registration authorities of the PRC in accordance with applicable PRC laws and regulations. Our PRC Legal Adviser is of the view that the steps of the Reorganization as described under “— Reorganization in 2024” have been legally completed.

For corporate structure immediately prior to our Global Offering, please see the paragraph headed “— Our Structure Immediately Prior to the Global Offering” of this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Other Shareholding Changes to our Company and Subsidiaries

Our Company

Other than the corporate development above, our Company underwent a series of shareholding changes in connection with the Pre-IPO Investments and for the purpose of the Acquisition of Wuhan Dragon World. For further details, please refer to the paragraphs headed “— Pre-IPO Investments” and “— Acquisition of Wuhan Dragon World” for details.

On March 28, 2024, we issued an aggregate of 5,000,000 Ordinary Shares to Distinct Partners I Limited and Distinct Partners II Limited, for the purpose of satisfying awards granted or to be granted to participants of our 2024 RSU Scheme. As of the Latest Practicable Date, the issued share capital of our Company consisted of: (i) 18,950,000 Ordinary Shares, (ii) 3,850,000 Series A Preferred Shares, (iii) 8,750,000 Series B Preferred Shares, (iv) 10,646,350 Series C Preferred Shares, (v) 10,639,800 Series D Preferred Shares, and (vi) 6,798,200 Series E Preferred Shares.

Since the establishment of the Company to the date of this prospectus, there were several secondary transfers between the existing shareholders including the Pre-IPO Investors. For other changes in the authorized share capital of our Company within two years immediately preceding the date of this prospectus, please refer to the paragraph headed “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 2. Changes in the Share Capital of our Company” in this prospectus. For the capitalization of our Company as of the Latest Practicable Date, please refer to the paragraph headed “— Capitalization of Our Company” in this section for more details.

Our subsidiaries

Distinct Shenzhen

In 2021, Humansa Health sought partnerships to expand its presence across the Guangdong-Hong Kong-Macao Greater Bay (the Greater Bay Area). As such, Distinct Shenzhen was jointly incorporated by Qianhai Distinct and Humansa Health on April 15, 2022. The registered capital amounting to RMB30 million was subscribed for and fully paid by Qianhai Distinct and Humansa Health as to 51% and 49%, respectively. On May 11, 2022, Distinct Shenzhen incorporated our hospital in Guangzhou, namely, Guangzhou Distinct Hospital. Distinct Shenzhen, as a holding vehicle, has wholly owned Guangzhou Distinct Hospital since then.

However, after the completion of our Reorganization, as Humansa Health strategically focuses on businesses where it maintains majority control over the equity interests and operations in the Greater Bay Area, Humansa Health and Qianhai Distinct entered into an agreement on October 3, 2024, pursuant to which Qianhai Distinct acquired 49% equity interest in Distinct Shenzhen from Humansa Health at the consideration of approximately RMB16.4 million based on the registered capital and financial performance of Distinct Shenzhen after arm’s length negotiation. Upon such transfer, Distinct Shenzhen is owned as to 70% by Qianhai Distinct and 30% by Zhuozheng Xinhe.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Other subsidiaries

Other than the corporate development above and the subsections headed “ — Acquisition of Wuhan Dragon World”, there were no other materials changes in the shareholding of our subsidiaries. During the Track Record Period and up to the Latest Practicable Date, certain subsidiaries were deregistered due to structure adjustment. None of such deregistration has any material impact on our Group, nor were any of such subsidiaries subject to any material non-compliant incidents, claims, litigation or legal proceedings prior to their deregistration. See “Business — In-Person and Tele-Healthcare Service Network — Healthcare Service Institution Network” and “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries” in this prospectus for details.

ACQUISITION OF WUHAN DRAGON WORLD

To expand our footprint in Wuhan, from January to March 2024, we acquired an aggregate of 51.04% of the equity interests of Wuhan Dragon World, which owns Wuhan Pleiades Children’s Hospital (武漢北斗星兒童醫院), a Class II specialty hospital renowned for its expertise in the ENT field, and two medical clinics in Wuhan.

Wuhan Dragon World is a limited liability company established in the PRC on March 14, 2014, with an initial registered capital of RMB2 million. Immediately before the acquisition, the shareholding structure of Wuhan Dragon World was as follows:

Name of shareholder	Registered Capital	Percentage of Registered capital holding
	<i>(RMB)</i>	<i>(%)</i>
Wuhan Tianchen Sifang Hospital Management Partnership (Limited Partnership) (“ Tianchen Sifang ”) ⁽²⁾	1,600,000	29.95%
Ningbo Weidu Phase I Medical Venture Investment Partnership (Limited Partnership) (“ Ningbo Weidu ”)	1,230,769	23.04%
H Capital affiliate ⁽¹⁾	1,068,376	20.00%
Zhenjiang Junding Xieli Venture Capital Co., Ltd. (“ Zhenjiang Junding ”)	615,385	11.52%
Shenzhen Fenxiang Precision Medicine Investment Partnership (Limited Partnership) (“ Shenzhen Fenxiang ”)	427,350	8.00%
YAO Hongwu (“ Mr. Yao ”)	400,000	7.49%
Total	5,341,880	100%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) Before the acquisition, H Capital, our Pre-IPO Investor, owned 20% of the equity interest in Wuhan Dragon World through its special purpose vehicle. Immediately before our acquisition of the 20% equity interest, it was owned by H Pudding Co., Limited (“**H Pudding**”), another special purpose vehicle wholly-owned by H Capital.
- (2) Tianchen Sifang is a limited partnership established in the PRC, ultimately controlled by Mr. Yao.

Save for the special purpose vehicles wholly-owned by H Capital, our Pre-IPO Investor, each of Tianchen Sifang, Ningbo Weidu, Zhenjiang Junding, Shenzhen Fenxiang, and Mr. Yao is an Independent Third Party.

Through introduction by industry connections and following a series of separate arm’s length negotiations with each of Ningbo Weidu and Shenzhen Fenxiang, on January 25, 2024, Distinct Ruixiang, our wholly-owned subsidiary, entered into a share transfer agreement with Ningbo Weidu whereby Ningbo Weidu transferred its 23.04% shareholding in Wuhan Dragon World to Distinct Ruixiang at the consideration of RMB60 million and on the same day, entered into a share transfer agreement with Shenzhen Fenxiang, whereby Shenzhen Fenxiang transferred its 8.00% shareholding in Wuhan Dragon World to Distinct Ruixiang at the consideration of RMB30 million. The considerations for the two transactions were determined after arm’s length negotiation, with reference to Ningbo Weidu and Shenzhen Fenxiang’s respective initial share subscription price in Wuhan Dragon World.

On March 27, 2024, the Company entered into a share purchase agreement with H Capital and H Pudding, pursuant to which in consideration of H Capital transferring its entire equity interest in H Pudding to the Company, the Company issued 1,849,100 Series D Preferred Shares to H Capital, based on the agreed total consideration of USD16,900,000. The consideration was determined with reference to a valuation report of the equity interests of Wuhan Dragon World prepared by an independent third party and after arm’s length negotiations.

As such, as of March 28, 2024, the Group owns 51.04% of the equity interests in Wuhan Dragon World, and Wuhan Dragon World together with its subsidiaries have since become our subsidiaries.

On June 13, 2024, Distinct Ruixiang entered into an agreement with Zhenjiang Junding, a state-owned enterprise, pursuant to which Distinct Ruixiang agreed to acquire 11.52% equity interests held by Zhenjiang Junding. The consideration was RMB30 million, representing the bid price submitted by Distinct Ruixiang at the listing-for-sale tender process for the 11.52% equity interests in Wuhan Dragon World. In determining the bid price, Distinct Ruixiang considered the minimum tender price of RMB30 million as published by the Jiangsu Assets and Equity Exchange (江蘇省產權交易所). The share transfer from Zhenjiang Junding to Distinct Ruixiang was completed on June 28, 2024, after which the Group’s equity interests in Wuhan Dragon World was 62.56%.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On September 19, 2024, Mr. Yao acquired the registered capital of RMB1.6 million in Wuhan Dragon World from Tianchen Sifang, a limited partnership controlled by him, at its face value.

After the completion of the above acquisitions, the shareholding structure of Wuhan Dragon World is as follows:

Name of shareholder	Registered Capital	Percentage of Registered capital holding
	(RMB)	(%)
Distinct Ruixiang	2,273,504	42.56
H Pudding ⁽¹⁾	1,068,376	20.00
Mr. Yao	2,000,000	37.44
Total	5,341,880	100.00

Note:

- (1) Upon the completion of acquisition in March 2024, H Pudding became a wholly-owned subsidiary of the Company.

The cost per share (per RMB1 registered capital) paid by the Company to acquire the shares of Wuhan Dragon World from the respective then-shareholders of Wuhan Dragon World are as follows:

Name of shareholder	Cost per share (per RMB1 registered capital)
Ningbo Weidu	RMB48.75
Shenzhen Fenxiang	RMB70.20
H Capital	USD15.82 ⁽¹⁾
Zhenjiang Junding	RMB48.75

Note:

- (1) The cost per share was calculated based on the agreed total consideration of USD16,900,000, satisfied by the issuance of 1,849,100 Series D Preferred Shares by the Company to H Capital as consideration.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The differences in the cost per share are mainly attributable to: (i) the acquisitions were negotiated separately with different counterparties, each having different priorities and circumstances that resulted in the varying per-share prices, in particular, Ningbo Weidu and Zhenjiang Junding as the early-stage investors investing in Wuhan Dragon World in 2016 based on a relative lower valuation, while H Pudding and Shenzhen Fenxiang participated in the later-stage financing at higher investment cost and (ii) the relatively high cost per share for the acquisition from H Capital reflects the premium required to account for the lower liquidity of the consideration Shares, as compared to a cash payment.

As none of the applicable percentage ratios as defined under the Listing Rules in respect of our acquisition of Wuhan Dragon World exceed 25%, the relevant pre-acquisition financial information of Wuhan Dragon World is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

On September 23, 2024, Wuhan Dragon World held a shareholders' meeting, during which it was resolved that Wuhan Dragon World would reduce its registered capital through the repurchase of a total registered capital of RMB1,178,258 from certain shareholders. The repurchase was substantially completed in September 2024, and the relevant registration for changes on the industrial and commercial registration was completed on January 15, 2025. Following the repurchase, Wuhan Dragon World's registered capital were as follows:

Name of shareholder	Registered Capital	Percentage of Registered capital holding
	(RMB)	(%)
Distinct Ruixiang	1,846,154	44.34
H Pudding ⁽¹⁾	1,068,376	25.66
Mr. Yao	1,249,092	30.00
Total	4,163,622	100.00

Note:

- (1) H Pudding was renamed as Distinct Medical Assistance Limited (“**Distinct Medical Assistance**”) in December 2024.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRE-IPO INVESTMENTS

From 2014 to 2021, our Group attracted several rounds of Pre-IPO Investments, details of which are set forth below:

Series A Financing

On April 28, 2014, our Company entered into a Series A Preferred Shares Purchase Agreement with Matrix Partners, pursuant to which Matrix Partners agreed to subscribe for a total of 3,850,000 Series A Preferred Shares for a total consideration of US\$2,999,920.

Series B Financing

On March 6, 2015, our Company entered into a Series B Preferred Shares Purchase Agreement with two investors, namely Matrix Partners and Waterwood DHC Project Ltd, pursuant to which they agreed to subscribe for a total of 8,750,000 Series B Preferred Shares for a total consideration of US\$17.5 million. On April 1, 2015, Waterwood DHC Project Ltd was also granted a warrant (the “**Waterwood Warrant**”) to subscribe for, by itself or by its assigns, certain shares of the Company to be issued in future rounds of financing at a discounted price. Waterwood DHC Project Ltd may exercise the Waterwood Warrant by cash, and/or effect a cashless exchange of the Waterwood Warrant for a certain number of shares to be issued according to the terms stipulated in the Waterwood Warrant (the “**Cashless Exchange**”). The Waterwood Warrant was fully exercised through Cashless Exchange for certain Series C Preferred Shares, see “ — Series C Financing” below for details.

Series C Financing

On July 19, 2017, Distinct Ruixiang entered into an investment agreement with the Series C Onshore Investors, namely Beijing Tiantu Xingbei Investment Center (Limited Partnership) (北京天圖興北投資中心(有限合夥)), Qianhai Equity Investment Fund (Limited Partnership) (前海股權投資基金(有限合夥)), CICC Pucheng Investment Co., Ltd. (中金浦成投資有限公司), Ningbo Xinchuang Waterwood Tongde Equity Investment Management Partnership Enterprise (Limited Partnership) (寧波新創水木同德股權投資管理合夥企業(有限合夥)), Chengdu Tiantu Dongfeng Equity Investment Fund Center (Limited Partnership) (成都天圖天投東風股權投資基金中心(有限合夥)) and Matrix Partners, pursuant to which the Series C Onshore Investors subscribed for the increased registered capital of US\$4,224,000 in Distinct Ruixiang, representing 24.2% equity interest in Distinct Ruixiang immediately after the increase in the registered capital, at an aggregate consideration of US\$35,294,118.

On August 7, 2017, in consideration of their onshore investments, the Company granted options to each of the Series C Onshore Investors to subscribe for, by itself or through its affiliates, an aggregate of 9,502,150 Series C Preferred Shares upon completion of the overseas direct investment procedures, at a price of approximately US\$3.7143 per share.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On September 10, 2020, upon the exercise of the options by each of the Series C Onshore Investors and completion of the required overseas direct investment procedures, our Company allotted and issued a total of 9,502,150 Series C Preferred Shares to the Series C Onshore Investors and/or their affiliates, whereas the Series C Onshore Investors correspondingly transferred the equity interests they held in Distinct Ruixiang to our wholly-owned subsidiary, Distinct HK, on October 19, 2020.

On August 7, 2017, upon full exercise of the Waterwood Warrant by Cashless Exchange, 1,144,200 Series C Preferred Shares were issued to an affiliate of Waterwood DHC Project Ltd, Fast Union Trading Limited, in accordance to the terms of the Waterwood Warrant.

Series D Financing

On September 5, 2019, our Company entered into a Series D Preferred Shares Purchase Agreement with the Series D Investors including H Capital, pursuant to which the Series D Investors agreed to subscribe for a total of 8,087,500 Series D Preferred Shares for a total consideration of approximately US\$46.0 million. On December 5, 2019, the Company also granted a warrant to each of Chengdu Tianfu Qianshi Equity Investment Partnership Enterprise (Limited Partnership) (成都天府淺石股權投資合夥企業(有限合夥)) and Chinalin Chuangxin Investment Co. Ltd. (華林創新投資有限公司) (the “**Series D Onshore Investors**”) to subscribe for a total of 703,200 Series D Preferred Shares for a total consideration of US\$3,999,520 upon completion of the overseas direct investment procedures.

On September 10, 2020, upon completion of the overseas direct investment procedures and the full exercise of the warrants by each of the Series D Onshore Investors, our Company allotted and issued a total of 703,200 Series D Preferred Shares to the Series D Onshore Investors.

Series E Financing

On August 13, 2021, our Company entered into a Series E Preferred Shares Purchase Agreement with the Series E Investors, namely Image Frame and Violet Gem Limited, pursuant to which they agreed to subscribe for a total of 6,798,200 Series E Preferred Shares for a total consideration of US\$60 million.

Subsequent to the Series E Financing, Humansa Tech (HK) Limited (仁山優社創科(香港)有限公司) acquired the 1,144,200 Series C Preferred Shares held by Fast Union Trading Limited on October 8, 2021. Image Frame acquired 1,187,770 Series C Preferred Shares and 448,850 Series D Preferred Shares from Matrix Partners on December 3, 2021, and a further 3,206,729 Series A Preferred Shares from Matrix Partners and 944,203 Series C Preferred Shares from Qianhai Ark (BVI) Investment Co., Limited on May 14, 2024. All such transfers have been settled by May 14, 2024.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Principal terms of the Pre-IPO Investments

	Series A Financing	Series B Financing	Series C Financing	Series D Financing ⁽⁵⁾	Series E Financing
Date of agreement	April 28, 2014	March 6, 2015	July 19, 2017	September 5, 2019	August 13, 2021
Date of which investment was fully settled with the Group	May 6, 2014	April 1, 2015	September 8, 2017	June 14, 2022	September 2, 2021
Cost per Share paid (approximation)⁽¹⁾	US\$0.7792	US\$2.00	US\$3.7143 ⁽⁴⁾	US\$5.6876	US\$8.8258
Discount/(Premium) to the Offer Price (approximation)⁽²⁾	90.2%	75.0%	53.5%	28.8%	(10.5)%
Amount of consideration paid to the Group (approximation)	US\$2,999,920	US\$17,500,000	US\$35,294,118	US\$49,997,985	US\$60,000,000
Post-money valuation of our Company (approximation)⁽³⁾	US\$15.6 million	US\$57.1 million	US\$145.6 million	US\$290.0 million	US\$510.0 million
Basis of determination of the valuation and consideration	The valuation and consideration for each round of the Pre-IPO Investments were determined based on arm's length negotiation between the relevant parties after taking into consideration the timing of the investments and the business, operations and status of our business and operating entities.				
Lock-Up Period	Part or all equity securities of our Company acquired by the Pre-IPO Investors in the Pre-IPO Investments may be subject to a lock-up period of six months from the Listing Date per underwriters' request if any.				
Use of proceeds from the Pre-IPO Investments	The proceeds have been used to support the business expansion, capital expenditure and as working capital of our Group, in accordance with the business plans as approved by our Board. As of the Latest Practicable Date, approximately 77.7% of the proceeds from the Pre-IPO investments by the Pre-IPO Investors were utilized.				
Strategic benefits of the Pre-IPO Investors brought to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-IPO Investors' investments in our Company and the Pre-IPO Investors' knowledge and experience, as the investments demonstrate confidence in the operation of our Group and serves as endorsement of our Company's performance, strength and prospects.				

Notes:

- (1) The cost per Share paid is calculated based on the amount of consideration paid by the relevant Pre-IPO Investors divided by the corresponding number of shares held by them.
- (2) The discount/premium to the Offer Price is calculated based on (i) the Offer Price of HK\$62.15 per Share, being the mid-point of the offer price range, (ii) the exchange rate of US\$1.00 to HK\$7.7789, and (iii) the conversion of all Preferred Shares into Ordinary Shares on a 1:1 basis.

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- (3) The post-money valuation is calculated based on the corresponding cost per Share paid by the relevant Pre-IPO investors multiply the then Company's total number of Shares immediately following the completion of investment, assuming that the Shares reserved for employee share incentive purposes had been granted in full.
- (4) Series C Financing excludes the Cashless Exchange for Series C Preferred Shares relating to Waterwood Warrant.
- (5) In addition to the Series D Financing, on March 27, 2024, the Company entered into a share purchase agreement with H Capital and H Pudding in relation to the acquisition of Wuhan Dragon World, pursuant to which the Company issued 1,849,100 Series D Preferred Shares to H Capital, based on the fair value of US\$14,807,000.

Special Rights of the Pre-IPO Investors

The Pre-IPO Investors have been granted certain special rights in relation to our Company, including redemption rights, information rights, pre-emptive rights, rights of first refusal, dividend and liquidation preferences, and director appointment rights.

The redemption rights granted to the Pre-IPO Investors have been suspended prior to the date of the first submission of the listing application by the Company and shall be terminated upon Listing. Pursuant to the shareholders' agreement dated March 17, 2025 and a Shareholder resolution dated January 12, 2026, such redemption rights may be restored only if (i) the listing application by our Company is withdrawn, rejected or lapses; or (ii) the Listing does not take place by March 31, 2027. The redemption rights shall be terminated upon consummation of the Listing. All other special rights shall be terminated upon the Listing.

Information about the Pre-IPO Investors

Information of our Pre-IPO Investors who hold 5% or more of the Shares as at the Latest Practicable Date are as set out below:

1. **Tencent:** Image Frame is a company incorporated in Hong Kong and is a subsidiary of Tencent Holdings Limited ("**Tencent**"), a company listed on the Main Board of the Stock Exchange (HKEX: 00700 (HKD Counter) and 80700 (RMB Counter)).

Tencent is principally engaged in the provision of communication, social, digital content, games, marketing services, fintech and business services in the PRC.

2. **H Capital:** H Capital is a limited partnership incorporated under the Laws of Cayman Islands. H Capital is controlled by its general partner, H Capital IV GP, L.P. which in turn is controlled by its general partner, H Capital IV GP, Ltd.. H Capital IV GP, Ltd. is controlled by CHEN Xiaohong, who is also our non-executive Director. H Capital focuses on investment in healthcare, technology and education industries. As of the Latest Practicable Date, none of the limited partners of H Capital hold 30% or more interests.

3. **Waterwood:** Waterwood DHC Project Ltd, a company incorporated in the BVI, is indirectly wholly owned by Fude Sino Life Insurance Co., Ltd. (富德生命人壽保險股份有限公司) (“**Fude Sino**”). Fude Sino is a life insurance company in the PRC and has no controlling shareholder. It is owned as to:

- 20% by Shenzhen Fude Industrial Investment Holding Co., Ltd. (深圳市富德產業投資控股有限公司) (“**Shenzhen Fude Industrial**”), which is indirectly owned as to 94% by ZHANG Jun (張峻);
- approximately 17.93% by Shenzhen Houde Financial Holdings Co., Ltd. (深圳市厚德金融控股有限公司) (“**Shenzhen Houde**”), which is owned as to 56.75% by ZHANG Fengyuan (張逢源), and 39.92% by LUO Guidu (羅桂都);
- approximately 16.77% by Shenzhen National Investment Development Co., Ltd. (深圳市國民投資發展有限公司) (“**Shenzhen National Investment**”), which is indirectly owned as to 57.71% by WU Bang (吳邦), 20.02% by CHEN Xiaobing (陳小兵) and 19.23% by ZHANG Jintian (張錦填);
- approximately 15.27% by Shenzhen Yingde Land Co., Ltd. (深圳市盈德置地有限公司) (“**Shenzhen Yingde**”), which is indirectly owned as to approximately 52.00% by ZHANG Zhongyao (張仲耀) and approximately 48.00% by ZHANG Qinlong (張慶龍); and
- approximately 10.57% by 富德保險控股股份有限公司, which is indirectly owned as to 20% by Shenzhen Fude Industrial, 19.9% by Shenzhen Houde, 19.9% by Shenzhen National Investment, 19.9% by Shenzhen Yingde, and 14.9% by Shenzhen Chengde Investment Co., Ltd. (深圳市誠德投資有限公司), which is indirectly owned as to 80% by ZHANG Heyu (張和宇).

Waterwood Tactics Limited (collectively with Waterwood DHC Project Ltd, “**Waterwood Entities**”) is a company incorporated in Hong Kong. It is wholly owned by Beijing Mingqi Enterprise Management Center (Limited Partnership) (北京明啟企業管理中心(有限合夥)) (“**Beijing Mingqi Enterprise**”). Beijing Mingqi Enterprise is a limited partnership established under the Laws of the PRC. Its general partner is Zhuhai Hengqin Shuimu Tongde Equity Investment Fund Management Enterprise (Limited Partnership) (珠海橫琴水木同德股權投資基金管理企業(有限合夥)) (“**Zhuhai Hengqin Shuimu**”), while Ningbo Xinchuang Shuimu Tongde Equity Investment Management Partnership (Limited Partnership) (寧波新創水木同德股權投資管理合夥企業(有限合夥)) (“**Ningbo Xinchuang Shuimu**”) owns 99.99% of the partnership interests in Beijing Mingqi Enterprise as a limited partner.

Ningbo Xinchuang Shuimu is a limited partnership established under the Laws of the PRC, managed by its general partner, Zhuhai Hengqin Shuimu, and the sole limited partner owning 98.99% of its partnership interests is Beijing Yuegao Mingde Equity Investment Center (Limited Partnership) (北京悦高明德股權投資中心(有限合夥)) (“**Beijing Yuegao Mingde**”). Beijing Yuegao Mingde is a limited partnership established under the Laws of the PRC, managed by Shenzhen Houde Qianhai Fund Management Co., Ltd. (深圳市厚德前海基金管理有限公司) and Beijing Shuimu Tongde Investment Management Consulting Co., Ltd. (北京水木同德投資管理諮詢有限公司) (“**Beijing Shuimu Tongde**”). Beijing Yuegao Mingde’s sole limited partner owns 99.96% of its partnership interests in Shenzhen Fude Qianhai Infrastructure Investment Holdings Co., Ltd. (深圳市富德前海基礎設施投資控股有限公司), which is wholly-owned by Fude Sino. Shenzhen Houde Qianhai Fund Management Co., Ltd. is owned as to 10% by Beijing Kaida Suntai Electric Heating Equipment Co., Ltd. (北京凱達桑泰電熱設備有限責任公司) (which in turn is owned as to 70% by HUA Lixin (華立新) and 30% by SHI Genjian (石根建)); and 90% by Beijing Xinyuan Ruihua Technology Co., Ltd. (北京新源瑞華科技有限公司), a company wholly-owned by ZUO Yumin (左玉民).

Zhuhai Hengqin Shuimu is a limited partnership established under the Laws of the PRC, with Yuegao (Beijing) International Management Consulting Co., Ltd. (悦高(北京)國際管理諮詢有限公司) owning 99.9% of the partnership interests, and Beijing Shuimu Tongde being its general partner. Both Yuegao (Beijing) International Management Consulting Co., Ltd. (悦高(北京)國際管理諮詢有限公司) and Beijing Shuimu Tongde are owned as to 99% by MAO Jian (毛健).

4. **Tiantu:** Beijing Tiantu Xingbei Investment Center (L.P.) (北京天圖興北投資中心(有限合夥)) (“**Beijing Tiantu Xingbei**”) and Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership) (成都天圖天投東風股權投資基金中心(有限合夥)) (“**Chengdu Tiantu Tiantou**”) (Beijing Tiantu Xingbei and Chengdu Tiantu Tiantou collectively, the “**Tiantu Entities**”), are both limited partnerships established under the Laws of the PRC. Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合夥)), which is in turn wholly-owned by Tian Tu Capital Co., Ltd. (stock code: 1973) (“**Tiantu**”), is the general partner of both Tiantu Entities. Beijing Tiantu Xingbei has 24 limited partners, each holding less than 30% partnership interest. Chengdu Tiantu Tiantou has five limited partners, with Guangdong DFP New Material Group Co Ltd. (廣東東峰新材料集團股份有限公司) (“**Guangdong DFP**”), a company listed on the Shanghai Stock Exchange (stock code: 601515) holding 46.7% of its partnership interests, and none of the other limited partners hold more than 30% of Chengdu Tiantu Tiantou’s partnership interests. Guangdong DFP’s wholly-owned subsidiary, Shantou Dongfeng Consumer Goods Industry Co., Ltd. (汕頭東峰消費品產業有限公司), is the other general partner of Chengdu Tiantu Tiantou.

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The Tiantu Entities are investment funds whose primary purpose is to make equity investments, with a focus in the field of consumer goods in the PRC covering innovative consumption, new retail and consumer finance.

To the best of our knowledge, information and belief, save for the Waterwood Entities, H Capital, and Image Frame, who are our substantial Shareholders or their close associates immediately after the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the Pre-IPO Investors is an Independent Third Party.

Compliance with Chapter 4.2 of the Guide for New Listing Applicants

On the basis that (i) the Pre-IPO Investments were completed more than 28 days before the submission of the application for the Listing, and (ii) the special rights granted to the Pre-IPO Investors have been suspended and terminated prior to the date of the first submission of the application for the Listing and/or will be terminated upon the Listing, as the case may be, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

EMPLOYEE INCENTIVES

The Company previously adopted employee incentive option program since 2015 (the “**2015 Scheme**”) and had granted options to employees pursuant to the 2015 Scheme. A total of 5,000,000 Ordinary Shares were reserved for the purpose of satisfying the grants under the Option Scheme.

In order to facilitate the administration of share incentives granted to the employees and for future grant, the Company decided to convert the 2015 Scheme to a restricted share incentive scheme on January 23, 2024 (the “**RSU Scheme**”). Under the RSU Scheme, 5,000,000 restricted share units (“**RSU**”) representing 5,000,000 Shares in issue may be delivered to the eligible participants.

On March 19, 2024, our Company established Distinct Trust I and Distinct Trust II by entering into trust deeds with Futu Trustee Limited for administration of the RSU Scheme. On March 28, 2024, our Company issued 2,640,250 Ordinary Shares to Distinct Partners I Limited and 2,359,750 Ordinary Shares to Distinct Partners II Limited, representing 4.43% and 3.96% of the then total issued share capital of the Company as of the Latest Practicable Date. The Shares held by Distinct Trust I through Distinct Partners I Limited are for the benefit of the participants of the RSU Scheme including directors and senior management. The Shares held by Distinct Trust II through Distinct Partners II Limited are for the benefit of the participants of the RSU Scheme who are employees and non-connected person of the Group, which constitute Shares held by the public for the purpose of Listing Rules 8.08 and 8.24 and count towards the public float.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As of April 20, 2024, all of the 5,000,000 RSUs, including the RSUs which were converted from options previously granted under the 2015 Scheme, have been granted to 157 eligible participants under the RSU Scheme, and all such granted RSUs were vested as of May 15, 2024. Considering that all the RSUs under the RSU Scheme have been granted and vested, our Company does not expect to issue or grant further RSUs under the RSU Scheme after the Listing.

For details and principal terms of the RSU Scheme, please refer to the paragraph headed “Statutory and General Information — D. RSU Scheme” in Appendix IV to this prospectus.

VOTING AGREEMENTS

Upon completion of the Global Offering, Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited, as the Controlling Shareholders, will be able to exercise an aggregate of 30.79% voting rights in the Company through (i) the Cheuk Sing Ho Agreement; (ii) the trust deed of Distinct Trust I, (iii) the Acting-in-Concert Agreement, and (iv) the Voting Proxy Agreements (assuming the Over-allotment Option is not exercised).

As to Cheuk Sing Ho, on September 5, 2019, all of its then shareholders, namely Mr. Wang, our two other Directors Mr. Shi and Mr. ZHANG Xiangdong (張向東), our two senior management Dr. Zhu and Mr. ZHOU Fang (周方), and two other individuals Mr. ZHANG Dongsheng (張東生) and Mr. ZHANG Jianxin (張建新), entered into an agreement (the “**Cheuk Sing Ho Agreement**”), pursuant to which Mr. Wang, as the sole director of Cheuk Sing Ho, has the sole right and power to determine and vote on behalf of Cheuk Sing Ho in all matters with respect to the Company. On November 8, 2024, in conjunction with Mr. ZHANG Jianxin (張建新)’s transfer of all his shares in Cheuk Sing Ho to his spouse, Ms. ZHAO Yu (趙瑜), at nominal consideration, Ms. ZHAO Yu entered into a joinder deed to the Cheuk Sing Ho Agreement, and is thus bound by the Cheuk Sing Ho Agreement.

Pursuant to trust deed of Distinct Trust I under the RSU Scheme dated March 19, 2024, the trustee of Distinct Trust I which held 2,640,250 Shares in the Company shall exercise voting power attached to such Shares in accordance with Mr. Wang’s instruction.

On April 25, 2024, the Concert Parties (namely Cheuk Sing Ho, our Director Mr. CAO Shaoshan (曹少山) and our Director Mr. ZHANG Xiangdong (張向東) together with his owned entity Nineteen Seventy-Seven which is an immediate shareholder of our Company) entered into the Acting-in-Concert Agreement, pursuant to which the Concert Parties have confirmed that they had been acting in concert by aligning their votes and following Cheuk Sing Ho’s directions when exercising their voting rights at the shareholders’ meetings in our Group since they became interested in our Company, respectively. They also acknowledged and agreed that they had and would continue to, for so long as they remain interested in the Shares, generally follow the view of Cheuk Sing Ho and cast their votes accordingly where consensus cannot be reached on major matters.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pursuant to the Voting Proxy Agreements executed in July 2025, the Proxy Shareholders agreed to appoint Cheuk Sing Ho, a company whose voting rights are controlled by Mr. Wang, as their attorney and proxy to exercise the voting rights attached to the Proxy Shares held by them at the general meeting of our Company. The relevant voting rights in concern under the voting proxy arrangements will be conferred to Cheuk Sing Ho upon completion of the Global Offering. Such voting rights entrusted to Cheuk Sing Ho with respect to the Proxy Shares include:

1. rights to convene and attend a general meeting; and
2. rights to exercise voting rights on behalf of the Proxy Shareholders with respect to all the resolutions to be considered and approved by the Proxy Shareholders at the general meeting of our Company, including without limitation the rights to propose and elect any Director and any other senior management of our Company to be appointed or removed by our Shareholders.

By entrusting such voting rights to Cheuk Sing Ho, the Proxy Shareholders affirm their support and faith in the leadership and management of Mr. Wang to act in a manner that is aligned with the interests of our Group and Shareholders as a whole. The Voting Proxy Arrangements will be beneficial to the overall strategic planning and decision-making process of our Company.

All Proxy Shareholders has irrevocably confirmed that, (a) the voting proxy arrangements shall take effect upon Listing and shall remain effective subject to (c) below; (b) they agreed to a lock-up arrangement with respect to the Proxy Shares for the period of 12 months commencing from the Listing Date; and (c) in the event that a Proxy Shareholder transfers any part of its Proxy Shares to an Independent Third Party, such part of Proxy Shares will no longer be subject to the voting proxy arrangements. The Voting Proxy Agreements and lock-up undertaking of each Proxy Shareholder are separate and enforceable independently of each other.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The below table is a summary of the capitalization of our Company.

Shareholders	Ordinary Shares	Series A		Series B		Series C		Series D		Series E		Number of Ordinary Shares held upon Listing ⁽¹⁾	Ownership % as of the date of this prospectus ⁽²⁾	Ownership % as of the Listing Date
		Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares			
Cheuk Sing Ho	11,283,000	—	—	—	—	—	—	—	—	—	—	11,283,000	18.92%	17.52%
Mr. CAO Shaoshan (曹少山)	1,000,000	—	—	—	—	—	—	—	—	—	—	1,000,000	1.68%	1.55%
Shine Step	800,000	—	—	—	—	—	—	—	—	—	—	800,000	1.34%	1.24%
Nineteen Seventy-Seven . .	867,000	—	—	—	—	—	—	—	—	—	—	867,000	1.45%	1.35%
Distinct Partners I Limited.	2,640,250	—	—	—	—	—	—	—	—	—	—	2,640,250	4.43%	4.10%
Distinct Partners II														
Limited	2,359,750	—	—	—	—	—	—	—	—	—	—	2,359,750	3.96%	3.67%
MPC II, L.P. ⁽³⁾	—	578,944	1,125,000	—	—	—	—	70,695	—	—	—	1,774,639	2.98%	2.76%
MPC II-A, L.P. ⁽³⁾	—	64,327	125,000	—	—	—	—	7,855	—	—	—	197,182	0.33%	0.31%
Waterwood DHC Project														
Ltd.	—	—	7,500,000	—	—	—	—	—	—	—	—	7,500,000	12.58%	11.65%
Humansa Tech (HK)														
Limited	—	—	—	—	—	1,144,200	—	—	—	—	—	1,144,200	1.92%	1.78%
Beijing Tiantu Xingbei Investment Center (Limited Partnership) (北京天圖興北投資中心 (有限合伙))	—	—	—	—	—	2,771,460	—	—	—	—	—	2,771,460	4.65%	4.30%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	Number of Ordinary Shares held upon Listing ⁽¹⁾	Ownership % as of the date of this prospectus ⁽²⁾	Ownership % as of the Listing Date
Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership) (成 都天圖天投東風股權投資 基金中心(有限合伙))	-	-	-	1,187,770	-	-	1,187,770	1.99%	1.84%
CICC Kangrui Phase I (Ningbo) Equity Investment Fund Partnership (Limited Partnership) (中金康瑞壹 期(寧波)股權投資基金合 夥企業(有限合伙))	-	-	-	1,979,610	-	-	1,979,610	3.32%	3.07%
Waterwood Tactics Limited	-	-	-	989,810	-	-	989,810	1.66%	1.54%
Qianhai Ark (BVI) Investment Co., Limited .	-	-	-	441,527	-	-	441,527	0.74%	0.69%
Image Frame	-	3,206,729	-	2,131,973	448,850	5,778,500	11,566,052	19.39%	17.96%
H Capital	-	-	-	-	8,881,900	-	8,881,900	14.89%	13.80%
H SF Investment LLC	-	-	-	-	35,100	-	35,100	0.06%	0.05%
Deripi Limited.	-	-	-	-	233,100	-	233,100	0.39%	0.36%
Buchkana Holdings Limited	-	-	-	-	233,100	-	233,100	0.39%	0.36%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	Number of Ordinary Shares held upon Listing ⁽¹⁾	Ownership % as of the date of this prospectus ⁽²⁾	Ownership % as of the Listing Date
Flarensi Holdings Limited .	-	-	-	-	26,000	-	26,000	0.04%	0.04%
Chengdu Tianfu Qianshi Equity Investment Partnership Enterprise (Limited Partnership) (成 都天府淺石股權投資合夥 企業(有限合夥))	-	-	-	-	351,600	-	351,600	0.59%	0.55%
Chinalin Chuangxin Investment Co. Ltd. (華 林創新投資有限公司)	-	-	-	-	351,600	-	351,600	0.59%	0.55%
Violet Gem Limited	-	-	-	-	-	1,019,700	1,019,700	1.71%	1.58%
Subtotal	18,950,000	3,850,000	8,750,000	10,646,350	10,639,800	6,798,200	59,634,350	100.00%	92.62%
Investors taking part in the Global Offering	-	-	-	-	-	-	4,750,000	-	7.38%
Total	18,950,000	3,850,000	8,750,000	10,646,350	10,639,800	6,798,200	64,384,350	100.00%	100.00%

Notes:

1. After 1:1 conversion of the Preferred Shares into Ordinary Shares of our Company, without taking into account the Shares to be allotted and issued under the Global Offering and the Over-allotment Option.
2. Based on the assumption that each Preferred Share will be converted into one Ordinary Share upon the Global Offering becoming unconditional and all Preferred Shares will automatically be converted into the same number of Ordinary Shares upon Listing.
3. Matrix Partners transferred its shares in the Company to its affiliates, MPC II L.P (formerly known as Matrix Partners China II, L.P.) and MPC II-A L.P. (formerly known as Matrix Partners China II-A, L.P.), respectively on May 14, 2024.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PUBLIC FLOAT

Among all existing Shares of the Company, (i) the Shares controlled by our Controlling Shareholders, which include the interests directly held by Cheuk Sing Ho, Distinct Partners I Limited, Mr. CAO Shaoshan (曹少山), Nineteen Seventy-Seven and the Proxy Shares, (ii) the Shares held by our substantial shareholders or their close associates upon the Listing (assuming the Over-allotment Option is not exercised), namely, Image Frame, H Capital, Waterwood DHC Project Ltd and Waterwood Tactics Limited, representing an aggregate of approximately 70.02% of the total issued Shares upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), will not count as part of the public float for the purposes of Rule 8.08 of the Listing Rules.

Save as disclosed in the above paragraph, to the best of our Directors' knowledge, none of the remaining existing Shareholders is a core connected person of our Company and all the Shares held by the remaining existing Shareholders will count towards the public float. Assuming that the Over-allotment Option is not exercised, based on an Offer Price of (i) HK\$57.70 per Share (being the minimum Offer Price of the indicative Offer Price range), the market capitalization of our Shares immediately upon Listing is expected to be approximately HK\$3,714.98 million; (ii) HK\$62.15 per Share (being the mid-point of the indicative Offer Price range), the market capitalization of our Shares immediately upon Listing is expected to be approximately HK\$4,001.49 million; and (iii) HK\$66.60 per Share (being the maximum Offer Price of the indicative Offer Price range), the market capitalization of our Shares immediately upon Listing is expected to be approximately HK\$4,288.00 million. Accordingly, at least 25% of the total number of issued Shares must be held by public upon Listing (based on the minimum, mid-point and maximum Offer Price of the indicative Offer Price range) according to Rule 8.08(1) of the Listing Rules. Approximately 29.98% of the total issued Shares upon completion of the Global Offering (assuming the Over-allotment Option is not exercised), irrespective of the Offer Price, will be counted as part of the public float, which will satisfy the public float requirement under Rule 8.08 of the Listing Rules.

FREE FLOAT

Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing must (i) represent at least 10% of the total number of issued Shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK\$600,000,000.

On the basis that (i) no Offer Shares will be allocated under the Global Offering to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules (assuming the Over-allotment Option is not

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

exercised), (ii) 4,192,200 existing Shares, representing approximately 6.51% of the total issued Shares of the Company upon the completion of the Global Offering, held by certain Pre-IPO Investors not subject to any lock-up restriction, and (iii) all the Shares to be issued to the cornerstone investors are subject to lock-up undertakings and therefore will not be counted as part of the free float, based on the low-end of the Offer Price range of HK\$57.70, upon completion of the Global Offering, it is expected that 7,384,600 Shares, representing a market value of approximately HK\$426.09 million and approximately 11.47% of the total issued Shares of the Company upon the completion of the Global Offering, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of the Listing, which is not less than 10% of the total issued Shares of the Company upon the completion of the Global Offering and will satisfy the free float requirement under Rule 8.08A(1) of the Listing Rules.

PRC LEGAL COMPLIANCE

M&A Rules

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定) (the “M&A Rules”), which were jointly promulgated by the MOFCOM, the State Assets Supervision and Administration Commission, the SAT, the SAMR, the CSRC and the SAFE on August 8, 2006, came into effect on September 8, 2006 and subsequently amended on June 22, 2009, require that foreign investors acquiring domestic companies by means of asset acquisition or equity acquisition shall comply with relevant foreign investment industry policies and shall be subject to approval by the relevant commerce authorities. Article 11 of the M&A Rules stipulates that an overseas company established or controlled by a PRC domestic company, enterprise or natural person shall obtain approval from the MOFCOM prior to the acquisition of any domestic enterprise related to such company, enterprise or natural person. The M&A Rules, amongst others, also require that an offshore special purpose vehicle, or a SPV, formed for overseas listing purposes and through purchasing shares or equity interest in PRC domestic companies in exchange for the shares of offshore companies, and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such SPV’s securities on an overseas stock exchange.

Given that during the acquisition of Distinct Investment Consulting by our Group, Mr. Wang, the actual controller of our then largest shareholder Cheuk Sing Ho, is not regarded as a PRC domestic natural person under the M&A Rules as he was a permanent resident of Hong Kong, as advised by our PRC Legal Adviser, unless new laws and regulations are enacted or MOFCOM and CSRC publish new provisions or interpretations on the M&A Rules to the contrary in the future, the acquisition of Distinct Investment Consulting by Qianhai Distinct was not subject to the M&A Rules, the proposed Listing is not subject to approval from the MOFCOM and the CSRC under the M&A Rules.

Circular 37

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the “**SAFE Circular 37**”) on July 14, 2014, which replaced the former circular commonly known as “SAFE Circular 75” promulgated by SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle”. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or swap, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle maybe restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

On February 13, 2015, SAFE released the Notice on Further Simplifying the Improving Policies for the Foreign Exchange Administration of Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “SAFE Circular 13”), which became effective from June 1, 2015. According to SAFE Circular 13, local banks shall examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration under SAFE Circular 37. However, there exists uncertainties with respect to its interpretation and implementation by governmental authorities and banks.

As advised by our PRC Legal Adviser, each of Mr. SONG Xin (宋昕), Mr. ZHANG Xiangdong (張向東), Dr. ZHU Yan (朱岩), Mr. ZHOU Fang (周方) and Mr. ZHANG Dongsheng (張東生) have completed the foreign exchange registrations pursuant to the aforementioned regulations.

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the Global Offering:

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:



denotes the entities that are subject to the Contractual Arrangement.



denotes the voting rights in the shares controlled by the Controlling Shareholders.

- (1) Cheuk Sing Ho has seven shareholders, namely Mr. Wang, our two other Directors Mr. SHI Yi (施翼) and Mr. ZHANG Xiangdong (張向東), our two senior management Dr. ZHU Yan (朱岩) and Mr. ZHOU Fang (周方), and two other individuals Mr. ZHANG Dongsheng (張東生) and Ms. ZHAO Yu (趙瑜), who hold respectively 39.1%, 18.4%, 2.2%, 9.2%, 5.1%, 1.1% and 24.9%. Pursuant to the Cheuk Sing Ho Agreement, Mr. Wang, as the sole director of Cheuk Sing Ho, has the sole right and power to determine and vote on behalf of Cheuk Sing Ho in all matters with respect to the Company.

Our founder, Mr. Wang, became acquainted with Mr. ZHANG Dongsheng and Mr. ZHANG Jianxin (whose spouse is Ms. ZHAO Yu) as they were all alumni from Peking University. Save for their shareholding in the Company and voting arrangement under the Cheuk Sing Ho Agreement as disclosed in this Prospectus, that Mr. ZHANG Dongsheng used to be the marketing director of the Group from January 2014 to March 2015, and that Mr. ZHANG Jianxin has since March 2025 become an employee of the Group, Mr. ZHANG Dongsheng, Mr. ZHANG Jianxin and his spouse, Ms. ZHAO Yu (趙瑜) are Independent Third Parties, and have no other past or present relationships with the Company or its subsidiaries, their directors, shareholders or senior management, or any of their respective associates.

- (2) Pursuant to the Acting-in-Concert Agreement, the Concert Parties (namely Cheuk Sing Ho, our Director Mr. CAO Shaoshan (曹少山) and our Director Mr. ZHANG Xiangdong (張向東), together with his wholly-owned entity Nineteen Seventy-Seven which is an immediate shareholder of our Company) confirmed that they had been acting in concert by aligning their votes and following Cheuk Sing Ho's directions when exercising their voting rights at the shareholders' meetings in our Group since they became interested in Company, respectively. For details, please refer to "— Voting Agreements" in this section.

Pursuant to the Voting Proxy Agreements, the Proxy Shareholders agreed to appoint Cheuk Sing Ho, a company whose voting rights are controlled by Mr. Wang, as their attorney and proxy to exercise the voting rights attached to the Proxy Shares held by them at the general meeting of our Company. The relevant voting rights in concern under the voting proxy arrangements will be conferred to Cheuk Sing Ho upon completion of the Global Offering. For the purpose of illustration, the shareholding percentage of each of the Proxy Shareholders immediately following the completion of the Global Offering represents their respective remaining voting rights excluding the voting rights attached to the Proxy Shares. See "— Voting Agreements" for details.

- (3) Distinct Partners I Limited and Distinct Partners II Limited hold Shares for grant under the RSU Scheme. The Trustee shall procure Distinct Partners I Limited to exercise its voting rights attached to the Shares underlying the vested RSUs held by it in accordance with Mr. Wang's instructions.
- (4) Nineteen Seventy-Seven is wholly-owned by our non-executive Director, Mr. ZHANG Xiangdong (張向東).
- (5) Shine Step is wholly-owned by SONG Xin (宋昕).
- (6) To the best of our knowledge, information and belief, save for H Capital, the Waterwood Entities and Image Frame, who are our substantial shareholders or their close associates immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised), to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, each of the Pre-IPO Investors is an Independent Third Party. Please refer to "— Pre-IPO Investments — Information about the Pre-IPO Investors" for more information of some of the Pre-IPO Investors.
- (7) As of the Latest Practicable Date, Distinct Consultation owns 100% of the following VIE Medical Institutions:
- Suzhou Industrial Park Distinct Ruian Outpatient Department Co., Ltd. (蘇州工業園區卓正睿安門診部有限公司)
 - Suzhou Industrial Park Distinct Ruiqing Medical Cosmetology Clinic Co., Ltd. (蘇州工業園區卓正睿清醫療美容診所有限公司)
 - Shanghai Zhuoyuan Outpatient Department Co., Ltd. (上海卓原門診部有限公司)
 - Shanghai Distinct Rui Outpatient Department Co., Ltd. (上海卓正睿門診部有限公司)
 - Hangzhou Zhuokang Comprehensive Outpatient Department Co., Ltd. (杭州卓康綜合門診部有限公司)

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (8) As of the Latest Practicable Date, apart from the VIE Medical Institutions listed under Distinct Investment Consulting, Distinct Investment Consulting also owns 100% of the following VIE Medical Institutions:
- Shenzhen Zhuomouqing Ophthalmology Clinic (深圳卓眸清眼科診所)
 - Shenzhen Zhuokang Outpatient Department (深圳卓康門診部)
 - Foshan Nanhai Distinct
 - Shenzhen Zhuoan'an Pediatrics
- (9) As of the Latest Practicable Date, Distinct Investment owns 100% of the following VIE Medical Institutions:
- Wuhan Zhuojian Comprehensive Outpatient Department Co., Ltd. (武漢卓健綜合門診部有限公司)
 - Changsha Zhuojian Outpatient Department Co., Ltd. (長沙卓健門診部有限公司)
 - Changsha Ruiqing Medical Cosmetology Clinic Co., Ltd. (長沙睿清醫療美容診所有限公司)
 - Beijing Zhuokang Clinic Co., Ltd. (北京卓康診所有限公司)
 - Chongqing Zhuojian Outpatient Department Co., Ltd. (重慶卓健門診部有限公司)
 - Beijing Zhuorui Outpatient Department Co., Ltd. (北京卓睿門診部有限公司)
 - Harbin Zhuotai Internal Medicine Clinic Co., Ltd. (哈爾濱卓泰內科診所有限公司)
- (10) As of the Latest Practicable Date, apart from owning 100% of Wuhan Pleiades Children's Hospital, Wuhan Dragon World also owns 100% of the following subsidiaries:
- Wuhan Xingchen Smart Medical Technology Co., Ltd. (武漢星辰智慧醫療科技有限公司)
 - Wuhan Pleiades Guanshan

Mr. Yao, an Independent Third Party (save for his interests in Wuhan Dragon World), owns 30% of the equity interest in Wuhan Dragon World.

OVERVIEW

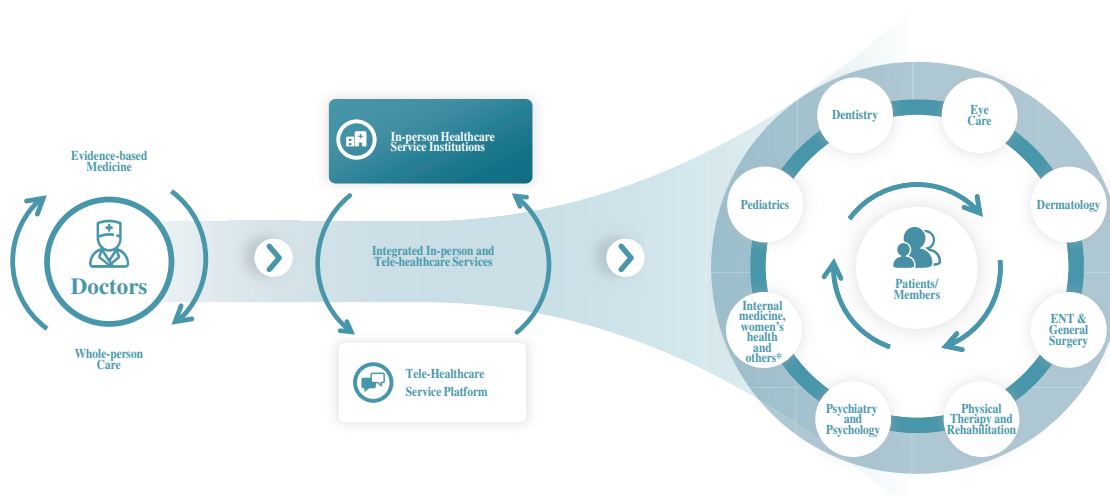
We are the third largest private mid- to high-end comprehensive healthcare service provider⁽¹⁾ in China in terms of revenue in 2024 with a market share of 2.0%, according to Frost & Sullivan. In addition, according to Frost & Sullivan, China's private mid- to high-end comprehensive healthcare service market is highly fragmented and we ranked first and second among all the private mid- to high-end comprehensive healthcare service institution groups in terms of the number of cities covered in China as of December 31, 2024 and number of paid patient visits in 2024, respectively. We have been strategically focusing on serving the mid- to high-end healthcare service market, targeting mass affluent and wealthy population that generally has stronger purchasing power and a preference for more personalized care. According to Frost & Sullivan, the total revenue of private mid- to high-end healthcare service market in China increased at a CAGR of 21.9% from RMB193.0 billion in 2020 to RMB426.3 billion in 2024, and is forecasted to continue to grow at a CAGR of 14.3% from 2024 to 2029 to reach RMB831.4 billion in 2029.

We started our business in 2012. Leveraging our centralized, standardized and digitalized management system, we have established a network covering some of the most economically developed cities in China, including Shenzhen, Guangzhou, Beijing, Chengdu, Suzhou, Changsha, Shanghai, Chongqing, Hangzhou and Wuhan. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions across China, including 17 clinics and two hospitals. In addition, as of the Latest Practicable Date, we operated four general practice clinics in Singapore and one general practice clinic in Malaysia. We intend to continue to expand our healthcare service institution network through organic growth and strategic acquisitions and penetrate additional New Tier-One Cities.

Guided by a whole-person care approach, we have adopted a whole-family care model integrating in-person and tele-healthcare services. Leveraging our range of specialties including pediatrics, dentistry, eye care, dermatology, ENT & general surgery, women's health, and internal medicine as well as close collaborations among specialists, we are able to serve the diverse medical needs of patients and their whole families, which allows us to continuously increase patient satisfaction and generate cross-referral opportunities. We believe that the integration of in-person and tele-healthcare services brings us synergistic benefits to our healthcare service quality and enables us to consolidate medical resources and expand our patient coverage across regions in a cost-effective manner.

Note:

- (1) Private mid- to high-end comprehensive healthcare service providers refer to private mid- to high-end healthcare service providers that can cover at least five specialties with revenue derived from any single specialty not exceeding 50% of total revenue. See "Industry Overview — Overview of the Private Mid- to High-End Comprehensive Healthcare Service Market in China."



* including health check-ups and other specialties.

We attribute our leading market position to our adherence to patient-oriented principles and our corporate culture that upholds the essence of health care. Guided by the principle of evidence-based medicine, we strive to avoid unnecessary medical intervention and prioritize the well-being of our patients above all else. As a testament to the quality of our healthcare services, we have built a growing patient base. For the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2024 and 2025, the total number of patients who received services in our healthcare service institutions in China during the relevant period was 162,393, 201,335, 242,549, 190,685 and 212,180, respectively, while the total number of paid patient visits of our healthcare service institutions and tele-healthcare service platform was 529,829, 733,397, 905,825, 595,070 and 642,132, respectively. Our Patient Return Rate was 75.7%, 78.2%, 80.0% and 82.7%, respectively, for the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2025.

We are committed to attracting, retaining and cultivating a team of qualified and professional doctors through our structured talent development framework, which we believe, combined with our stringent clinical quality control, are critical to ensure patient safety and satisfaction. As of August 31, 2025, we had 387 full-time doctors, who had on average approximately 15 years of post-qualification practicing experience and approximately 79% of whom practiced in top Grade A Class III hospitals before joining us.

We believe that our centralized, standardized and digitalized management system plays a significant role in ensuring the consistency of our service quality and the scalability and operational efficiency of our business. Our integrated information technology and data infrastructure provides us with versatility and robustness to support business operations across different regions and has enabled us to digitalize, streamline and standardize substantially all aspects of our business operations, internally for operational and financial management and externally for patient management and service offerings.

BUSINESS

We are focused on leveraging advanced AI technologies to innovate healthcare delivery and operational efficiency. Our patient-first philosophy, supported by a highly qualified and dynamic medical team and an integrated care model spanning tele-healthcare platform and offline institutions nationwide, positions us to capitalize on emerging opportunities. Through strategic investments in digital infrastructure and key partnerships, we aim to enhance patient care and drive sustainable growth, reinforcing our competitive position in the evolving healthcare sector.

We experienced significant growth during the Track Record Period. Our total revenue increased from RMB473.2 million in 2022 to RMB958.6 million in 2024, representing a CAGR of 42.3%. Our revenue increased from RMB614.8 million in the first eight months of 2024 to RMB695.7 million in the first eight months of 2025. Our adjusted net loss (a non-IFRS measure) decreased from RMB123.0 million in 2022 to RMB43.6 million in 2023, with a turnaround to adjusted net profit (a non-IFRS measure) of RMB10.7 million in 2024. Our adjusted net profit (a non-IFRS measure) amounted to RMB24.4 million in the first eight months of 2024 and RMB10.4 million in the first eight months of 2025. Please see “Financial Information — Description of Selected Components of Our Consolidated Statements of Profit or Loss — Non-IFRS Measure.”

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are critical to our current success and crucial to our future growth:

Third largest private mid- to high-end comprehensive healthcare service provider in China in terms of revenue in 2024 with established brand recognition

We are the third largest private mid- to high-end comprehensive healthcare service provider in China in terms of revenue in 2024, according to Frost & Sullivan. In addition, according to Frost & Sullivan, we ranked first and second among all the private mid- to high-end comprehensive healthcare service institution groups in terms of the number of cities covered in China as of December 31, 2024 and number of paid patient visits in 2024, respectively.

We have been strategically focusing on serving the mid- to high-end healthcare service market, targeting mass affluent and wealthy population that generally has stronger purchasing power and a preference for more personalized care. According to Frost & Sullivan, the number of mass affluent and wealthy population in China increased from 104.1 million in 2020 to 123.1 million in 2024, with a CAGR of 4.3%. During the same period, the proportion of mass affluent and wealthy population in China grew from 7.4% to 8.7%. The expansion of the mass affluent and wealthy population has generated and will continue to generate increasing demand for premium services provided by private healthcare service institutions. According to Frost & Sullivan, the total revenue of mid- to high-end healthcare service market increased at a CAGR of 18.8% from RMB322.3 billion in 2020 to RMB641.1 billion in 2024, and is forecasted to continue to grow at a CAGR of 12.7% from 2024 to 2029 to reach RMB1,165.9 billion in 2029. In particular, the private mid- to high-end healthcare service market in China is expected to

grow faster than the overall mid- to high-end healthcare service market, reaching RMB831.4 billion in 2029, representing a CAGR of 14.3% from 2024 to 2029. Leveraging our leading market position, we believe we are well-positioned to capture and benefit from this rapid market growth in the future.

We started our business in 2012. Leveraging our centralized, standardized and digitalized management system, we have established a network covering some of the most economically developed cities in China, including Shenzhen, Guangzhou, Beijing, Chengdu, Suzhou, Changsha, Shanghai, Chongqing, Hangzhou and Wuhan. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions across China, including 17 clinics and two hospitals. We focus on Tier-One Cities and New Tier-One Cities, which are characterized by higher per capital income and stronger demand for mid- to high-end healthcare services. In addition, as of the Latest Practicable Date, we operated four general practice clinics in Singapore and one general practice clinic in Malaysia.

Through more than a decade of dedication and commitment to professional healthcare services, we have made “Distinct HealthCare (卓正醫療)” an established brand in the markets in which we operate. We believe that ultimately, our reputation has been, and will continue to be, built upon our service quality, and that the most effective marketing channel for us is the spontaneous word-of-mouth referral by our satisfied patients. In particular, for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, we recorded an average net promoter score of 81.1, 86.4 and 85.9 and 87.6, respectively, which was generated by surveys where patients scored our healthcare services. We have successfully established our brand name in the markets in which we operate while maintaining relatively low advertising and marketing spending. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, our selling expenses as a percentage of our total revenue was 2.7%, 1.2%, 1.7% and 1.8%, respectively, which were lower than industry average of peers in China’s private mid- to high-end healthcare service market, according to Frost & Sullivan.

A whole-family care model integrating in-person and tele-healthcare services that enables us to build a growing patient base

Guided by a whole-person care approach that involves looking at the whole person (instead of separate organs or body systems) and considering the combination of physical, mental, and social health of patients, we have adopted a whole-family care model. Leveraging our range of specialties including pediatrics, dentistry, eye care, dermatology, ENT & general surgery, women’s health, and internal medicine as well as close collaborations among specialists, we are able to serve the diverse medical needs of patients and their whole families, which allows us to continuously increase patient satisfaction and generate cross-referral opportunities.

We also strive to differentiate us from our competitors by offering a selection of subspecialties and diagnoses/treatments for specific medical conditions that are frequently sought after by our target families. Our current range of subspecialties and diagnoses/treatments for specific medical conditions includes, among others, management of childhood asthma, desensitization therapy, pediatric endocrinology, developmental-behavioral

pediatrics, gastrointestinal endoscope, weight management, treatment for dry eyes, dental implant and orthodontics, physical therapy & rehabilitation, psychiatry & psychology, and treatment for adenoid hypertrophy. These offerings are tailored to meet the diverse healthcare needs of our patients, providing comprehensive care under one roof. This approach enhances the convenience for our target families, encouraging more frequent visits from individual family members.

With the view to continuously improving the convenience and accessibility of our services throughout the entire process from pre-consultation to follow-up consultation, we have integrated our healthcare service institutions and our tele-healthcare service platform. Depending on the patients' specific conditions, patients may receive pre-consultation assessments, initial consultations and follow-up consultations either at our healthcare service institutions or through our tele-healthcare service platform. Also, through our tele-healthcare service platform, our patients may check the availability of, and make appointments with, our doctors, review laboratory test and examination reports, and access our rich online offering of health education content. Our tele-healthcare service platform has been widely accepted by our patients after it was launched. The paid patient visits of our tele-healthcare service platform increased from 142,639 in 2022 to 175,534 in 2024, representing a CAGR of 10.9%. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, among patients who received online text and voice consultation services through our tele-healthcare service platform and submitted their satisfaction rating for our services, 96.4%, 97.3%, 97.4% and 97.1% of them gave us a rating of 9.0 or more in a 10 point rating scale. In addition, when our doctors determine that any in-person patient's conditions require continuous follow-ups, the doctor may initiate complimentary follow-up consultations, allowing the patient to engage in one or more rounds of communications with the initiating doctor through our tele-healthcare service platform. Such ongoing communications enable our doctors to stay informed of the conditions and medical needs of the patients and answer any related questions. For the year ended December 31, 2024, we provided 62,671 complimentary doctor-initiated follow-up consultations to our patients.

To better serve our patients and deepen patient relationships, in December 2020, we launched our annual fee-based "Distinct membership program" across our healthcare service institutions. This program offers a variety of benefits to up to six members for one account, including, among others, priority booking, discounted prices for and exclusive packages of certain healthcare services and products, and a fixed number of complimentary nurse counseling sessions. We believe these benefits increase the willingness of our Distinct members to consume at our healthcare service institutions and renew their membership upon expiration. As of August 31, 2025, we had an aggregate of 116,542 Distinct membership accounts. The Distinct membership renewal rate, representing the number of membership accounts that were due to expire during the relevant quarters and were renewed before or three months after the respective expiration dates as a percentage of the total number of Distinct membership accounts that were due to expire during the relevant quarters, was approximately 42%, 56%, 64% and 67% for the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, respectively.

As a testament to the quality of our healthcare services, we have built a growing patient base. For the years ended December 31, 2022, 2023, 2024, and the eight months ended August 31, 2024 and 2025, the total number of patients who received services in our healthcare service institutions in China during the relevant period was 162,393, 201,335, 242,549, 190,685 and 212,180, respectively, while the total number of paid patient visits of our healthcare service institutions and tele-healthcare service platform was 733,397, 905,825, 595,070 and 642,132, respectively. Our Patient Return Rate was 75.7%, 78.2%, 80.0% and 82.7%, respectively, for the years ended December 31, 2022, 2023 and 2024 and eight months ended August 31, 2025.

We believe that our whole-family care model, together with the integration of our healthcare service institutions and our tele-healthcare service platform, will continue to serve as a solid foundation for us to maintain high return and renewal rates and further increase our market share.

A professional and stable team of doctors with a structured talent development framework

We have built up a sizable and professional team of doctors, which we believe is crucial to our success and maintaining our leading market position. As of August 31, 2025, we had 387 full-time doctors, who had on average approximately 15 years of post-qualification practicing experience and approximately 79% of whom practiced in top Grade A Class III hospitals before joining us. Our team of doctors generally possess strong education background from top-ranked universities and colleges, including Peking Union Medical College (北京協和醫學院), Peking University Health Science Center (北京大學醫學部), Zhongshan School of Medicine of Sun Yat-sen University (中山大學中山醫學院), West China Medical School of Sichuan University (四川大學華西醫學院) and Tongji Medical College of Huazhong University of Science and Technology (華科技大學同濟醫學院). As of August 31, 2025, the average age of our full-time doctors were 40 and approximately 90% of our full-time doctors held master's degrees or above. As of August 31, 2025, 21% of our full-time doctors had overseas education, visiting scholar or working experience, which is higher than the industry average of peers in China's private mid- to high-end healthcare service market, according to Frost & Sullivan.

We implement rigorous screening, interviewing, and probation procedures to recruit doctors. We only recruit doctors who share our patient-oriented values and also recognize our corporate culture that upholds the essence of health care. In addition to stringent criteria regarding education background and work experience, doctor candidates undergo more than two rounds of interviews. These interviews assess their values and motivation, medical knowledge and skills, critical thinking ability, and communication skills. Newly recruited doctors participate in orientation and clinical observation sessions, which are designed to familiarize them with our whole-person care approach and the principle of evidence-based medicine. They must successfully pass evaluations of their doctor-patient communication skills and professional competencies to be officially confirmed in their positions.

Medicine is a profession that demands lifelong learning. To support this, we have developed a personalized system for continuous medical education. In addition to regular monthly academic meetings, our full-time doctors are entitled to five days of academic leave annually. They are reimbursed upon the submission of their study reports or presentation of study reports to their peers. Our full-time doctors also have the opportunity to enroll in specialized training programs offered by us in partnership with external institutions. For instance, over 40 full-time doctors have participated in a multidisciplinary allergy training program provided by a renowned children's hospital in Canada. Furthermore, we regularly invite top external experts for academic exchanges with our medical team.

Effective doctor-patient communication is pivotal to our whole-person care approach. Our internal instructors, certified by the United States Institute for Healthcare Communication, deliver systematic courses to all our full-time doctors. Members of the medical executive committee at our headquarters level organize regular lectures and group activities, which we encourage all our full-time doctors to attend. These initiatives are designed to offer our full-time doctors personalized support in areas such as shared decision-making, literature retrieval, and mental health.

We do not rely on any single doctor, but value the strength of our entire team of doctors. Thanks to our systematic talent development efforts, we have been able to maintain a consistently high rate of doctor retention and the turnover rate for our full-time doctors, calculated by dividing the number of doctors who resigned during the relevant period by the sum of the number of doctors who left us during the relevant period plus the number of doctors at the end of that period, was 3.9%, 2.6%, 3.2% and 2.3% for the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, respectively. These rates are significantly lower than the typical doctor turnover rate at similar private healthcare service institutions in China, according to Frost & Sullivan.

Centralized, standardized and digitalized management system and early adoption of AI technologies to ensure service quality, operational efficiency and scalability

We have adopted a three-tier centralized management structure comprising “headquarters — region — specialty unit.” Under this management structure, our headquarters formulates our overall strategies and business plans, makes key management decisions and oversees and coordinates the implementation of our overall strategies and business plans, as well as Group-wide policies and procedures, across specialty units, and ultimately our healthcare service institutions. Our three-tier centralized management structure ensures that such strategies, business plans, policies and procedures are well-coordinated and effectively supervised by our headquarters and reduces operational risks, while preserving management and operational flexibility at the regional level for better adaptability to local conditions and context. Through the centralization of our core management and support functions at our headquarters, we believe we are able to streamline and further enhance the efficiency of our business operations, thereby continuing to benefit from economies of scales as we expand.

We place great emphasis on clinical quality control, which is critical to ensure patient safety and satisfaction. Guided by the principle of evidence-based medicine, we strive to avoid unnecessary medical intervention and prioritize the well-being of our patients above all else. We have implemented, and are continuously refining, a set of standardized and highly replicable clinical practice guidelines and service protocols, which we require all of our healthcare service institutions to strictly follow. For example, we are dedicated to appropriate antibiotic prescribing and our doctors are reminded to prescribe antibiotics only when clinically indicated. We have also subscribed for UpToDate, an evidence-based and industry-leading clinical decision support platform, which can be accessed by our doctors for latest medical evidence and best practices around the world. In addition, we have designated the medical executive committee at our headquarters level responsible for overseeing the implementation of our clinical practice guidelines and service protocols across our healthcare service institutions, as well as assessing and monitoring the quality control at our healthcare service institutions. For example, continuous monitoring of each doctor's related clinical data is conducted by our quality assurance team. As a result of the foregoing, we have been able to provide our patients with quality health care.

Our centralized management structure is supported by our integrated information technology and data infrastructure, which provides us with versatility and robustness to support business operations across different regions and has enabled us to digitalize, streamline and standardize substantially all aspects of our business operations, internally for operational and financial management and externally for patient management and service offerings. At the heart of the infrastructure is a set of three core platforms, namely, Hospital Management System (“**HMS**”), Distinct Management System (“**DMS**”) and Distinct Data Platform. In particular, our DMS, self-developed by us, is a comprehensive patient management system and integrated with our mobile applications, official WeChat accounts and mini programs. Our DMS streamlines and standardizes the entire process of patient management from patient outreach, patient services, patient education, membership & billing to long-term healthcare management. We have also established Distinct Data Platform to aggregate all data from different realms such as user background and activity data, anonymized clinical data, operation data and financial data. The Distinct Data Platform has empowered us with complex business analytics as well as timely operation improvement. We have also implemented HMS, a cloud-based electronic medical record system which can be accessed across our healthcare service network to ensure the accuracy, continuity and completeness of all relevant information and facilitate subsequent consultations and long-term healthcare management of our patients. All these efforts have allowed us to improve patient loyalty and drive repeat visits. Our integrated information technology and data infrastructure has been implemented and interconnected across our headquarters and healthcare service institutions in China, allowing real-time data sharing and facilitating informed decision making by our central management in formulating our overall strategies and business plans. We believe that the integration of our healthcare service institutions and our tele-healthcare service platform brings us synergistic benefits to our healthcare service quality and enables us to consolidate medical resources and expand our patient coverage across regions in a cost-effective manner. In addition, the connection between our in-person and online services allows us to strategically choose markets for offline expansion based on the activity level of online doctors and patients, which helps us to rapidly ramp up newly established healthcare service institutions.

Meanwhile, we actively integrate advanced AI technologies into our healthcare services to enhance efficiency. For instance, for patient appointment scheduling, our AI-powered assistant evaluates whether a patient's medical demand aligns with the appropriate specialty department or doctor's specialization. Approved appointments are automatically confirmed with notifications, while cases requiring further review are flagged for manual verification, ensuring accuracy in patient triage. In addition, we use AI technologies to automatically aggregate and synthesize data from medical records and health check-up reports and generate summaries of key patient information. Our AI-powered assistant is also able to verify prepaid package benefits, improving both operational efficiency and patient experience.

We believe that the high degree of standardization and digitalization has enabled us to quickly and successfully expand our operations and become the No. 1 and No. 3 private mid-to high-end comprehensive healthcare service institution group in terms of the number of cities covered in China as of December 31, 2024 and revenue in 2024, respectively. We opened our first healthcare service institution in 2012 in Shenzhen, and since then we have grown our geographic footprint to cover Guangzhou, Beijing, Chengdu, Suzhou, Changsha, Shanghai, Chongqing, Hangzhou, Wuhan and Foshan in China and Singapore. Our healthcare service institutions ramped up rapidly after commencement of operations and realized significant growth in revenue. In particular, as of August 31, 2025, we had a total of 16 flagship institutions, namely, healthcare service institutions each with a GFA of over 1,000 sq.m. and over five specialty departments. The total number of paid patient visits of our flagship institutions increased with a CAGR of 44.1% from 313,551 in 2022 to 651,098 in 2024, and increased from 416,119 in the first eight months of 2024 to 508,268 in the first eight months of 2025, while the total revenue generated by our flagship institutions increased from RMB349.9 million in 2022 to RMB797.9 million in 2024, representing a CAGR of 51.0%, and increased from RMB503.7 million in the first eight months of 2024 to RMB616.8 million in the first eight months of 2025.

Stable and dedicated senior management team with extensive and diverse industry experience

We believe that our success is in part attributable to our stable, dedicated and experienced management team. Our senior management team possesses an average of over 16 years of industry-related or professional management experience, collectively covering a full spectrum of skillsets from clinical practice and research, technology development and implementation, to operational and financial management. See "Directors and Senior Management" for their biographies.

Our senior management team is stable and well-coordinated, with an average tenure of nearly 10 years with us. Under the capable leadership of our senior management team, we have been able to effectively execute our corporate strategies, positioning us to seize market opportunities, adapt to industry trends, enhance brand awareness, and foster business growth.

We adhere to patient-oriented principles and have built a corporate culture that upholds the essence of health care. Guided by the principle of evidence-based medicine, we focus on providing our patients with professional services. We strive to avoid unnecessary medical intervention and prioritize the well-being of our patients above all else. Our ultimate goal is to improve our patients' prognosis and well-being by delivering preventive care, accurate diagnosis and appropriate and effective treatment options.

We highly value social responsibility and actively participate in public welfare activities. We leverage social media and organize lectures to actively disseminate and promote scientific healthcare knowledge. For instance, our articles on the misuse of antibiotics and the advice of not using cold medicine for children under six have attracted a significant number of readers. We believe these efforts have significantly enhanced public awareness about these medical issues and reduced unnecessary iatrogenic harm. We are a certified training center for “Heart Saver” and “First Aid” courses endorsed by the American Heart Association (“AHA”). Beyond our medical professionals, our internal instructors have trained many AHA-certified first aiders across various schools and corporates. In addition, we played an active role in combating the outbreak of the COVID-19 pandemic and deployed a team of medical professionals to support COVID-19 testing in the local community. Our strong dedication to social responsibility has enabled us to enhance our brand influence and made our healthcare services available to a wider population, laying a foundation for our future development.

OUR BUSINESS STRATEGIES

We plan to implement the following business strategies:

Leverage innovative AI and digital technologies to transform healthcare delivery and enhance operational efficiency and medical quality

We are committed to advancing the digitalization and intelligentization of our operations to elevate patient satisfaction and improve the efficiency of our medical team. Our AI initiatives are designed to drive transformative improvements in key operational and clinical areas, including:

- **Automation of Administrative Processes:** We plan to further increase the level of automation in appointment scheduling, billing, and insurance claim processing to substantially reduce manual administrative workload.
- **Quality Management Analytics:** We plan to further apply AI to classify and analyze patient complaints and safety incidents, thereby improving the responsiveness and productivity of our quality control teams.
- **Patient Flow Forecasting and Staffing Optimization:** We plan to launch a patient flow forecasting system that analyzes historical data to predict patient demand, enabling improved allocation of human resources.
- **AI-Assisted Health Counseling Services:** We expect to implement AI solutions to assist doctors and nurses in preparing medical records and other documentation, thereby enabling doctors and nurses to focus more on patient interactions and enhancing service quality.

These labor efficiency gains will enable us to provide our patients with a more flexible service package to improve the perceived value for them. We also plan to offer value-added services and further elevate care quality through the continued adoption of AI and digital technologies. For example:

- **Post-visit Follow-up Services:** We will offer free online post-visit follow-up services for all offline patients, supported by AI-enabled systems that enhance responsiveness and continuity of care.
- **AI-driven Communication Review:** We will deploy AI systems that analyze both online and onsite communication records to identify patient concerns and improve staff communication skills and health education effectiveness, thereby enhancing patient satisfaction.
- **AI-supported Clinical Decision-making:** We plan to introduce clinical AI applications designed to assist clinicians in making more accurate diagnoses and delivering higher-quality treatments.

Looking ahead to the medium and long term, we firmly believe that AI will fundamentally transform healthcare delivery. Our “patient-first” philosophy, supported by a professional and dynamic medical team and an integrated care model spanning both tele-healthcare platform and offline institutions nationwide, positions us to capitalize on these transformative opportunities. We view the rapid evolution of AI as a tremendous opportunity to set new standards in healthcare delivery.

To support these initiatives, we will continue to invest in advanced IT and data infrastructure through independent research, strategic collaborations with top technology institutions, such as the Hong Kong University of Science and Technology (Guangzhou), and targeted external procurement. Moreover, we are dedicated to building and nurturing an innovative talent pool focused on healthcare AI applications.

Enhance our child and adult health management service capabilities through multidisciplinary collaboration and AI empowerment

For children, in addition to our existing strengths in treating common pediatric illnesses and providing well-baby checkups, we plan to further strengthen our pediatric service capabilities by recruiting and training more pediatric subspecialists, speech therapists, occupational therapists, and psychotherapists. This will allow us to better diagnose and treat developmental and behavioral disorders (particularly ADHD and speech delay), pediatric allergies and asthma, growth and puberty disorders, and psychological issues. These conditions are relatively common among children, yet few institutions are able to deliver one-stop, whole-person care through coordinated multidisciplinary collaboration.

For adults, we plan to integrate a comprehensive suite of services covering health assessment and chronic disease management, mental health and sleep difficulties, exercise and rehabilitation, nutrition and weight management, as well as anti-aging and perimenopausal management services. Delivery of these services requires close collaboration among professionals including general practitioners, internal medicine specialists, gynecologists, physical therapists, psychologists, nutritionists, and lifestyle coaches. We plan to achieve this through organizational and process redesign, and to establish more than 10 dedicated “Health Management Centers” to provide such one-stop services.

We will launch a subscription-based healthcare service package designed to deliver an integrated solution, including in-person consultations and long-term online medication management. The service package will focus on areas with unmet needs, including weight management, allergies, sleep disorders and lipid management.

In addition, we will launch AI-assisted health counseling services for both children and adults, powered by AI-curated, 360-degree health profiles that deliver a comprehensive, data-driven view of each individual’s well-being. These dynamic profiles will consolidate and continuously analyze data from multiple sources, including: (i) patient medical records from our network, (ii) external medical records uploaded by users, and (iii) user-authorized data collected from wearable devices, such as activity and sleep data. Through advanced AI analytics, each health profile will evolve into a living longitudinal record, capable of identifying early health risk trends, generating personalized insights, and recommending proactive interventions.

Our mobile application will present these insights through intuitive dashboards, dynamic health scores, and automated care reminders to support family-wide health management. Based on these data, AI-assisted health counseling services, which are supervised by human professionals, will deliver 24-hour personalized healthcare guidance to enhance continuity of care and overall user experience.

Continue to grow our doctor team and expand our network of healthcare service institutions

Our ability to attract, retain and cultivate good doctors to support our operations is crucial to our growth and expansion, and we will continue to implement our recruitment drives. We target to recruit experienced doctors primarily through internal referrals. We will also utilize other recruitment channels such as professional medical talent recruiting agencies and academic and experience-sharing events. We will continue to enhance our training programs and aim to attract experienced doctors to join our team by providing them with competitive compensation packages, attractive career development opportunities and a respectful and professional working environment.

Meanwhile, leveraging our leading market position and track record, we intend to continuously expand our network of healthcare service institutions.

- *Existing markets:* Our initial focus will be those Tier-One and New Tier-One Cities in which we have existing presence and have experienced rapid growth. We plan to deepen our penetration and access a wider population of target patients in these markets through (i) relocating our existing healthcare service institutions to new premises to increase their service capacity and broaden their service offerings and/or specialty coverage, and (ii) identifying opportunities to open new healthcare service institutions in areas with substantial demand and growth potential for mid- to high-end healthcare services, which we believe will provide our existing and potential patients with convenient access to our services.
- *New markets:* We proactively seek opportunities to expand into additional New Tier-One Cities. We will consider opening new healthcare service institutions in the new markets with established level of brand recognition through our tele-healthcare service platform, such as Nanjing and Xi'an.

Please see “— Our Future Expansion — Expansion of Healthcare Service Institution Network — Organic Growth” for more details about our expansion plan for establishing new healthcare service institutions.

Continue to expand our patient base through collaborations with commercial insurance companies, third-party administrators and corporate customers, offering international medical assistance services and enhancing brand awareness

We plan to continue to pursue collaboration opportunities with commercial insurance companies and third-party administrators to develop and promote insurance products that aim to provide a wider coverage of health care, offer more convenient billing options and help commercial insurance companies and third-party administrators manage costs. We intend to increase the proportion of our revenue derived from direct billing settlement through commercial medical insurance policies to further diversify our revenue streams.

In addition, as an innovative means of patient outreach, leveraging the integration of our network of healthcare service institutions and our tele-healthcare service platform and in recognition of the quality of our services, we have been chosen by a number of large-scale corporations, such as one of the largest technology groups in China, as the only or one of the few private healthcare service providers eligible for reimbursement under the supplemental medical insurance plans for their employees. We plan to further deepen our relationships with our existing corporate customers, while cultivating new corporate relationships in order to reach a broader patient base.

We have established general practice clinics in Singapore and Malaysia and plan to expand into additional overseas markets through self-establishment or investment. Leveraging our extensive domestic and overseas networks, understanding of local healthcare systems,

partnerships with local healthcare institutions, and collaborations with global insurers we aim to strengthen our international presence and service accessibility. To support this strategy, we plan to launch the Distinct Health Global mobile application and open official social media accounts, including Facebook and Rednote (小紅書), to engage direct-to-consumer users and progressively expand cooperation with insurers.

At the same time, we plan to continue to reinforce brand awareness and influence. In particular, we plan to ramp up our efforts in developing accessible health education content with a strong emphasis on promoting the principle of evidence-based medicine. By creating a diverse range of easy-to-understand video content, along with interactive sessions, we aim to engage a broad audience on the importance of scientific approaches to parenting and disease prevention. We believe our health education content will continue to enable us to promote sharing of health awareness and medical knowledge among the general public, increasing our brand exposure and enhancing our reputation and industry influence.

Explore opportunities to acquire established healthcare service institutions

In addition to organic growth, we intend to continue to explore opportunities to acquire established healthcare service institutions in Tier-One Cities and New Tier-One Cities that have demonstrated a good track record of performance. We systematically review and screen potential acquisition opportunities. The desirable acquisition targets are specialty healthcare service institutions which recognize our corporate culture and management philosophy and have strong reputation in the local community, a professional doctor team as well as an active patient base of mass affluent and wealthy individuals. We will primarily target healthcare service institutions (i) that have an annual revenue of over RMB100 million; and (ii) have achieved net profit or positive operating cash flow. Please see “— Our Future Expansion — Expansion of Healthcare Service Institution Network — Strategic Acquisitions” for other factors we consider in evaluating potential targets. We plan to invest in and re-brand acquired healthcare service institutions and enhance their multi-disciplinary capabilities, while leveraging their strong specialty area(s), to facilitate effective cross-referral among existing pool of patients, which will further expand our network of healthcare service institutions, widen our patient base, drive our revenue growth and create additional network effects and synergies. We believe that with our experienced senior management team, our proven track record in operating healthcare service institutions, as well as our centralized, standardized and digitalized management system, we will be able to integrate acquired ones into our network in a cost-efficient manner. As of the Latest Practicable Date, save as disclosed in “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World,” we had not entered into any letters of intent or agreements with respect to acquisitions and had not identified any definite acquisition targets.

OUR HEALTHCARE SERVICE OFFERINGS

We are dedicated to providing patients with professional healthcare services that cover a range of specialties through our private healthcare service institutions and tele-healthcare service platform. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions (comprising 17 clinics and two hospitals), strategically covering 11 cities across China, and four general practice clinics in Singapore and one general practice clinic in Malaysia. All of our healthcare service institutions are private for-profit healthcare service institutions operated under our brand name “Distinct HealthCare (卓正醫療).” We derive our revenue primarily from the provision of healthcare services, mainly including in-person healthcare services and tele-healthcare services.



BUSINESS

We have experienced steady growth during the Track Record Period. The following table sets forth the components of our revenue by business segment for the years/periods indicated:

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Healthcare services										
– In-person healthcare services ⁽¹⁾	392,769	83.0	592,492	85.8	872,364	91.1	553,977	90.1	640,990	92.1
– Tele-healthcare services ⁽²⁾	21,233	4.5	22,459	3.3	22,960	2.4	15,483	2.5	14,678	2.1
– Membership programs ⁽³⁾	18,606	3.9	20,821	3.0	22,372	2.3	14,968	2.4	14,756	2.1
– Off-network healthcare services ⁽⁴⁾	34,104	7.2	44,215	6.4	32,830	3.4	25,285	4.1	19,787	2.8
Subtotal	466,712	98.6	679,987	98.5	950,526	99.2	609,713	99.1	690,211	99.1
Others ⁽⁵⁾	6,472	1.4	10,448	1.5	8,052	0.8	5,091	0.9	5,456	0.9
Total	473,184	100.0	690,435	100.0	958,578	100.0	614,804	100.0	695,667	100.0

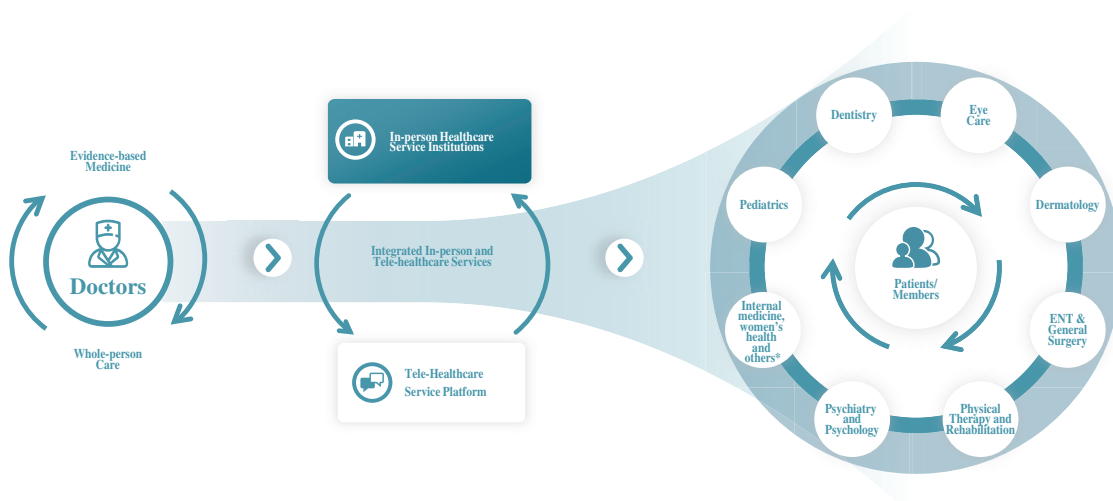
Notes:

- (1) Representing revenue generated from our healthcare service institutions.
- (2) Representing revenue generated from our tele-healthcare service platform.
- (3) Representing revenue generated from annual membership fees.
- (4) Representing revenue generated from on-campus and corporate healthcare management services and medical concierge and escort services.
- (5) Primarily comprising the sales of healthcare products. The healthcare products we offer primarily include (i) skincare items; (ii) oral health products; (iii) nutritional supplements; and (iv) eye and nose care products.

Healthcare Services

Our commitment is to deliver patient-oriented services. Guided by a whole-person care approach that involves looking at the whole person (instead of separate organs or body systems) and considering the combination of physical, mental, and social health of patients, we have adopted a whole-family care model. Leveraging our range of specialties as well as close collaborations among specialists, we are able to serve the diverse medical needs of patients and their whole families, which allows us to continuously increase patient satisfaction and generate cross-referral opportunities. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our revenue generated from healthcare services amounted to RMB466.7 million, RMB680.0 million, RMB950.5 million, RMB609.7 million and RMB690.2 million, respectively, representing 98.6%, 98.5%, 99.2%, 99.1% and 99.1% of our total revenue for the same periods, respectively.

We offer a broad range of healthcare services, such as general consultation, diagnostic and preventive healthcare services, treatments, and sales of pharmaceuticals. We strategically provide “integrated in-person and tele-healthcare services” to our patients, targeting the mass affluent and wealthy population that generally has stronger purchasing power and a preference for more personalized care, ensuring their accessibility to our services both in our private healthcare service institutions and on our tele-healthcare service platform. We believe that the integration of in-person and tele-healthcare services brings us synergistic benefits to our healthcare service quality and enables us to consolidate medical resources and expand our patient coverage across regions in a cost-effective manner. This, in turn, allows us to improve and enhance our overall service quality effectively and efficiently.



* including health check-ups and other specialties.

BUSINESS

We deliver professional healthcare services through our private healthcare service institutions, mainly clinics, and our tele-healthcare service platform (namely, “Distinct HealthCare (卓正醫療)”). With our broad range of specialties, we are able to serve patients from all age groups and provide them with professional healthcare services that encompass the complete spectrum of patient care from disease prevention to diagnosis and treatment. The table below sets forth the key specialties we covered as of the Latest Practicable Date:

Specialty	Description
Pediatrics (兒科)	We provide a wide range of services in connection with (i) common diseases including cough, rhinitis, vomiting, abdominal pain, (ii) well-baby check-ups, and (iii) subspecialties and diagnoses/treatments of specific medical conditions that include management of childhood asthma, desensitization therapy, developmental-behavioral pediatrics, and pediatric endocrinology.
Dentistry (齒科).	We offer comprehensive care in connection with the teeth, including (i) procedures such as cleaning, extraction, filling, root canal, dental implant, prosthetics, as well as (ii) orthodontics for children, adolescents and adults, including addressing issues such as baby tooth overbite.
Eye Care (眼科).	We offer a wide range of services in connection with (i) pediatric and adult optometry, and (ii) diseases of the eye, such as keratoconjunctivitis, wheat, chalazia, glaucoma, macular degeneration and dry eye.
Dermatology (皮膚科)	We offer services in relation to (i) common skin diseases, including dermatitis, eczema, warts, pigmented moles, acne, as well as (ii) aesthetic dermatology treatments, primarily comprising energy-based procedures and injection procedures, for skin whitening, anti-aging and/or anti-wrinkle purposes.

BUSINESS

Specialty	Description
ENT (耳鼻喉科)	We provide a wide range of services in connection with diseases of the ear, nose and throat, mainly (i) addressing conditions such as rhinitis, sinusitis, hoarseness, otitis media, hearing loss, nosebleed, vertigo, snoring, as well as (ii) performing procedures such as adenoidectomy, partial tonsillectomy, desensitisation of allergic rhinitis.
General Surgery (外科)	We are able to perform surgeries to treat selected orthopedic diseases and other surgical conditions, such as hernia, syringomyelia, circumcision/preputation, small neck, armpit or groin lumps, onychomyelitis and perianal disorders.
Women's Health (婦科)	We offer a wide range of services in connection with (i) counseling for pregnancy preparation, sexual health, mental health, nutrition, exercise and aging for women, and (ii) diagnosis and treatment of common gynecological conditions such as cervical lesions and reproductive system disorders.
Internal Medicine (内科)	We provide a wide range of services in connection with (i) common internal medicine diseases, including both acute and chronic diseases, (ii) preventive care, such as gastrointestinal examinations, and (iii) subspecialties and treatments of certain conditions such as weight management and management of sleep disorders.
Health check-ups (體檢)	We offer a wide range of services in connection with health check-ups for adults.
Other (其他)	Comprising, among others, vaccinations, rehabilitation, nutrition counseling, and psychological counseling. For example, we offer subspecialties and diagnoses/treatments for specific medical conditions, including physical therapy and rehabilitation, and psychiatry and psychology.

BUSINESS

The following table sets forth a summary of our in-person healthcare services during the Track Record Period:

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	%		%		%		%		%	
Total Patient Visit										
– Pediatrics	139,968	36.1	210,364	37.2	247,467	33.9	162,289	34.3	158,894	29.4
– Dentistry	82,035	21.2	107,744	19.1	134,514	18.4	90,606	19.1	102,882	19.0
– Eye Care	33,178	8.6	61,533	10.9	98,961	13.6	64,804	13.7	87,991	16.3
– Dermatology	38,108	9.8	47,591	8.4	56,996	7.8	36,480	7.7	41,320	7.6
– ENT & General Surgery .	21,559	5.6	36,977	6.5	62,312	8.5	39,450	8.3	46,344	8.6
– Internal Medicine.	31,365	8.1	49,989	8.8	64,670	8.9	42,141	8.9	49,027	9.1
– Women’s Health	18,810	4.9	21,892	3.9	26,441	3.6	17,176	3.6	17,358	3.2
– Others ⁽¹⁾	22,167	5.7	29,340	5.2	38,930	5.3	20,723	4.4	37,204	6.8
Total	387,190	100.0	565,430	100.0	730,291	100.0	473,669	100.0	541,020	100.0
Revenue (RMB’000)										
– Pediatrics	81,872	20.8	133,043	22.5	203,194	23.3	131,157	23.7	123,793	19.3
– Dentistry	92,556	23.6	112,723	19.0	148,450	17.0	98,358	17.8	114,186	17.8
– Eye Care	25,196	6.4	51,696	8.7	83,644	9.6	55,174	10.0	77,015	12.0
– Dermatology	101,274	25.8	148,305	25.0	190,022	21.8	115,159	20.8	134,966	21.1
– ENT & General Surgery .	17,739	4.5	32,132	5.4	88,011	10.1	54,818	9.9	72,792	11.4
– Internal Medicine.	21,054	5.4	41,039	6.9	66,731	7.6	43,310	7.8	51,211	8.0
– Women’s Health	22,271	5.7	28,829	4.9	35,370	4.1	23,231	4.2	21,945	3.4
– Others ⁽¹⁾	30,807	7.8	44,725	7.5	56,942	6.5	32,770	5.9	45,082	7.0
Total	392,769	100.0	592,492	100.0	872,364	100.0	553,977	100.0	640,990	100.0
Average Spending Per Patient Visit (RMB)										
– Pediatrics	585		632		821		808		779	
– Dentistry	1,128		1,046		1,104		1,086		1,110	
– Eye Care	759		840		845		851		875	
– Dermatology	2,658		3,116		3,334		3,157		3,266	
– ENT & General Surgery .	823		869		1,412		1,390		1,571	
– Internal Medicine.	671		821		1,032		1,028		1,045	
– Women’s Health	1,184		1,317		1,338		1,353		1,264	
– Others ⁽¹⁾	1,390		1,524		1,463		1,581		1,212	
Total	1,014		1,048		1,195		1,170		1,185	

Notes:

- (1) Others included health check-ups and other specialties, such as physical therapy and rehabilitation, and psychiatry and psychology.
- (2) Our in-person healthcare services comprise outpatient services and inpatient services. Our inpatient services were mainly provided by the hospital in Wuhan that we acquired in 2024. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we recorded revenue from inpatient services, mainly in pediatrics and general surgery specialties, of nil, nil, RMB42.5 million, RMB23.9 million and RMB37.7 million, respectively. The number of our paid inpatient visits was nil, nil, 2,137, 1,217 and 1,868, for the same periods. The average spending per inpatient visit was nil, nil, RMB19,902, RMB19,622 and RMB20,172, in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

The resurgence of COVID-19 cases in certain major cities across China throughout 2022 have led to the imposition of various pandemic mitigation measures by the PRC government. These measures have affected the performance and results of operations of some of our healthcare service institutions with business operations in the affected areas, such as Guangzhou, Shenzhen, Beijing and Shanghai, and as a result, many patients delayed their treatments or, where applicable, opted for our tele-healthcare services. During the resurgence of the COVID-19, the operations of many of our healthcare service institutions were impacted by pandemic mitigation measures, with the extent of impact varying across different specialties depending on the nature of services provided. For example, as part of the pandemic mitigation measures, children with fever symptoms could only seek consultation and diagnosis at the fever clinics of the designated healthcare service institutions, resulting in decreases in our pediatric patient visits and revenue. While the demand for dentistry and dermatology treatments sustained the resurgence, the impact on these specialties was relatively limited. Once we resumed operations, most of patients returned for continuous treatments, and the number of patient visits and revenue remained relatively stable.

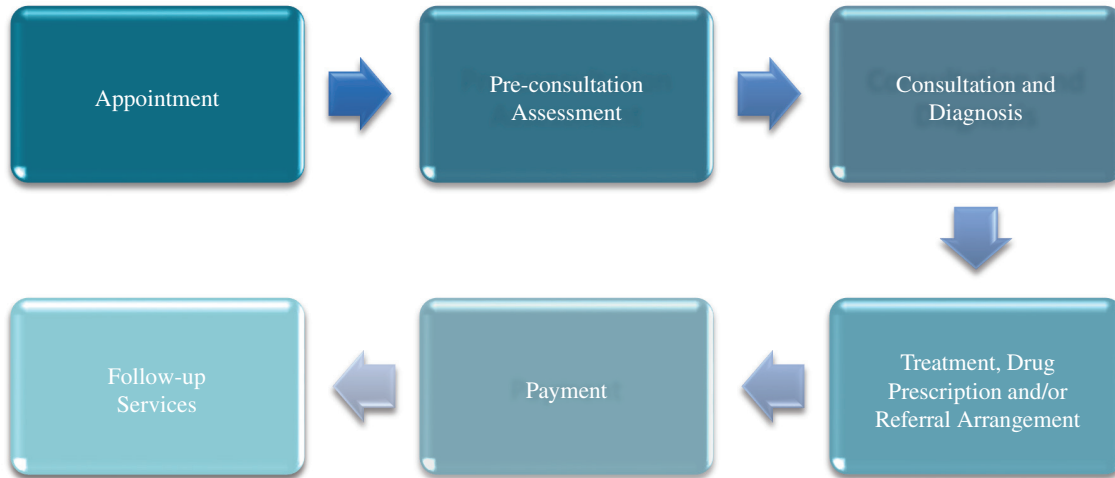
In 2023, since the PRC government has relaxed anti-pandemic measures nationwide, our healthcare service institutions experienced strong growth and expansion. Therefore, our revenue and the total patient visits of our healthcare service institutions increased significantly in 2023 compared to those in 2022.

In 2024, due to the growth and expansion of our healthcare service institutions and our acquisition of Wuhan Dragon World, there were significant increases in our total patient visits and revenue. Additionally, the increase in the number of our full-time doctors contributed to the increases in total patient visits and revenue.

In the first eight months of 2025, both our revenue and paid patient visits increased, mainly due to the growth and expansion of our healthcare service institutions and our acquisition of Wuhan Dragon World. Between August 2024 and August 2025, we relocated and expanded four clinics in Beijing, Chengdu, Guangzhou and Shanghai, respectively. At the same time, we actively explored the psychiatry and psychology, and physical therapy and rehabilitation markets, which led to increases in revenue and paid patient visits in these specialties.

Service Process

The following diagram illustrates the process of patient visit at our healthcare service institutions:



Appointment

Our patients can make appointments either by phone call or through our tele-healthcare service platform. When appointments are made by phone call, our clinic assistant collects basic information, such as the patient’s name, phone number, birthday, gender and medical demands. Such information is then used to register the patient in our DMS and facilitate appointment scheduling. For more details regarding our DMS, please see “— Information Technology Systems.” Alternatively, if appointments are made through our tele-healthcare service platform, patients can directly input the aforementioned basic information into our platform.

In addition, the patients are required to provide certain health information, including their weight, allergy history, past medical history, and also a description of their conditions that require consultation. Depending on the patients’ specific conditions, they are encouraged to fill in our tailor-made questionnaires before visiting our healthcare service institutions. We believe such questionnaires could improve the efficiency of our patient visits and help our doctors offer more precise and personalized care.

No matter whether the appointment is arranged by phone call or through our tele-healthcare service platform, upon the patient’s arrival in our healthcare service institution, our clinic assistant verifies his/her appointment and creates a patient visit process control list.

Pre-consultation Assessment

After the delivery of the patient visit process control list by our clinic assistant, a nurse conducts a thorough review of patient information in our DMS system, followed by a pre-consultation assessment, such as measuring the patient's blood pressure and/or body temperature. Subsequently, the nurse shares assessment information with the doctor and guides the patient to the consultation room.

Consultation and Diagnosis

Our doctors adhere to the principle of evidence-based medicine. During the discussion with patients, our doctors delve into the specifics of their medical needs and their concerns. Based on the best medical evidence provided by the patient and the results of laboratory tests and examinations (if applicable), considering the patient preferences and leveraging the accumulated experience of the doctor, our doctor strives to avoid unnecessary medical intervention and prioritize the well-being of our patients above all else.

Treatment, Drug Prescription and/or Referral Arrangement

Our doctors (i) administer treatments to patients, (ii) provide drug prescription to patients, and/or (iii) make referral to a specialist. Following the doctors' instructions, our nurses provide support in managing the following processes, such as providing guidelines for post-treatment care.

Payment

After processing the medical instructions, the nurse informs the patient that the visit has concluded and leads him/her to the reception for payment. The clinic assistant then explains the details of the service fees to the patient, confirming the accuracy of the charges before the patient settles the relevant fees.

Follow-up services

All consultation, diagnosis, and medication data for each patient are carefully maintained in his or her electronic medical record, which is securely stored in our cloud-based HMS to ensure the accuracy, continuity and completeness of the patient's medical history.

For patients that may require follow-up services, our doctors may initiate complimentary follow-up consultations, allowing patients to engage in one or more rounds of communications with the initiating doctors through our tele-healthcare service platform. Such ongoing communications enable our doctors to stay informed of the conditions and medical needs of these patients and answer any related questions.

Healthcare Membership Programs

To better serve our patients and deepen patient relationships, in December 2020, we launched our annual fee-based “Distinct membership program” across our healthcare service institutions. As of the Latest Practicable Date, the initial annual subscription fee for our Distinct membership was RMB299 per membership account, with a renewal fee of RMB169 per membership account. Patients become our Distinct members by purchasing membership cards with a validity period of one year. The salient terms our Distinct membership program are as followed:

Services/Benefits: This program offers a variety of benefits to up to six members for one account. During the validity period of the membership account, they are entitled to exclusive packages of certain healthcare services and products, a fixed number of complimentary nurse counseling sessions, a 20% discount on in-person healthcare services, a 10% discount on tele-healthcare services and a 5% discount on purchases of healthcare products through our online mall.

Non-transferability: Distinct membership benefits cannot be transferred between different Distinct membership accounts. Except as required by law, we do not allow early cancellation of membership benefits and do not provide refunds for membership fees.

We also allow our Distinct members to book doctors of their choice with priority. We contact our Distinct members regularly to provide information on new healthcare services and products as well as membership benefits. In addition, our Distinct members are able to store value in their membership accounts, which could be used to settle their payments within our healthcare service institution network. We also provide new-member gifts and renewal gifts for our Distinct members. We believe these benefits increase the willingness of our Distinct members to consume at our healthcare service institutions and renew their membership upon expiration.

Through our dedicated efforts, our Distinct members have demonstrated higher loyalty and greater willingness to consume compared to our other patients. We remain focused on attracting more patients to join our Distinct membership program. In addition, our membership renewal rate had continued to improve to 47%, 57%, 55% and 63% for first, second, third and fourth quarter of 2023, respectively, comparing with 40%, 36%, 38% and 48% for the same quarters of 2022, respectively. For the first, second, third and fourth quarters of 2024, our membership renewal rate had continued to improve to 59%, 63%, 66% and 68%, respectively, comparing with 47%, 57%, 55% and 63% for the same quarters of 2023, respectively. In addition, our membership renewal rates was 68%, 70% and 67% for the first, second and third quarters of 2025, respectively. The following table sets forth certain key information in connection with our Distinct membership program for the quarters indicated:

	2022				2023				2024				2025						
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Total
New membership accounts . . .	12,261	11,806	18,273	10,301	52,641	11,479	11,727	10,543	11,712	45,461	11,864	9,619	8,752	9,271	39,506	10,047	9,551	9,291	28,889
Total membership accounts as of the end of the quarter . . .	66,481	76,875	80,598	79,734	79,734	84,213	87,964	91,650	97,245	97,245	102,373	103,822	106,160	108,052	108,052	111,666	114,644	117,100	117,100
Membership renewal rate ⁽¹⁾ . .	40%	36%	38%	48%	42%	47%	57%	55%	63%	56%	59%	63%	66%	68%	64%	68%	70%	67%	67%

Notes:

* Q1, Q2, Q3 and Q4 refer to the first, second, third and fourth quarter of each year indicated, respectively.

(1) Our membership renewal rate representing the number of Distinct membership accounts that were due to expire during the relevant quarters and were renewed before or three months after the respective expiration dates as a percentage of the total number of Distinct membership accounts that were due to expire during the relevant quarters.

For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, the total number of our Distinct members' paid patient visits amounted to 388,057, 574,329, 718,508, 476,652 and 524,266, respectively, accounting for 73.2%, 78.3%, 79.3%, 78.2% and 81.5%, respectively, of the total number of paid patient visits of our healthcare service institutions and tele-healthcare service platform. For the years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, revenue contributed by our Distinct members amounted to RMB363.5 million, RMB542.3 million, RMB695.0 million, RMB445.8 million and RMB512.2 million, respectfully, accounting for 76.8%, 78.5%, 72.5%, 72.5% and 73.6%, respectively, of our total revenue for the same periods.

In order to satisfy different demands from our patients and attract more patients in geographical areas where we currently have no physical presence, we introduced an online and cloud-based membership program accessible through our tele-healthcare service platform in November 2023. As of the Latest Practicable Date, the initial annual subscription fee for cloud-based membership was RMB69 per member, with a renewal fee of RMB49 per member if renewed before the expiration date. We had 2,890, 10,006, and 10,740 members under the cloud-based membership program as of December 31, 2023, 2024 and August 31, 2025, respectively. The revenue contribution from the cloud-based membership program amounted to RMB0.02 million, RMB0.5 million and RMB0.4 million in 2023, 2024 and the eight months ended August 31, 2025, respectively. With a lower annual membership fee, our cloud-based members are entitled to a subset of benefits under the Distinct membership program, including a fixed number of complimentary nurse counseling sessions, and a 10% discount on tele-healthcare services. We expect our cloud-based membership program has allowed us to engage with more patients without geographical limitations and help us penetrate new markets across China.

Off-Network Healthcare Services

Leveraging our medical resources, expertise and track record accumulated in operating our private healthcare service institutions, we expanded into on-campus and corporate healthcare management service business in 2014. This strategic expansion has allowed us to steadily grow our exposure and rapidly increase brand awareness among students and their families. As of August 31, 2025, we were providing on-campus and corporate healthcare management services to 35 international schools in China. We expanded our on-campus and corporate healthcare management services to a large enterprise customer in October 2025. We plan to continue to expand such services to large enterprise customers and other institutions. Typically, we enter into cooperation agreements with these customers, pursuant to which we assign bilingual licensed nurses possessing knowledge of emergency care and basic medication administration to support and ensure the smooth operations of healthcare clinics on their premises. These assigned nurses normally assist in creation and management of students' medical records, maintenance of medical equipment, and management of over-the-counter medications. In exchange for these services, we generally receive monthly service fees which are determined on a case-by-case basis after taking into consideration of the scope of services rendered.

In addition, we also provide medical concierge and escort services tailored to patients with unique needs, preferences and health conditions. Typically, we enter into service agreements with these patients to conduct risk assessment, arrange appointments, provide personal escorts and coordinate travel vehicles when necessary, in exchange for predetermined service fees.

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our revenue generated from our off-network healthcare services amounted to RMB34.1 million, RMB44.2 million, RMB32.8 million, RMB25.3 million and RMB19.8 million, respectively, representing 7.2%, 6.4%, 3.4%, 4.1% and 2.8%, of our total revenue for the same periods, respectively.

Other Businesses

During the Track Record Period, we also generated revenue from other businesses, primarily comprising sales of healthcare products. To better meet the needs of our patients and address their increasing demand for healthcare products, we provide a selection of healthcare products recommended by our doctors. Since March 2022, we have generated revenue from sales of healthcare products through our online mall named “Distinct Selected (卓正嚴選),” which is accessible through our official WeChat account and mini-program. The healthcare products we offer primarily include (i) skincare items, such as face masks and moisturizers; (ii) oral health products, such as toothbrushes and toothpastes; (iii) nutritional supplements such as vitamin tablets; and (iv) eye and nose care products, such as eye patches and nasal rinses. These products are sourced from third parties through a meticulous selection process, which involves careful consideration and vetting of third-party suppliers. As advised by the PRC Legal Adviser, as of the Latest Practicable Date, we had obtained all required licenses or approvals for sales of healthcare products through our online mall.

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our revenue generated from our other businesses amounted to RMB6.5 million, RMB10.4 million, RMB8.1 million, RMB5.1 million and RMB5.5 million, respectively, representing 1.4%, 1.5%, 0.8%, 0.9% and 0.9%, of our total revenue for the same periods, respectively.

IN-PERSON AND TELE-HEALTHCARE SERVICE NETWORK

As a patient-oriented healthcare service provider, we place a high priority on meeting the demands and expectations of our patients. We are focused on delivering professional healthcare services and achieving enhanced patient experience and patient satisfaction. Through years of dedicated efforts in upholding these commitments, we offer “integrated in-person and tele-healthcare services” to ensure medical convenience and accessibility for our patients.

Our healthcare service institutions carry out diagnosis and treatment activities in accordance with the approved service scope registered in the healthcare institution practicing license or clinic registration certificate, as applicable. Through our tele-healthcare service

BUSINESS

platform, we may provide (i) follow-up consultation for patients with certain common or chronic diseases, which may involve prescription or recommendation of pharmaceuticals, and (ii) health counseling, which does not involve prescription or recommendation of pharmaceuticals.

The following table illustrates, for the years/periods indicated, the number of paid patient visits of our healthcare service institutions and tele-healthcare service platform:

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	%		%		%		%		%	
– Healthcare service										
institutions	387,190	73.1	565,430	77.1	730,291	80.6	473,669	79.6	541,020	84.3
– Tele-healthcare service										
platform	142,639	26.9	167,967	22.9	175,534	19.4	121,401	20.4	101,112	15.7
Total	529,829	100.0	733,397	100.0	905,825	100.0	595,070	100.0	642,132	100.0

Note: A patient visit refers to a visit by a patient to one of our healthcare institutions or to our tele-healthcare service platform for the purpose of receiving our services. An individual patient may contribute more than one patient visits within a given period, including a combination of patient visits for in-person and tele-healthcare healthcare services. Each patient visit is recorded separately as a patient visit either for in-person healthcare services or for tele-healthcare healthcare services, with no overlap between the two.

The following table illustrates, for the years/periods indicated, the average spending per patient visit of our healthcare service institutions and tele-healthcare service platform:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB	RMB	RMB	RMB	RMB
– Healthcare service institutions	1,014	1,048	1,195	1,170	1,185
– Tele-healthcare service platform . . .	149	134	131	128	145

The fluctuations in average spending per patient visit in healthcare service institutions were primarily attributed to the changes in the service mix, particularly the shifts in the proportion of various specialties which had different pricing and average spending per patient visit. In particular, the increase in the average spending per patient visit for internal medicine in 2024 was partially due to the introduction of certain more complex and higher-priced services as part of our offerings of subspecialties and diagnoses/treatments of certain medical

conditions, such as various chronic diseases. Additionally, the increase in the average spending per patient visit for pediatrics, ENT and general surgery in 2024 was mainly attributable to the inpatient services offered by Wuhan Dragon World, which we acquired in 2024.

However, in response to customer demand for accessible healthcare services and to broaden our online patient base while strengthening our competitive position in the tele-healthcare service market, we adjusted internal pricing guidelines in 2022 for tele-healthcare services and decided to offer more competitive prices for our tele-healthcare services. We believe that such competitive prices will foster stronger connections between our patients and us, encouraging greater stickiness to our tele-healthcare service platform and brand. Consequently, the average spending per patient visit on our tele-healthcare service platform decreased from 2022 to 2023, reflecting our proactive pricing management. In 2024, the average spending per patient visit on our tele-healthcare service platform remained relatively stable. In the first eight months of 2025, the average spending per patient visit on our tele-healthcare service platform increased, mainly because (i) an increase in the proportion of revenue generated from certain higher-priced services, such as online psychological consultations; and (ii) we introduced a new form of prepaid package under which a designated doctor team provides to patients with health counselling over an annual or quarterly service period. Compared to our normal tele-healthcare service, upon purchase of the prepaid package, the designated doctor team conducts a more comprehensive assessment of the patient's health conditions, formulates a tailored health management plan, and offers continuous follow-up and regular feedback to support disease prevention. This new form of prepaid package is priced higher than the normal one-off health counseling sessions and contributed to the overall increase in average spending.

In addition, with the integration of our healthcare service network, our in-person patients may check the availability of, and make appointments with, our doctors, review laboratory test and examination reports, and access our rich online offering of health education content through our tele-healthcare service platform, for which we do not charge any extra service fees. Our health education content primarily consists of informational articles on a range of topics aimed at raising public awareness and understanding of healthcare-related issues, such as information on disease prevention and management, healthy lifestyle tips, and the updates in the healthcare industry. Our health education content is typically prepared and reviewed by our full-time doctors and as advised by our PRC Legal Adviser, there are no specific qualifications legally required for the personnel responsible for preparing such content. As of August 31, 2025, we published a total of over 3,400 informational articles through various channels of our tele-healthcare service platform.

During the Track Record Period, we also provided complimentary follow-up consultations to our patients, for which we do not charge any extra service fees. Specifically, our doctors may initiate complimentary follow-up consultations, allowing patients to engage in one or more rounds of communications with the initiating doctors through our tele-healthcare service platform. Such ongoing communications enable our doctors to stay informed of the conditions and medical needs of the patients, including whether the treatment is effective, and answer any related questions. In addition, as part of the membership privileges, our members

are entitled to a fixed number of complimentary nurse counseling sessions through our tele-healthcare service platform. These counseling sessions offer our members nursing guidance on managing common diseases and symptoms in both children and adults, specialty referral recommendations, and support for child growth and development care. For the year ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, we provided 27,249, 58,260, 62,671 and 39,060 complimentary doctor-initiated follow-up consultations, respectively, and 31,537, 47,052, 53,998 and 15,782 complimentary nurse counseling sessions to our patients.

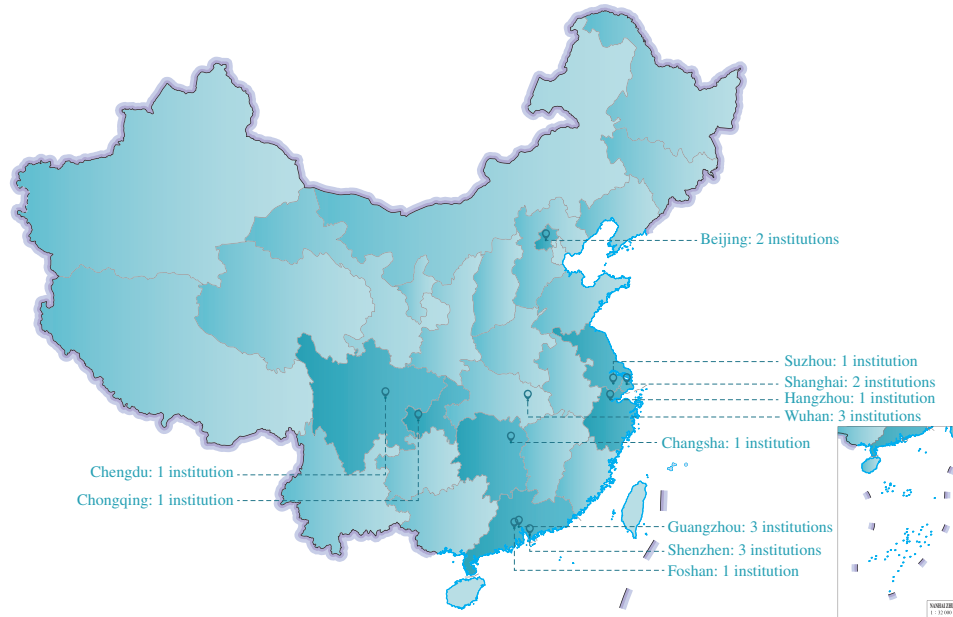
Healthcare Service Institution Network

We deliver healthcare services primarily through our network of healthcare service institutions in China, supported by a three-tier centralized management structure comprising “headquarters — region — specialty unit.” Under this management structure, our headquarters formulates our overall strategies and business plans, makes key management decisions and oversees and coordinates the implementation of our overall strategies and business plans, as well as Group-wide policies and procedures, across our specialty units, and ultimately our healthcare service institutions. Since our full-time doctors may practice in one or more of our healthcare service institutions in a region, in order to optimize our doctor resources and achieve strong collaboration among specialty departments, we established specialty units at a regional level to manage specialty departments of our multiple healthcare service institutions in any particular region. Specifically, regional heads are responsible for the staffing, scheduling, and daily operations of specialty units within their respective regions. They regularly report the operational status and financial performance of each specialty unit to the headquarters. Each healthcare service institution is typically led by several experienced specialty unit managers reporting to the respective regional head. Our three-tier centralized management structure ensures that our Group-level strategies, business plans, policies and procedures are well-coordinated and effectively supervised by our headquarters and reduces operational risks, while preserving management and operational flexibility at the regional level for better adaptability to local conditions and context. Through the centralization of our core management and support functions at our headquarters, we believe we are able to streamline and further enhance the efficiency of our business operations, thereby continuing to benefit from economies of scales as we expand.

As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions strategically covering 11 cities across China, including 17 clinics and two hospitals, and four general practice clinics in Singapore and one general practice clinic in Malaysia. All of our healthcare service institutions are private for-profit healthcare service institutions operated under our brand name “Distinct HealthCare (卓正醫療).” Our healthcare service institutions generally have the following key specialty areas, including (i) pediatrics, (ii) dentistry, (iii) eye care, (iv) dermatology, (v) ENT & general surgery, and (vi) women’s health, internal medicine, health check-ups and other specialties. As of the Latest Practicable Date, 22 of our healthcare service institutions were established by us, and two healthcare service institutions, including one hospital and one clinic, were acquired by us.

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The following is an illustration of the locations of our healthcare service institutions in operation in China as of the Latest Practicable Date:



The table below sets forth a breakdown of our in-person healthcare service revenue by clinics and hospitals:

	Year Ended December 31,						Eight Months Ended August 31,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Clinics	392,769	100.0	560,566	94.6	766,539	87.9	492,087	88.8	542,202	84.6		
Hospitals	—	—	31,926	5.4	105,825	12.1	61,890	11.2	98,788	15.4		
Total	392,769	100.0	592,492	100.0	872,364	100.0	553,977	100.0	640,990	100.0		

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The following table sets forth in-person healthcare service revenue generated from our healthcare service institutions in operation by geographic locations for the years/periods indicated:

No.	Location	City Tier	Year Ended December 31,			Eight Months Ended August 31,	
			2022	2023	2024	2024	2025
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
1 . .	Shenzhen	Tier-One	123,881	175,008	231,406	149,401	162,048
2 . .	Beijing	Tier-One	27,657	47,565	67,579	42,207	56,045
3 . .	Shanghai	Tier-One	16,085	31,588	44,719	28,295	38,178
4 . .	Guangzhou	Tier-One	97,975	146,678	181,897	120,362	126,057
5 . .	Chengdu	New Tier-One	43,983	62,119	87,715	55,875	65,506
6 . .	Hangzhou	New Tier-One	17,093	24,728	31,090	20,111	23,861
7 . .	Chongqing	New Tier-One	8,697	16,419	18,079	12,359	14,378
8 . .	Wuhan	New Tier-One	15,055	23,435	116,812 ⁽²⁾	66,915	81,622
9 . .	Suzhou	New Tier-One	12,359	24,868	40,894	25,836	32,270
10 . .	Changsha	New Tier-One	22,367	28,542	35,940	22,955	26,902
11 . .	Ningbo	New Tier-One	810	— ⁽¹⁾	—	—	—
12 . .	Foshan	Tier-two	4,772	6,968	9,662	5,251	9,595
13 . .	Singapore	N/A	2,035	4,574	6,571	4,410	4,528
Total			392,769	592,492	872,364	553,977	640,990

Notes:

- (1) In light of the underperformance of operations in Ningbo during the COVID-19 pandemic, we closed our clinic in Ningbo in 2022 for cost saving purpose.
- (2) We acquired Wuhan Dragon World in March 2024. For more details, please see “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World.” Therefore, there was a significant increase in our in-person healthcare service revenue from Wuhan in 2024.

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The following table sets forth the key information of our healthcare service institutions in operation by geographic locations as of the dates indicated:

No	Location	Nature	Time of Commencement of Operations	Number of Healthcare Service Institutions in Operation				GFA				Number of Full-time Doctors as of August 31, 2025	Number of Other Medical Professionals as of August 31, 2025 ⁽¹⁾
				As of December 31,		As of August 31,		As of December 31,		As of August 31,			
				2022	2023	2024	2025	2022	2023	2024	2025		
				sq.m.		sq.m.		sq.m.		sq.m.			
1 . . .	Shenzhen	Clinic	December 2012	3	3	3	3	5,589	8,931	8,931	8,931	84	127
2 . . .	Beijing	Clinic	December 2015	2	2	2	2	3,842	3,842	4,385	4,385	34	42
3 . . .	Shanghai	Clinic	April 2019	2	3	2 ⁽³⁾	2	1,632	2,909	3,403	3,403	33	37
4 . . .	Guangzhou	Clinic/hospital	December 2014	2	3	3	3	5,278	10,874 ⁽²⁾	10,874	11,498	65	98
5 . . .	Chengdu	Clinic	October 2016	2	2	2	1	3,613	3,613	3,613	4,539	39	63
6 . . .	Hangzhou	Clinic	September 2020	1	1	1	1	1,594	1,594	1,594	1,594	14	22
7 . . .	Chongqing	Clinic	June 2019	1	1	1	1	2,036	2,036	2,036	2,036	12	17
8 . . .	Wuhan	Clinic/hospital	November 2019	1	1	4 ⁽⁴⁾	3	2,702	2,702	11,005 ⁽⁴⁾	10,046	48	88
9 . . .	Suzhou	Clinic	September 2018	1	1	1	1	3,083	3,083	3,083	3,083	24	33
10 . .	Changsha	Clinic	January 2018	1	1	1	1	2,236	2,236	2,206	2,206	21	26
11 . .	Foshan	Clinic	September 2019	1	1	1	1	661	661	1,360	1,360	8	16
12 . .	Singapore	Clinic	January 2022	2	3	3	4	125	160	160	258	5	-
13 . .	Malaysia	Clinic	September 2025	-	-	-	-	-	-	-	-	-	-
Total .				19	22	24	23	32,390	42,641	52,650	53,339	387	569

Notes:

- (1) Our other medical professionals primarily comprise nurses, pharmacists and technicians in our healthcare service institutions.
- (2) We opened a new hospital in Guangzhou in January 2023, therefore, the GFA increased significantly.
- (3) In 2023, we opened a new flagship institution in Shanghai. For structural adjustment and cost control purposes, we then closed a nearby non-flagship institution in Shanghai in early 2024.
- (4) We acquired Wuhan Dragon World in March 2024. For more details, please see “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World.” We closed one clinic owned by Wuhan Dragon World due to our efforts to optimize our healthcare service institution network in Wuhan, as a result of which, Wuhan Dragon World owned one hospital and one clinic as of the Latest Practicable Date. The rest of our healthcare service institutions were all established by us.

With our continuous expansion into new regions, we usually operate at a loss during the initial stages of operations and over time, with growing local awareness and patient base, these new regions gradually achieve profitability after years of operations. We had 11, seven, three and two loss-making regions in 2022, 2023 and 2024 and the first eight months of 2025, respectively. When calculating the number of loss-making regions, we consider Guangzhou and Foshan as one region, as we manage healthcare service institutions in both cities together and review their aggregated financial performance. A loss-making region refers to any region that recorded operating loss in each year comprising the Track Record Period, after excluding selling expenses, net impairment losses on financial assets, other income and other (losses)/gains — net. These excluded items are group-level items and cannot be appropriately allocated at the regional level. In addition, administrative expenses included in the calculation mainly consist of employee salary and benefit expenses of clinical assistants and administrative staff in that region.

Our loss-making regions during the Track Record Period were primarily attributable to a combination of the following factors: (i) many of our healthcare service institutions in these regions were in the initial stages of their operations. New healthcare service institutions generally have lower income and relatively higher operating costs during the initial stages of their operations, as they were in the process of gradually building their patient base; (ii) the impact of pandemic mitigation measures related to the COVID-19 outbreak and resurgence, which affected the operations of the healthcare service institutions in the relevant regions; and (iii) relocation and expansion of existing healthcare service institutions in the relevant regions, which led to an increase in operating costs, while the corresponding revenue growth was relatively stable immediately after the expansion.

The table below sets forth details of our two hospitals as of August 31, 2025:

Hospital	Date of Commencement of Operations/ Acquisition	Location	Nature and Classification	GFA	Number of Full-time Doctors ⁽¹⁾	Number of Registered Beds	Services Provided
Guangzhou Distinct Hospital	January 2023	Guangzhou	Private for-profit Class I general hospital	5,596	14	30	Out-patient and in-patient services
Wuhan Pleiades Children's Hospital Co., Ltd. (武漢北 斗星兒童醫院有限公司)	March 2024	Wuhan	Private for-profit Class II children's hospital	5,754	29	50	Out-patient and in-patient services

Note:

(1) In order to optimize our doctor resources, our full-time doctors may practice in one or more of our healthcare service institutions in a region.

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When considering the performance of our healthcare service institutions, in order to accurately present their performance in different stage, we categorize our healthcare service institutions into flagship institutions and other institutions. With our expansion, establishment and acquisition of healthcare service institutions during the Track Record Period, the number of flagship institutions, namely, healthcare service institutions each with a GFA of over 1,000 sq.m. and over five specialty departments, continued to increase from 12 as of December 31, 2022 to 14 as of December 31, 2023, and further to 17 as of December 31, 2024 and August 31, 2025. The table below sets forth the key information of our flagship institutions and other institutions in operation as of the dates indicated or for the years/periods indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
GFA (sq.m.)				
– Flagship institutions	28,143	38,358	47,917	50,391
– Other institutions	4,247	4,282	4,733	2,948
Total	32,390	42,641	52,650	53,339

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
In-person Healthcare Service					
Revenue (RMB'000)					
– Flagship institutions	349,875	541,699	797,868	503,651	616,778
– Other institutions	42,894	50,793	74,496	50,326	24,212
Total	392,769	592,492	872,364	553,977	640,990

Number of Paid Patient Visits					
– Flagship institutions	313,551	484,123	651,098	416,119	508,268
– Other institutions	73,639	81,307	79,193	57,550	32,752
Total	387,190	565,430	730,291	473,669	541,020

Average Spending Per Patient					
Visit (RMB)					
– Flagship institutions	1,116	1,119	1,225	1,210	1,213
– Other institutions	582	625	941	874	739
Total	1,014	1,048	1,195	1,170	1,185

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In the first eight months of 2025, the decrease in GFA of other institutions, as compared to the first eight months of 2024, was due to the closure of two non-flagship institutions in Chengdu and Wuhan as part of our efforts to optimize our healthcare service institution network.

In the first eight months of 2025, the decrease in our average spending per patient visit of other institutions, as compared to the first eight months of 2024, was primarily attributable to the closure of a non-flagship institution in Wuhan, which had previously focused on pediatric growth and development and recorded relatively higher average spending per patient visit. Following the closure, our flagship institution in Wuhan assumed such pediatric growth and development operations and the average spending per patient visit for our other institutions declined.

The following table sets forth the movement of the number of our healthcare service institutions for the years/periods indicated:

	Year Ended December 31,			Eight Months Ended August 31,
	2022	2023	2024	2025
Number of healthcare service institutions in operation at the beginning of the year	23	19	22	24
Number of new healthcare service institutions opened/acquired during the year	2	3	3	1
Number of healthcare service institutions closed during the year	(6)	—	(1)	(2)
Number of healthcare service institutions in operation at the end of the year	<u>19</u>	<u>22</u>	<u>24</u>	<u>23</u>

Note:

- * Our movement of healthcare service institutions does not consider the relocation of our healthcare service institutions during the Track Record Period.

While the number of our healthcare service institutions in operation remained relatively stable during the Track Record Period, the GFA of our healthcare service institutions continued to increase from 32,390 sq.m as of December 31, 2022 to 53,339 sq.m. as of August 31, 2025, and our revenue from in-person healthcare services increased from RMB392.8 million in 2022

to RMB872.4 million in 2024, and increased from RMB554.0 million in the first eight months of 2024 to RMB641.0 million in the first eight months of 2025, reflecting our continuous efforts for the business expansion and upgrading.

We conducted a structural adjustment of our healthcare service institution network in 2022. Specifically, we closed six of our healthcare service institutions (3,381 sq.m. in the aggregate) which had relatively small GFA and less specialty departments in 2022, and opened three new healthcare service institutions (6,908 sq.m. in the aggregate) in 2023, including two new ones in Shanghai and Guangzhou which had larger GFA and more specialty departments. We believe multi-specialty healthcare service institutions with a larger scale of operations could better cater with our “whole-family care model” and offer excellent experience for our patients.

To optimize resource allocation and enhance overall operating efficiency, our management conducts periodic comprehensive evaluations to assess the performance of our healthcare service institutions. This assessment considers various factors, including relevant operating data such as number of patient visits, average spending per patient visit, as well as financial performance, GFA and growth potential of the healthcare service institutions. Based on this assessment, for a healthcare service institution that fails to achieve an expected financial performance, our management determines whether it is necessary to close such a healthcare service institution. For example, in light of the underperformance of operations in Ningbo during the COVID-19 pandemic, and considering cost saving, our management decided to terminate operations in Ningbo in 2022.

Tele-Healthcare Service Platform

Recognizing the tremendous growth potential in internet healthcare, we have strategically expanded into the tele-healthcare service offerings, with the aim to attract more patients and doctors, enhance our industry influence in China and explore more benefits brought by the integration of in-person and tele-healthcare services. This primarily involves operating our proprietary tele-healthcare service platform.

The tele-healthcare service platform network serves a dual purpose. It not only enhances our accessibility to patients in the geographical areas where we currently have no physical presence, but also constitutes an integral element of our expansion strategy, allowing us to strategically choose markets for offline expansion based on the activity level of online doctors and patients, which helps us to rapidly ramp up newly established healthcare service institutions.

Through our tele-healthcare service platform, our patients are able to conveniently check the availability of, and make appointment with, their selected doctors for in-person consultation, diagnosis or treatment. While certain services, such as treatments, tests, and examinations, are inherently provided only in in-person healthcare service institutions, others, including follow-up consultation and pharmaceutical prescription, can be delivered either online or in-person.

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As of the Latest Practicable Date, we owned and operated various online channels, including our official website, mobile applications, official WeChat accounts and mini programs primarily under the name of “Distinct HealthCare.” The table below sets forth our major operating channels of our tele-healthcare service platform in operation:

Channel	Nature	Scope of Major Services
Distinct HealthCare (卓正醫療)	Proprietary mobile application, Proprietary official WeChat account, Propriety official WeChat mini program	Online appointment for online consultation and diagnosis, online appointment for in-person consultation and diagnosis, online consultation, online payment, online sales of healthcare products and online offering of patient education content
Distinct Official Website (卓正官網)	Proprietary official website	Introduction of our brand, service scope and healthcare service institutions and online offering of patient education content

The following are illustrations of our proprietary tele-healthcare service platform:



OUR FUTURE EXPANSION

Our future expansion plans primarily include expansion of healthcare service institution network and expansion of our service and product offerings.

Expansion of Healthcare Service Institution Network

As part of our growth strategy, we intend to continue expanding our healthcare service institution network via organic growth to strengthen our presence in our target markets. When expanding our network in any existing market, to reach a wider patient base, we typically choose a new site location within a reasonable distance from our existing ones in such market. To a lesser extent, we will also explore potential acquisitions when we identify unique opportunities where we perceive to be synergistic to our network.

Organic Growth

As of the Latest Practicable Date, 22 of our 24 healthcare service institutions were established by us. We already have proven experience in establishing our own private healthcare service institutions and have a mature system for team building and business development. Typically, we select target cities and establish new healthcare service institutions based on an annual expansion plan approved by the resolution of our Board of Directors.

Leveraging our leading market position and track record, we intend to continuously expand our network of healthcare service institutions:

- *Upgrading existing healthcare service institutions and establishing new healthcare service institutions in existing markets:* Our initial focus will be those Tier-One and New Tier-One Cities in which we have existing presence and have experienced rapid growth. We plan to deepen our penetration and access a wider population of target patients in these markets through (i) relocating our existing healthcare service institutions to new premises to increase their service capacity and broaden their service offerings and/or specialty coverage, and (ii) identifying opportunities to open new healthcare service institutions in areas with substantial demand and growth potential for mid- to high-end healthcare services, which we believe will provide our existing and potential patients with convenient access to our services.

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The following table sets forth the estimated details of our intended expansion plan for relocating our existing healthcare service institution and establishing new healthcare service institutions in existing markets.

Location	Type	Nature	Current Status	Estimated Scale	Expected Time of Opening/ Relocation	Estimated Investment
Hangzhou . . .	Establishment	Clinic	Preliminary planning	– GFA: 2,000 sq.m. – Over five specialty departments	2027	RMB29.3 million, including RMB9.8 million, or HK\$11.0 million, funded by proceeds from Global Offering
Shanghai . . .	Establishment	Clinic	Preliminary planning	– GFA: 2,000 sq.m. – Over five specialty departments	2026	RMB32.4 million, including RMB9.8 million, or HK\$11.0 million, funded by proceeds from Global Offering
Shenzhen . . .	Relocation	Clinic	Preliminary planning	– GFA: 5,000 sq.m. – Over five specialty departments	2026	RMB70.8 million, including RMB39.3 million, or HK\$43.8 million, funded by proceeds from Global Offering

We expect to incur total investment of approximately RMB132.5 million for the above, of which approximately RMB58.9 million, or HK\$65.8 million, will be funded by proceeds from the Global Offering, and the remaining portion to be funded by our internal resources. Please see “Future Plans and Use of Proceeds.” Such investment mainly comprises renovation, rental and equipment costs to be incurred for the new/relocated healthcare service institutions.

- *Establishing new healthcare service institutions in new markets:* We proactively seek opportunities to expand into additional New Tier-One Cities. We will consider opening new healthcare service institutions in the new markets with established level of brand recognition through our tele-healthcare service platform, such as Nanjing and Xi’an. We will also continue to explore new overseas markets to

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increase our global brand exposure. For example, we opened a new clinic in Malaysia in September 2025. The following table sets forth the estimated details of our intended expansion plan for establishing new healthcare service institutions in new markets:

Location	Nature	Current Status	Estimated Scale	Expected Time of Opening	Estimated Investment
Nanjing . . .	Clinic	Location selecting	– GFA: 2,000 sq.m. – Over five specialty departments	2027	RMB26.0 million, funded by our internal resources
Xi'an	Clinic	Under renovation	– GFA: 2,000 sq.m. – Over five specialty departments	2026	RMB27.3 million, funded by our internal resources

We expect to incur total investment of approximately RMB53.3 million for the above, all of which will be funded by our internal resources. Such investment mainly includes renovation, rental and equipment costs to be incurred for the new healthcare service institutions.

The process of relocating an existing healthcare service institution or establishing a new healthcare service institution typically involves a number of steps, including preliminary business planning, market research, site selection, feasibility study, site renovation, recruitment of medical professionals, obtaining regulatory approvals, and preparation for the commencement of operations. Based on our historical experience, the relocation/establishment of a clinic generally takes four to six months from entering into lease agreement to commencement of operations, and the relocation/establishment of a hospital generally takes eight to 12 months from entering into lease agreement to commencement of operations.

The monthly breakeven period represents the period from the opening of a new healthcare service institution to the time when it begins to record monthly net profit, and the payback period for a new healthcare service institution represents the time it takes for the accumulated operating cash flow attributable to us from the relevant institution to recover the initial investment. Based on our previous operating experience, we estimate that the monthly breakeven period for our new healthcare service institutions generally ranges from one to three years, and the investment payback period for our new healthcare service institutions generally ranges from two to five years from commencement of operations. However, the monthly breakeven period and the investment payback period may be further affected by the specific characteristics of a healthcare service institution, such as its size, initial investment, the coverage of its services and the competitive landscape. For example, the significant impact of the outbreak and recurrence of the COVID-19 pandemic between 2020 and 2022, along with the relocation and expansion of our healthcare service institutions, contributed to the longer breakeven periods of certain of our healthcare service institutions in the past.

Strategic Acquisitions

As of the Latest Practicable Date, two of our healthcare service institutions were acquired by us. In addition to organic growth, we intend to continue to explore opportunities to acquire established healthcare service institutions in Tier-One Cities and New Tier-One Cities that have demonstrated a good track record of performance. The desirable acquisition targets are specialty healthcare service institutions which recognize our corporate culture and management philosophy and have strong reputation in the local community, a professional doctor team as well as an active patient base of mass affluent and wealthy individuals.

We systematically review and screen potential acquisition opportunities. We will primarily target healthcare service institutions (i) that have an annual revenue of over RMB100 million; and (ii) have achieved net profit or positive operating cash flow. We evaluate potential acquisition targets based on a number of criteria, including location of the target, the current operations and capacity of the target, experience and track record of medical professionals of the target, estimated initial investment amount required to improve the target's infrastructure, ongoing operating expenses and capital requirements, potential returns and estimated future value, the target's historical medical performance and industry reputation (taking into consideration of the quality and safety of the services provided by the target), and the target's compatibility with our corporate culture and our existing healthcare service institutions.

Our Directors believe that there is a sufficient number of potential targets we could choose from. According to Frost & Sullivan, there are more than 1,000 private healthcare service institutions in China, which meet all selection criteria currently envisaged by us and could be the targets of potential acquisitions for us. As of the Latest Practicable Date, save as disclosed in "History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World," we had not entered into any letters of intent or agreements with respect to acquisitions and had not identified any definite acquisition targets.

We plan to invest in and re-brand acquired healthcare service institutions and enhance their multi-disciplinary capabilities, while leveraging their strong specialty area, to facilitate effective cross-referral among existing pool of patients, which will further drive our revenue growth and create additional network effects and synergies. We believe that with our experienced senior management team, our proven track record in operating healthcare service institutions, as well as our centralized, standardized and digitalized management system, we will be able to integrate acquired ones into our network in a cost-efficient manner.

We may face a number of challenges in implementing our expansion plans, such as recruiting experienced doctors and other medical professionals, obtaining the requisite licenses and permits, and maintaining our competitive advantages. To this end, we intend to continue to attract and retain seasoned medical professionals to join us by offering competitive benefits and promising career opportunities. In addition, we will, in accordance with all applicable PRC laws, regulations and rules, apply for the necessary approvals, permits and licenses for our expansion plans. Our expansion plans are inevitably subject to our operations and the market conditions from time to time and we may make adjustments accordingly in our best interests.

See “Risk Factors — Risks Relating to Our Business and the Industry — We may be unable to identify expansion opportunities or execute expansion plans, and acquired businesses may have unknown or contingent liabilities, which may materially and adversely affect our business, results of operations, financial condition and prospects.”

Expansion of Healthcare Service Offerings and Specialty Coverage

Leveraging our proven track record of rolling out certain subspecialties and diagnoses/treatments of certain medical conditions in our healthcare service institutions across China, taking into consideration of and in response to the evolving market trends and patient demands and preferences, we will continue to ramp up and expand our offerings of such subspecialties and diagnoses/treatments to further diversify our revenue streams and reach a broader potential patient base.

In particular, we have successfully launched desensitization therapy, physical therapy & rehabilitation, and psychiatry & psychology in our healthcare service institutions in Guangzhou and/or Shenzhen, and we plan to roll out these services and expect to have high market growth potential. For example, according to Frost & Sullivan, with the increase of work and life pressure, the number of patients suffering from depression increased from approximately 75.8 million in 2020 to approximately 116.2 million in 2024, with a CAGR of 11.3%, and the number of patients is expected to further increase to approximately 138.8 million in 2029.

In addition, we plan to establish new subspecialties and offer new diagnoses/treatments in our healthcare service institutions in Guangzhou and/or Shenzhen, such as pediatric orthopedics and sleep apnea care. These services will be introduced to our other healthcare service institutions if the pilot proves to be successful.

MEDICAL PROFESSIONAL TEAM

Medical professionals, particularly doctors, play a principal role in our closed-loop healthcare services. The qualification and expertise of our medical professionals are vital to our success. There are generally two types of doctors practicing at our healthcare service institutions and tele-healthcare platform: (i) full-time doctors who are employees of our healthcare service institutions and exclusively work for us, and practice at one or more of our healthcare service institutions on a full-time basis; and (ii) part-time doctors who practice at our healthcare service institutions and/or provide online consultation services at our tele-healthcare service platform on a part-time basis. As of August 31, 2025, we had 387 full-time doctors. During the Track Record Period, our full-time doctors contributed more than 97.0% of the paid patient visits in our healthcare service institutions. In 2022, 2023 and 2024 and the first eight months of 2025, our full-time doctors contributed 96.9%, 96.3%, 93.9% and 97.0% of our total in-person healthcare service revenue and 71.0%, 55.7%, 48.7% and 50.5% of our tele-healthcare service revenue, respectively.

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As of August 31, 2025, our full-time doctors had an average of approximately 15 years of post-qualification practicing experience and approximately 79% of whom practiced in top Grade A Class III hospitals before joining us. Our team of doctors generally possesses strong education background from top-ranked universities and colleges, including Peking Union Medical College (北京協和醫學院), Peking University Health Science Center (北京大學醫學部), Zhongshan School of Medicine of Sun Yat-sen University (中山大學中山醫學院), West China Medical School of Sichuan University (四川大學華西醫學院) and Tongji Medical College of Huazhong University of Science and Technology (華南科技大學同濟醫學院). As of August 31, 2025, approximately 90% of our full-time doctors had master's degrees or above. As of August 31, 2025, 21% of our full-time doctors had overseas education, visiting scholar or working experience, which is higher than the industry average of peers in China's private mid- to high-end healthcare service market, according to Frost & Sullivan. Our doctors are young and we believe that a revitalized team can more actively and efficiently address patients' evolving demands, needs and preferences to ensure superior patient experience. As of August 31, 2025, the average age of our full-time doctors was 40.

Our other medical professionals comprise primarily nurses, pharmacists and technicians, such as dental hygienists and optometrists. As of the Latest Practicable Date, all nurses employed by us were licensed medical practitioners.

The table below sets forth the number of our full-time doctors and other medical professionals as of the dates indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
Full-time doctors ⁽¹⁾	267	297	379	387
Other medical professionals . .	486	559	689	654
– Nurses ⁽²⁾	406	460	537	507
– Others	80	99	152	147
Total	753	856	1,068	1,041

Notes:

- (1) During the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, there were 209, 212, 253 and 258 full-time doctors who practiced at our tele-healthcare service platform and provided paid tele-healthcare services.
- (2) Comprising 312, 355, 455 and 422 nurses practicing in our healthcare service institutions, and 94, 105, 82 and 85 nurses for on-campus healthcare management services as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively.

With the expansion of our healthcare service business in 2023, we recruited more full-time doctors and other medical professionals in 2023 to support the operations of our healthcare service institutions. In 2024, there was a significant expansion of our medical professional team due to our acquisition of Wuhan Dragon World.

As of the Latest Practicable Date, each of the doctors practicing at our healthcare service institutions and tele-healthcare service platform had obtained the doctor qualification certificate. As of the Latest Practicable Date, each of the other medical professionals practicing at our healthcare service institutions had obtained the necessary qualification certificate for his or her medical practice in the PRC. We also closely monitor the qualification registration and licensing records on a continuing basis to ensure that all doctors practicing at our healthcare service institutions comply with all applicable requirements under PRC laws and regulations, in particular, each doctor's practice is within the scope of his or her qualification and license. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material complaints or penalties in relation to our doctors and other medical professionals practicing in our healthcare service institutions beyond the scope of their respective licenses.

Despite the important role of our doctors in our business operations, we did not have any material reliance on any particular doctor during the Track Record Period and up to the Latest Practicable Date. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, revenue attributable to our top five doctors was 8.4%, 7.7%, 8.1% and 6.6%, respectively, of our total revenue for the same periods, while revenue attributable to our top doctor was 1.9%, 1.9%, 2.9% and 1.7%, respectively, of our total revenue for the same periods.

Recruitment and Retention of Medical Professionals

We implement rigorous screening, interviewing, and probation procedures to recruit doctors. We only recruit doctors who share our patient-oriented values and also recognize our corporate culture that upholds the essence of health care. In addition to stringent criteria regarding education background and work experience, doctor candidates undergo more than two rounds of interviews. These interviews assess their values and motivation, medical knowledge and skills, critical thinking ability, and communication skills. Newly recruited doctors participate in orientation and clinical observation sessions, which are designed to familiarize them with our whole-person care approach and the principle of evidence-based medicine. They must successfully pass evaluations of their doctor-patient communication skills and professional competencies to be officially confirmed in their positions.

Medicine is a profession that demands lifelong learning. To support this, we have developed a personalized system for continuous medical education. In addition to regular monthly academic meetings, our full-time doctors are entitled to five days of academic leave annually. They are reimbursed upon the submission of their study reports or presentation of study reports to their peers. Our full-time doctors also have the opportunity to enroll in specialized training programs offered by us in partnership with external institutions. For instance, over 40 full-time doctors have participated in a multidisciplinary allergy training program provided by a renowned children's hospital in Canada. Furthermore, we regularly invite top external experts for academic exchanges with our medical team.

Effective doctor-patient communication is pivotal to our whole-person care approach. Our internal instructors, certified by the United States Institute for Healthcare Communication, deliver systematic courses to all our full-time doctors. Members of the medical executive committee at our headquarters level organize regular lectures and group activities, which we encourage all our full-time doctors to attend. These initiatives are designed to offer our full-time doctors personalized support in areas such as shared decision-making, literature retrieval, and mental health.

We do not rely on any single doctor, but value the strength of our entire team of doctors. Thanks to our systematic talent development efforts, we have been able to maintain a consistently high rate of doctor retention and the turnover rate for our full-time doctors, calculated by dividing the number of doctors who resigned during the relevant period by the sum of the number of doctors who left us during the relevant period plus the number of doctors at the end of that period, was 3.9%, 2.6%, 3.2% and 2.3% for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, respectively. These rates are significantly lower than the typical doctor turnover rate at similar private healthcare service institutions in China, according to Frost & Sullivan.

MARKETING

Through more than a decade of dedication and commitment to professional healthcare services, we have made “Distinct HealthCare” an established brand in the markets in which we operate. We do not rely on advertising and firmly believe that our reputation is and will continue to be built upon our service quality, and that the most effective marketing channel is the spontaneous word-of-mouth referral by our satisfied patients. We recognize the importance of long-term investment in brand building and patient education. In particular, we plan to ramp up our efforts in developing accessible health education content, with a strong emphasis on promoting the principle of evidence-based medicine. By creating a diverse range of easy-to-understand video content, along with interactive sessions, we aim to engage a broad audience in the importance of scientific approaches to parenting and disease prevention.

We value the emotional connection with our patients and are dedicated to delivering compassionate healthcare services to our patients. As part of our efforts to enhance such emotional connection, we have designed and introduced our own IP character, “Distinct Bear (熊小正),” in March 2022. We believe that unique IP character enables our patients to associate our brand, healthcare services and medical professional team with a cute and comforting appearance, leaving them with a lasting impression of warmth and care.



BUSINESS

In addition, as an innovative means of patient outreach, leveraging the integration of our network of healthcare service institutions and our tele-healthcare service platform and in recognition of the quality of our services, we have been chosen by a number of large-scale corporations, such as one of the largest technology groups in China, as the only or one of the few private healthcare service providers eligible for reimbursement under the supplemental medical insurance plans for their employees. We plan to further deepen our relationships with our existing corporate customers, while cultivating new corporate relationships in order to reach a broader patient base.

OUR CUSTOMERS

Our customers primarily comprise patients who receive our healthcare services and/or purchase healthcare products provided by us, substantially all of whom are individuals in the PRC, and none of these individual patients contributed more than 1% of our total revenue in each year/period comprising the Track Record Period. Additionally, we also generated revenue from certain corporate customers during the Track Record Period, mainly including international schools for our on-campus and corporate healthcare management services. None of these corporate customers contributed more than 1% of our total revenue in each year/period comprising the Track Record Period. Due to the dispersed nature of our customer base, we do not have a concentration risk. During each year/period comprising the Track Record Period, the revenue contributed by our five largest customers accounted for less than 1.5% of our total revenue.

All of our five largest customers during each year/period comprising the Track Record Period are Independent Third Parties. In addition, to the best of the knowledge of our Directors, none of our five largest customers during each year/period comprising the Track Record Period is also a supplier. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest customers during each year/period comprising the Track Record Period.

During the Track Record Period, we have achieved significant growth in our patient base. The following table sets forth certain key information in connection with the number of our patients in China for the years/periods indicated:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
New patients ⁽¹⁾	71,313	83,929	90,360	58,480	63,660
Returning patients ⁽²⁾	122,878	157,361	194,070	155,591	175,380
Total number of patients ⁽³⁾	162,393 ⁽⁴⁾	201,335 ⁽⁴⁾	242,549 ⁽⁴⁾	190,685 ⁽⁴⁾	212,180 ⁽⁴⁾
for in-person healthcare services	149,958	191,017	232,234	178,849	203,552
for tele-healthcare services	38,218	43,808	44,387	11,836	8,628
Patient Return Rate (%) ⁽⁵⁾	75.7%	78.2%	80.0%	81.6%	82.7%

BUSINESS

Notes:

- (1) Refer to patients who received healthcare services through our healthcare service institutions in China for the first time during the relevant period.
- (2) Refer to patients who received healthcare services through our healthcare service institutions in China during the relevant period and had at least one prior visit to our healthcare service institutions before their most recent one during the relevant period.
- (3) Refer to patients who received healthcare services through our healthcare service institutions in China during the relevant period. Some of our patients received both in-person healthcare services and tele-healthcare services during the Track Record Period, and they are only counted once in the total number of patients.
- (4) The sum of the number of new patients and returning patients does not add up to total number of patients, because the patients who received healthcare services through our healthcare service institutions in China (i) for the first time during the relevant period and (ii) at least once during the relevant period are classified as both new and returning patients at the same time.
- (5) Our Patient Return Rate was defined as the number of returning patients divided by the total number of patients who received services in our healthcare service institutions in China during the relevant period.

The table below sets forth the average paid patient visit-to-doctor ratio for the years/periods indicated:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
Average paid patient visit-to-doctor ratio ⁽¹⁾	1,448	1,966	2,016	1,346	1,371

Note:

- (1) The average paid patient visit-to-doctor ratio was calculated by dividing the number of paid patient visits with our full-time doctors in our healthcare service institutions during the relevant period by the arithmetic mean of the number of our full-time doctors as of the beginning and the end of the relevant period.

Since the PRC government has relaxed anti-pandemic measures nationwide, our healthcare service institutions experienced strong growth and expansion. While we hired more full-time doctors to support the operations of our healthcare service institutions, with our improved doctor efficiency and productivity, the number of paid patient visits increased more rapidly than the number of full-time doctors, resulting in increased average paid patient visit-to-doctor ratios during the Track Record Period. According to Frost & Sullivan, our average paid patient visit-to-doctor ratios during the Track Record Period were in line with those of the industry peers.

Settlement Methods

Our patients primarily settle our service fees by (i) on-site payments through POS machine, including bank card, Alipay and WeChat Pay during their visits to our healthcare service institutions, (ii) online payments through our tele-healthcare service platform, (iii) direct billing settlement through commercial medical insurance policies, (iv) prepaid package, (v) stored-value in membership accounts, and (vi) settlement through national reimbursement programs.

Commercial Medical Insurance Policies

As of August 31, 2025, we had entered into collaboration arrangements with over 55 commercial insurance companies and third-party administrators who assist commercial insurance companies in realizing review process and direct billing settlement. If healthcare services and products provided by us are eligible to be paid by the relevant commercial medical insurance policies, patients may make zero or partial payment with the remainder settled between us and the commercial insurance companies and third-party administrators directly. We typically grant a credit term of one month to commercial insurance companies and third-party administrators. During the Track Record Period, our revenue derived from direct billing settlement through commercial medical insurance policies accounted for 8.4%, 10.3%, 12.3% and 12.0% in 2022, 2023 and 2024 and the first eight months of 2025, respectively, of our total revenue for the same periods. During the Track Record Period, we had not encountered any material bad debts from the commercial insurance companies and third-party administrators and we believe we have a relatively low counterparty risk.

We plan to continue to pursue collaboration opportunities with commercial insurance companies and third-party administrators to develop and promote insurance products that aim to provide a wide coverage of health care, offer more convenient billing options and help commercial insurance companies and third-party administrators manage costs. We intend to increase the proportion of our revenue derived from direct billing settlement through commercial medical insurance policies to further diversify our revenue streams.

Prepaid Package

Depending on the needs of our patients and type of services, one-off treatment session or multiple treatment sessions that we provide may be recommended to our patients to achieve desired results. Our patients may choose to pay for each treatment session or purchase prepaid package in respect of multiple treatment sessions. During the Track Record Period, our prepaid packages generally offered a discount and had a validity period of one year. Generally, we do not allow refunds or exchanges for our prepaid packages. However, under exceptional circumstances, we would allow refund of the unutilized balance of the prepaid packages upon reasonable request. This means the request must be supported by sufficient factual basis and evidence proving that the utilization of the balance is no longer practicable. Examples include the patient's current health condition making future utilization of the balance impracticable, or the patient relocating to a city without our healthcare service institutions. During the Track Record Period, there was no material refund of the unutilized balance of our prepaid packages.

BUSINESS

Payments received for prepaid packages are recorded as contract liabilities in our consolidated statements of financial position at the time of payment and are subsequently recognized as revenue under the segment of in-person healthcare services and tele-healthcare services in our consolidated statements of profit or loss at the time when the treatment is performed. As of December 31, 2022, 2023 and 2024 and August 31, 2025, we recorded contract liabilities of RMB46.4 million, RMB78.3 million, RMB117.9 million and RMB143.5 million, respectively, in connection with prepaid packages.

The table below sets forth our revenue attributable to prepaid packages by utilized and unutilized amount during the Track Record Period:

	Year ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Utilized	115,025	185,651	237,488	150,720	187,416
Unutilized	140	2,999 ⁽¹⁾	4,979 ⁽¹⁾	2,042 ⁽¹⁾	4,354 ⁽¹⁾
Total	115,165	188,650	242,467	152,762	191,770

Note:

- (1) With the increasing scale of payments we received for prepaid packages, expired prepaid packages started to appear in 2021. We generally recognize unutilized balance from prepaid packages as revenue 12 months after the expiration of the respective package's validity period. In 2023 and 2024 and the first eight months of 2025, there were significant increases in our revenue contributed by unutilized balance of prepaid packages, primarily due to the rapid growth in the scale of our prepaid packages. Before 2021, we primarily offered prepaid packages focused on a single specialty, with a relatively limited number of patient visits, which enabled customers to accurately assess their needs and fully utilize the packages within the validity period. However, beginning in 2021, we introduced prepaid packages covering multiple specialties. As the scope of services expanded and the number of beneficiaries eligible to use a single prepaid package increased, the proportion of unused visits rose. As a result, revenue contributed by unutilized balance of prepaid packages began to rise starting from 2023, which was 12 months after the expiration of validity period of the prepaid package offered in 2021.
- (2) During the Track Record Period, our forfeiture rate, which was calculated as the revenue contributed by the unutilized balance of prepaid packages divided by the total revenue attributable to prepaid packages, was 0.1%, 1.6%, 2.1% and 2.3%, respectively. According to Frost & Sullivan, the forfeiture rates of private healthcare service providers in China generally range from 0% to 10%. In light of this, we consider our forfeiture rate to remain at a very low and healthy level, demonstrating the stability of our prepaid packages and a high level of customer engagement. We have been implementing various measures to manage and control the forfeiture rate, such as proactively reminding customers to use remaining visits and launching a WeChat mini program to allow customers to track their prepaid package entitlements. Going forward, we will also leverage AI technology to further enhance prepaid package management and utilization monitoring, with the objective of maintaining the forfeiture rate within a reasonable range.

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, the number of patients holding prepaid packages was 49,249, 73,681, 70,049 and 57,912, respectively. For the same periods, the average spending per prepaid package was RMB2,401, RMB2,412, RMB3,252 and RMB3,198, respectively.

BUSINESS

We have formulated a comprehensive policy for the designation and implementation of our prepaid packages. Generally, our designated supervisors at our headquarters solicit inputs from various other departments to develop an application for a new prepaid package, including details such as the package name, included services or treatments and pricing. Once approved, such prepaid package is launched across our healthcare service institutions. The types of services we offer with prepaid packages primarily include well-baby check-ups, vaccinations, dental orthodontics, and non-invasive aesthetic procedures. We do not make any commission payments to our doctors for selling prepaid packages. We believe our policies will duly protect the interests of our patients and guarantee the quality of our prepaid packages at the same time. As advised by the PRC Legal Adviser, we had complied with all applicable laws and regulations in the PRC in all material aspects with regard to our prepaid packages during the Track Record Period.

Stored-Value in Membership Accounts

In order to provide a convenient settlement method for our members, we allow our members to store a balance of no more than RMB100,000 in their membership accounts. Such stored-value has no expiry date, could be used to settle their payments within our healthcare service institution network and is refundable on demand.

Such stored-value is recorded as accruals and other payables in our consolidated statements of financial position when we receive it and is subsequently recognized as revenue in our consolidated statements of profit or loss when the members use the value to settle their payments within our healthcare service institution network. As of December 31, 2022, 2023 and 2024 and August 31, 2025, we recorded stored-value in membership accounts of RMB38.7 million, RMB35.4 million, RMB34.4 million and RMB32.8 million, respectively.

The table below sets for the movement of the stored-value during the Track Record Period:

	Year ended December 31,			Eight Months Ended August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Stored-value as of the beginning of the year	45,194	38,743	35,364	34,441
Newly stored value	60,316	92,947	106,318	68,367
Used stored value	(66,767)	(96,326)	(107,241)	(70,049)
Stored-value as of the end of the year	38,743	35,364	34,441	32,759

BUSINESS

The stored-value feature of our membership enables faster payment settlements by allowing patients to simply have the nurse or other staff deduct the amount directly from their stored value and skip the lines, thereby improving the efficiency and enhancing the overall customer experience. To a lesser extent, it also provides elder patients, who may not be proficient with electronic payments, a more convenient payment method. Additionally, members can enjoy benefits, including exclusive packages of certain healthcare services and products, a fixed number of complimentary nurse counseling sessions, a 20% discount on in-person healthcare services, a 10% discount on tele-healthcare services and a 5% discount on purchases of healthcare products through our online mall.

The stored funds are managed centrally as part of our cash pool. We conduct regular reviews of our fund structure to ensure that we have sufficient funds to satisfy patient's requests for settlement or refunds of the stored-value. In addition, according to our internal policies, our funds generally can only be invested in principal-protected investment instruments, such as bank deposits and short-term, principal-protected bank financial products. Funds may not be used for investments with long terms and high risks. These internal control measures guarantee the appropriate safeguard of all stored value. As advised by the PRC Legal Adviser, we had complied with all applicable laws and regulations in the PRC in all material aspects with regard to the stored-value in membership accounts, including management and usage of the stored funds, during the Track Record Period.

As advised by our PRC Legal Adviser, our prepaid packages and stored-value in membership accounts are not subject to the "Administrative Measures on Single-purpose Commercial Prepaid Cards (Trial Implementation)" for the reason that healthcare service industry does not fall into the scope of industries regulated under such regulation. Meanwhile, our operation of the stored-value membership card will not be deemed as operating a deposit-taking business as the stored-value in membership accounts is considered prepayments for our healthcare services.

Storing value is optional for members, instead of a requirement for membership. As of December 31, 2022, 2023 and 2024 and August 31, 2025, the number of membership accounts with stored value of RMB1 or more was 35,088, 30,697, 29,674 and 29,482, respectively. The stored-value in these accounts varied significantly, primarily ranging from RMB100 to RMB10,000 during the Track Record Period. The average balance of stored value in these accounts was RMB972, RMB921, RMB862 and RMB840 as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively.

National Reimbursement Programs

During the Track Record Period, two of our healthcare institutions, including one in Changsha and one in Wuhan, were "medical insurance designated healthcare institutions." These institutions' patients may choose to rely on national reimbursement programs to pay for certain healthcare services that are eligible under the national medical insurance programs.

However, the specific percentage covered by national medical insurance programs may vary based on criteria including type of the insurance program, local practice, age of the patient and type of service or product involved.

For healthcare service fees covered by the national medical insurance programs and payable by the local medical insurance bureaus, we typically receive reimbursement for such portion deemed as eligible by the local medical insurance bureaus generally in the following one to three months. In 2022, 2023 and 2024 and the first eight months of 2025, our revenue derived from settlement through national reimbursement programs accounted for 0.2%, 0.2%, 1.2% and 1.3%, respectively, of our total in-person healthcare service revenue for the same periods.

According to the Notice on Issuing the National Pilot Technical Specifications and Grouping Scheme for the Diagnosis Related Groups (“**DRG**”) Payment (關於印發疾病診斷相關分組(DRG)付費國家試點技術規範和分組方案的通知) promulgated by the National Health Security Administration on October 16, 2019, DRG is a case combination classification scheme under the national medical insurance programs. DRG payment system considers hundreds of disease groups and determines the optimal amount to be paid by the national medical insurance programs for each disease group, based on a variety of factors such as patient age, disease diagnosis, comorbidity, complication, treatment, disease severity, and resource consumption level. DRG payment system is currently applicable only for medical insurance reimbursement for medical insurance designated healthcare institutions providing inpatient services in the regions where such payment system has been formally adopted. Only one of our healthcare institutions, a hospital in Wuhan, provided inpatient services during the Track Record Period, and it adopted the DRG payment system for its inpatient services.

Given that we primarily settle payments through commercial medical insurance rather than the national medical insurance system; and the portion settled through national medical insurance for inpatient services was minimal during the Track Record Period, our Directors believe that it will not have a material impact on our business operations or financial performance. Regarding the limited impact from the DRG payment system, please see “Risk Factors — Risks Relating to Conducting Business in the Countries We Operate — Any failure to remain eligible for national medical insurance coverage, or any nonpayment or delayed payment under China’s national reimbursement programs, including the Diagnosis Related Groups payment system, could adversely affect our business, results of operations and financial condition.”

Patient Feedback System

Patient Feedback

As a measure to enhance patient loyalty and establish long-term relationships with our patients, we have implemented a structured patient feedback system to collect patients’ comments and ascertain patients’ expectations. This system enables us to improve our services to increase patients’ satisfaction level and allows us to actively manage patients’ feedback. Our

patients' satisfaction level towards our services is paramount to our business, brand image and market reputation. However, with the unique nature of the healthcare service industry, the level of patients' satisfaction with our services is personal and varies subjectively.

We collect patients' feedbacks through various channels including a customer service hotline and face-to-face communications with frontline staff at our healthcare service institutions. In addition, we have implemented a rating system across our healthcare service institutions as well as on our tele-healthcare service platform, through which patients may grade our service quality, interior environment as well as doctors and other medical professionals after receiving our healthcare services. We also encourage patients to submit detailed written comments on our healthcare services and provide recommendations for improvement.

Patients' positive reviews and feedbacks in relation to their experience with us would enable us to attract patients without incurring extra advertising efforts. The high quality of our healthcare services is evidenced by our net promoter score ("NPS"). NPS is generated by surveys where patients score our healthcare services on a rating scale of 0-10. Patients' responses of nine or 10 are considered "promoters." Patients' responses of six or less are considered "detractors." NPS is calculated by subtracting the percentage of respondents who are detractors from the percentage who are promoters. Our NPS was 81.1, 86.4, 85.9 and 87.6 in 2022, 2023 and 2024 and the first eight months of 2025, respectively. This upward trend in NPS reflects our ongoing commitment to enhancing the quality of our healthcare services. In addition, for the same periods, among patients who received online text and voice consultation services through our tele-healthcare service platform and submitted their satisfaction rating for our services, 96.4%, 97.3%, 97.4% and 97.1% of them gave us a rating of 9.0 or more in a 10 point rating scale.

On the other hand, we may inevitably encounter patients who are not fully satisfied with our services. In this information age, any negative reviews in relation to our services given by our patients online may spread quickly in the market, and may, regardless of merit, damage our brand image and reputation in the industry. We, therefore, through the implementation of our structured patient feedback system, try to maintain the market recognition of our brand and to alleviate patients' possible dissatisfaction or discomfort as much as possible.

Management of Patient Complaints

The patient complaints we receive are usually in relation to the patient experience. This occurs when patients believe that the healthcare services provided by us have not fully met their expectations, such as longer waiting time required, post-service discomfort and general dissatisfaction with the results and/or procedures of our services.

Our customer service manager or medical manager at the respective healthcare service institution is responsible for handling patient complaints based on the nature of the complaint. In order to ensure prompt and proper handling of patient complaints, we have adopted a tiered reporting system and implemented internal guidelines which we strictly require our medical

professionals and other staff to follow. All complaints received must be reported to the customer service manager or medical manager at the respective healthcare service institution, who seeks to resolve such complaints reasonably and amicably as soon as possible. We are committed to resolving all patient complaints in the shortest period of time, or on the spot, if possible. The customer service manager will preliminarily handle the non-medical-related complaints, such as longer waiting time or dissatisfying staff attitude, and resolve such trivial complaints by offering detailed explanation and taking appropriate actions to appease our patients. If a complaint is medical-related, such as patient's post-service discomfort or dissatisfaction with the results of our services, our medical manager at the respective healthcare service institution will retrieve the relevant medical records, understand the nature of the complaint, and try to resolve and address patient's concern (consulting with the responsible doctor if necessary), which generally requires a longer period of time to resolve as compared to non-medical-related complaints and may take a few days to several months depending on the complaint's complexity. When the customer service manager or medical manager at the respective healthcare service institution fails to settle a patient complaint, such complaint must be reported to the responsible risk management department at the headquarters for further handling. In such case, the responsible risk management department at our headquarters investigates the complaint by reviewing the relevant medical records and interviewing the responsible doctor(s) and other relevant medical professionals. After considering a number of factors, including, the nature and complexity of the complaint, the monetary value of the complaint involved, the involvement by governmental authorities (if any), the potential reputation impact on us, the responsible risk management department will make a preliminary judgement on the complaint and propose potential resolution.

Patients generally accept apologies, complimentary gifts and/or refunds to settle their complaints. We may also be required to pay monetary compensation to settle patient complaints. We review the grounds of the requests for refunds or compensation on a case-by-case basis, depending on the reasonableness of the patient's complaint and demand, as well as other factors such as resources that we may otherwise have to spend in handling the matter. During the Track Record Period and up to the Latest Practicable Date, the total amount of monetary compensation paid to settle patient complaints was approximately RMB1.1 million.

We maintain detailed records of the patient complaints. To prevent recurring complaints of a similar nature, we hold discussions to review the relevant complaints and implement appropriate measures for rectification.

A patient complaint becomes a medical dispute when initial negotiation fails to reach a settlement and the patient applies to an external medical dispute mediation committee to resolve the complaint by mediation or files a lawsuit against us. See “— Compliance and Legal Proceedings — Legal Proceedings — Medical Disputes.”

PRODUCT RETURNS AND EXCHANGES

For most of our healthcare products sold on our online mall, we generally accept returns or exchanges within seven days of purchase. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product return or exchange.

SEASONALITY

We typically have fewer patient visits shortly after the Chinese New Year, during which most people usually avoid visiting healthcare service institutions. In the winter, we generally experience a relatively higher influx of patients with respiratory issue, such as flu and colds, seeking services at our healthcare service institutions. Moreover, towards the end of the year, many people prefer to receive health check-ups or dermatologic treatments. As a result of the foregoing, our revenue was lower in the first quarter of each financial year and higher in the fourth quarter of each financial year during the Track Record Period. Nevertheless, we were not subject to significant seasonality during the Track Record Period and up to the Latest Practicable Date.

PRICING

Pursuant to the applicable PRC laws and regulations, our private for-profit healthcare service institutions and tele-healthcare service platform are generally entitled to set the prices of their healthcare services and products at their own discretion, other than narcotic drugs that are subject to maximum factory prices and maximum retail prices set by the NDRC. We price our healthcare services and products provided by our private healthcare service institutions or tele-healthcare service platform based on certain factors, including complexity of the service, operating costs, local market conditions and competitors' pricing of similar services and products. During the Track Record Period, revenue from narcotic drugs subject to government pricing accounted for less than 0.01% of our total revenue.

OUR SUPPLIERS AND PROCUREMENT**Major Purchases and Suppliers**

The suppliers required in our operations primarily comprise providers of pharmaceuticals, medical consumables, medical equipment and healthcare products. During the Track Record Period, we did not experience any interruption in our supplies, shortage of supplies, early termination of supply agreements, or failure to secure sufficient supplies that had any material adverse impact on our business or results of operations. Our suppliers generally offer us a credit term of 30 to 50 days. We typically settle trade payable obligations with respect to our suppliers through bank transfers.

BUSINESS

We enter into long-term framework supply agreements with our major suppliers. The material terms of the agreements are as followed:

- *Quality.* We generally provide detailed specifications regarding the quality of the products supplied. We require the products to conform to relevant national and industry standards.
- *Quantity and Pricing.* We generally stipulate the purchase price and the purchase amount in the purchase orders we place from time to time.
- *Delivery Schedule.* We generally stipulate the delivery schedule in our purchase orders, which depends on the types of products procured and generally ranges from seven days to 90 days.
- *Inspection, Acceptance and Warranty.* The products are subject to our inspection upon arrival at the stipulated place, and we may refuse acceptance of any defective products. In the case of quantity, quality, packaging or any other stipulated defect, we are entitled to replacement, refund or compensation by the suppliers pursuant to the supply agreements. For large-sized medical equipment, the suppliers usually provide warranty periods of one year and regular maintenance and technical support services within the warranty period. Upon the expiry of the warranty period, we usually purchase maintenance and repair services on an annual basis from our suppliers throughout the remaining useful lives of such equipment.
- *Payment.* Depending on the type of product procured, we are required to make the full purchase price to our suppliers prior to shipment of or upon receipt and acceptance of the products or settle payments with our suppliers in accordance with the payment schedule stipulated in the agreements.

In 2022, 2023 and 2024 and the eight months ended August 31, 2025, purchases from our five largest suppliers in each year/period comprising the Track Record Period amounted to RMB30.5 million, RMB51.7 million, RMB89.0 million and RMB50.9 million, respectively, representing approximately 27.7%, 33.8%, 36.8% and 31.9%, respectively, of our total purchases for the respective year/period, and purchases from our largest supplier in each year/period comprising the Track Record Period amounted to RMB8.8 million, RMB15.3 million, RMB22.6 million and RMB16.0 million, respectively, representing 8.0%, 10.0%, 9.3% and 10.0%, respectively, of our total purchases for the respective year/period.

BUSINESS

The table below sets forth certain information about our five largest suppliers in terms of total purchases for the years/periods indicated:

Eight Months Ended August 31, 2025							
Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount	% of Total Purchase Amount	Listing Status
					RMB'000	%	
Supplier A . . .	Pharmaceuticals and medical consumables	Over five years	30 days	A pharmaceutical company incorporated in Shanghai in 2003, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB3,120.7 million.	16,026	10.0	Listed
Supplier B . . .	Pharmaceuticals and medical consumables	Over five years	50 days	A pharmaceutical company incorporated in Guangzhou in 1951, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB2,449.3 million.	13,515	8.5	Unlisted
Supplier C . . .	Pharmaceuticals and medical consumables	Over five years	N/A	A pharmaceutical company incorporated in Changchun in 1997, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB73.0 million.	8,172	5.1	Unlisted

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Eight Months Ended August 31, 2025

Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount	% of Total Purchase Amount	Listing Status
					RMB'000	%	
Supplier D . . .	Diagnostic services ⁽¹⁾	Over five years	30 days	A diagnostic service provider incorporated in Guangzhou in 2006, focused on medical examination and diagnosis services, with a registered capital of RMB463.3 million.	6,632	4.2	Listed
Supplier E . . .	Medical equipment and medical consumables	Over five years	N/A	A medical device company incorporated in Wuhan in 2021, focused on medical equipment and consumable product distribution, with a registered capital of RMB200.0 million.	6,550	4.1	Unlisted
					<u>50,895</u>	<u>31.9</u>	

Year Ended December 31, 2024

Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount	% of Total Purchase Amount	Listing Status
					RMB'000	%	
Supplier C . . .	Pharmaceuticals and medical consumables	Over five years	N/A	A pharmaceutical company incorporated in Changchun in 1997, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB73.0 million.	22,583	9.3	Unlisted

BUSINESS

Year Ended December 31, 2024							
Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount	% of Total Purchase Amount	Listing Status
					RMB'000	%	
Supplier A . . .	Pharmaceuticals and medical consumables	Over five years	30 days	A pharmaceutical company incorporated in Shanghai in 2003, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB3,120.7 million.	20,812	8.6	Listed
Supplier B . . .	Pharmaceuticals and medical consumables	Over five years	50 days	A pharmaceutical company incorporated in Guangzhou in 1951, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB2,449.3 million.	20,590	8.5	Unlisted
Supplier D . . .	Diagnostic services ⁽¹⁾	Over five years	30 days	A diagnostic service provider incorporated in Guangzhou in 2006, focused on medical examination and diagnosis services, with a registered capital of RMB463.3 million.	13,503	5.6	Listed
Supplier E . . .	Medical equipment and consumables	Over five years	N/A	A medical device company incorporated in Wuhan in 2021, focused on medical equipment and consumable product distribution, with a registered capital of RMB200.0 million.	11,561	4.8	Unlisted
Total					89,049	36.8	

BUSINESS

Year Ended December 31, 2023,

Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount <i>RMB'000</i>	% of Total Purchase Amount %	Listing Status
Supplier B . . .	Pharmaceuticals and medical consumables	Over five years	35 days	A pharmaceutical company incorporated in Guangzhou in 1951, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB2,449.3 million.	15,310	10.0	Unlisted
Supplier A . . .	Pharmaceuticals and medical consumables	Over five years	30 days	A pharmaceutical company incorporated in Shanghai in 2003, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB3,120.7 million.	15,003	9.8	Listed
Supplier E . . .	Medical equipment and consumables	Over five years	N/A	A medical device company incorporated in Wuhan in 2021, focused on medical equipment and consumable product distribution, with a registered capital of RMB200.0 million.	10,441	6.8	Unlisted
Supplier F . . .	Medical consumables	Two years	30 days	A medical device company incorporated in Guangzhou in 2017, focused on medical consumable product distribution, with a registered capital of RMB11.0 million.	5,662	3.7	Unlisted

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Year Ended December 31, 2023,

Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount	% of Total Purchase Amount	Listing Status
					RMB'000	%	
Supplier D . . .	Diagnostic services ⁽¹⁾	Over five years	30 days	A diagnostic service provider incorporated in Guangzhou in 2006, focused on medical examination and diagnosis services, with a registered capital of RMB463.3 million.	5,310	3.5	Listed
Total					51,726	33.8	

Year Ended December 31, 2022,

Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount	% of Total Purchase Amount	Listing Status
					RMB'000	%	
Supplier A . . .	Pharmaceuticals and medical consumables	Over five years	30 days	A pharmaceutical company incorporated in Shanghai in 2003, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB3,120.7 million.	8,829	8.0	Listed
Supplier B . . .	Pharmaceuticals and medical consumables	Over five years	45 days	A pharmaceutical company incorporated in Guangzhou in 1951, focused on pharmaceuticals and medical consumable product distribution, with a registered capital of RMB2,449.3 million.	7,892	7.2	Unlisted

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Year Ended December 31, 2022,

Supplier	Service/ Product Purchased by Us	Years of Relationship	Credit Term	Background	Purchase Amount <i>RMB'000</i>	% of Total Purchase Amount <i>%</i>	Listing Status
Supplier E . . .	Medical equipment and consumables	Over five years	N/A	A medical device company incorporated in Wuhan in 2021, focused on medical equipment and consumable product distribution, with a registered capital of RMB200.0 million.	4,713	4.3	Unlisted
Supplier G . . .	Medical equipment	Five years	N/A	A medical device company incorporated in Beijing in 2013, focused on medical equipment distribution, with a registered capital of RMB10.0 million.	4,603	4.2	Unlisted
Supplier D . . .	Diagnostic services ⁽¹⁾	Over five years	30 days	A diagnostic service provider incorporated in Guangzhou in 2006, focused on medical examination and diagnosis services, with a registered capital of RMB463.3 million.	4,442	4.0	Listed
Total					30,479	27.7	

Note:

(1) Representing outsourced laboratory tests and examinations.

All of our five largest suppliers during each year/period comprising the Track Record Period are Independent Third Parties. To the best of the knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of our five largest suppliers during each year/period comprising the Track Record Period.

BUSINESS

We believe we have sufficient alternative suppliers for pharmaceutical and medical consumables that can provide us with substitutes of comparable quality and prices. During the Track Record Period, we did not experience any disruption to our business as a result of any significant shortage or delay in supply of the products we sourced from our suppliers. During the Track Record Period, we did not experience any material fluctuation in the price of pharmaceutical products or medical consumables that we purchased.

Procurement

We have a centralized procurement management department at our headquarters, which is responsible for approving procurement channels and negotiating the terms for our purchases. We believe centralized procurement allows us to achieve economies of scale and to better control the quality of the pharmaceuticals and medical consumables we procure.

We select our suppliers based on stringent criteria and applicable laws and regulations to ensure the quality of our supplies. When selecting suppliers, we consider, among other things, their qualifications, reputation, product quality, pricing, service quality and delivery schedule. Our suppliers are required to possess all licenses and permits necessary to conduct their operations. The procurement management department enters into procurement agreements with the selected suppliers, and some supplies are subject to a tender process.

In 2022, 2023 and 2024 and the first eight months of 2025, our cost of pharmaceutical, consumables and other inventories amounted to RMB73.2 million, RMB110.5 million, RMB171.7 million and RMB124.3 million, respectively, representing 17.1%, 19.8%, 23.4% and 23.5% of our total cost of revenue for the same periods, respectively. During the Track Record Period, we have not encountered quality problems or received defective products that could have a material adverse effect on our business, financial condition or operations.

QUALITY ASSURANCE

We believe that quality control is of vital importance to our reputation and success. We have adopted comprehensive and stringent quality assurance and control measures throughout our business process, which cover, among others, the following areas:

We have implemented the following quality assurance practices as part of our comprehensive quality control system:

- ***Standardization of diagnosis and treatment.*** Each of our specialties has established its own protocols of diagnosis and treatment, utilizing UpToDate, an evidence-based and industry-leading clinical decision support platform, and other high-level evidence sources. We regularly monitor adherence to these protocols through quality control indicators such as antibiotic usage rates, compliance with hypertension treatment guidelines and chart review outcomes.

- ***Peer review.*** For surgical-related specialties, indicators like the appropriateness of procedures or surgeries, postoperative complications, and reoperation rates are critical to assessing clinical quality. We have regularly retrieved and reviewed data from the DMS for on-site quality assessments.
- ***Patient safety alert (“PSA”) reporting system.*** Embracing a “no blame” principle, we encourage our staff to report any actual or potential patient safety incidents via the PSA reporting system. Through systematic incident analysis and the application of the plan-do-check-act (“PDCA”) cycle, which is a continuous loop of planning, doing, checking (or studying), and acting to provide a simple and effective approach for solving problems and managing change, we aim to minimize errors. Notable improvements have been made in areas traditionally vulnerable to mistakes, such as patient identification and medication dispensing.
- ***Quality control.*** The service quality of a healthcare service institution is also measured by nursing procedures, infection control, facility maintenance, and patient privacy protection. Our medical executive committee evaluates the quality of each institution through sampling and annual quality control assessments, culminating in detailed quality control analysis reports.
- ***Patient complaint and medical dispute management.*** We regard patient complaint and medical dispute management as an important component for the continuous improvement of our clinical quality and safety. We treat each of our patients’ complaints seriously and regard them as the best source for improvement. We maintain detailed records of all patient complaints. Complaint reports are regularly reported to our medical executive committee for review. For every patient complaint, we are committed to understanding its factual background and root cause, ascertaining the responsible parties and areas of improvement. We organize complaint analysis discussions to identify improvement areas in our clinical and service processes, make recommendations and ensure the relevant healthcare service institutions and staff implement the necessary improvements promptly. If any patient complaint becomes a medical dispute, we will establish a special team mainly comprising our president, chief medical officer and the head of legal affairs, the regional head, and the regional medical manager to conduct an investigation by reviewing the patient’s related medical records and actively monitor the progress of the medical dispute to facilitate an appropriate resolution.
- ***Recruitment and training of qualified medical professionals.*** We implement rigorous recruitment processes with respect to our medical professional team. While medicine is a profession that demands lifelong learning, we provide our doctors with comprehensive trainings by our internal experts, comprising academic and technical training sessions as well as clinical experience sharing and exchanges of information. See “— Medical Professional Team — Recruitment and Retention of Medical Professionals” for more details. In particular, for any patient complaint or medical dispute involving an uncommon medical condition, we share our findings

on the root cause of the complaint/dispute, as well as the lessons learned, across our healthcare service institution network, with a view to cultivating a sense of vigilance among our team of medical professionals.

- ***Patient satisfaction surveys.*** We collect and analyze post-visit satisfaction rate data using various standardized statistical methods. Our patient satisfaction surveys focus on the quality of clinical practice on one hand, including the medical outcome, the quality of doctor-patient communication, and post-visit care, and the quality of patient experience on the other hand, including scheduling appointment, following on-site processes, and billing management. Through ongoing analysis, we continuously strive to enhance our service quality.
- ***Medical equipment and supplies quality assurance.*** We have implemented centralized procurement at the headquarters level and we select our suppliers based on stringent criteria and applicable laws and regulations to ensure the quality of our supplies. See “— Our Suppliers and Procurement.”

INVENTORY MANAGEMENT

Our inventories primarily comprise pharmaceuticals, medical consumables and healthcare products. We generally maintain 30 days of inventory of pharmaceuticals and medical consumables to meet the needs of our daily operations. We review our inventories on hand on a regular basis. We carry out regular physical inventory counts to verify the accuracy of our inventory records and we closely monitor inventory expire dates to ensure no expired items will be used. Once the supplies are expired, we will safely dispose of them in accordance with applicable laws and regulations and write off them accordingly. During the Track Record Period, we did not experience any significant write-offs of our inventories.

INFORMATION TECHNOLOGY SYSTEMS

Our integrated information technology and data infrastructure provides us with versatility and robustness to support business operations across different regions and has enabled us to digitalize, streamline and standardize substantially all aspects of our business operations, internally for operational and financial management and externally for patient management and service offerings. At the heart of the infrastructure is a set of three core platforms, namely, Hospital Management System (“HMS”), Distinct Management System (“DMS”) and Distinct Data Platform. In particular, our DMS, self-developed by us, is a comprehensive patient management system and integrated with our mobile applications, official WeChat accounts and mini programs. Our DMS streamlines and standardizes the entire process of patient management from patient outreach, patient services, patient education, membership & billing to long-term healthcare management. We have also established Distinct Data Platform to aggregate all data from different realms such as user background and activity data, anonymized clinical data, operation data and financial data. The Distinct Data Platform has empowered us with complex business analytics as well as timely operation improvement. For example, we can analyze patient visit history and identify and explore cross-referral opportunities for the

patients' whole families, such as providing engaging health education content, health "to-do's", appointment reminders for regular treatments and electronic notifications on relevant service offerings. We have also implemented HMS, a cloud-based electronic medical record system which can be accessed across our healthcare service network to ensure the accuracy, continuity and completeness of all relevant information and facilitate subsequent consultations and long-term healthcare management of our patients. All these efforts have allowed to improve patient loyalty and drive repeat visits.

In addition, we have implemented a variety of middle-office systems to cater to specific needs of our daily operations, including social customer relationship management system ("SCRM"), enterprise resource planning system ("ERP") and electronic human resource system ("EHR"). SCRM, together with Enterprise WeChat, allow our employees to communicate with our patients online or carry out our marketing activities. We also use ERP for inventory management and EHR for human resource management at the headquarters level. Our integrated information technology and data infrastructure has been implemented and interconnected across our headquarters and healthcare service institutions in China, allowing real-time data sharing and facilitating informed decision making by our central management in formulating our overall strategies and business plans. For our information technology systems except DMS, we generally engage Independent Third Parties to develop and implement our information technology systems, which are then jointly maintained by such third-party providers and our information technology team to support our business operations.

Meanwhile, we actively integrate advanced AI technologies into our healthcare services to enhance efficiency. For instance, for patient appointment scheduling, our AI-powered assistant evaluates whether a patient's medical demand aligns with the appropriate specialty department or doctor's specialization. Approved appointments are automatically confirmed with notifications, while cases requiring further review are flagged for manual verification, ensuring accuracy in patient triage.

For healthcare services, our AI-powered assistant automatically aggregates and synthesizes key patient information included in medical records and health check-up reports, into a concise healthcare summary. This enables our doctors to quickly grasp critical aspects of a patient's health history, significantly enhancing consultation efficiency and decision-making.

Additionally, we use AI technologies to analyze health check-up results and automatically generate summaries of key information, assisting doctors in expediting report reviews and improving workflow efficiency. For patients who purchased our prepaid packages, by cross-referencing diagnostic codes with prescribed services, the AI-powered assistant enhances verification accuracy, reduces manual workload, and safeguards alignment with prepaid package benefits, ultimately improving both operational efficiency and patient experience.

We are conducting market research and plan to commence the upgrading of our information technology and data infrastructure to support our growth and expansion by the end of 2025, which we believe will help us maintain an edge over our competitors in operational efficiency, scalability and patient experience.

In addition, we intend to utilize AI technologies in many aspects, such as:

- **Automation of Administrative Processes:** We plan to further increase the level of automation in appointment scheduling, billing, and insurance claim processing to substantially reduce manual administrative workload.
- **Quality Management Analytics:** We plan to further apply AI to classify and analyze patient complaints and safety incidents, thereby improving the responsiveness and productivity of our quality control teams.
- **Patient Flow Forecasting and Staffing Optimization:** We plan to launch a patient flow forecasting system that analyzes historical data to predict patient demand, enabling enhanced allocation of human resources.
- **AI-Assisted Health Counseling Services:** We expect to implement AI solutions to assist doctors and nurses in preparing medical records and other documentation, thereby enabling doctors and nurses to focus more on patient interactions and enhancing service quality.

These labor efficiency gains will enable us to provide our patients with a more flexible service package to improve the perceived value for them. We also plan to offer value-added services and further elevate care quality through the continued adoption of AI and digital technologies. For example:

- **Post-visit Follow-up Services:** We will offer free online post-visit follow-up services for all offline patients, supported by AI-enabled systems that enhance responsiveness and continuity of care.
- **AI-driven Communication Review:** We will deploy AI systems that analyze both online and onsite communication records to identify patient concerns and improve staff communication skills and health education effectiveness, thereby enhancing patient satisfaction.
- **AI-supported Clinical Decision-making:** We plan to introduce clinical AI applications designed to assist clinicians in making more accurate diagnoses and delivering higher-quality treatments.

We plan to actively explore the collaboration opportunities in relation to adoption of AI and digital technologies. Once we adopt generative AI technologies in our healthcare services, we plan to implement comprehensive internal policies to safeguard data privacy and security. These efforts will be under the supervision of our management team.

To ensure the clinical integrity across AI-driven healthcare delivery, we conduct rigorous testing prior to launching any AI functions, including a clinical sandbox validation phase, a small-scale pilot phase, and a large-scale stress and safety testing phase. The members involved in these tests are not only from our specialized talent pool, but also include a number of clinicians, nurses, pharmacists and technicians. Compliance must be achieved before progressing to the application phase. In the application phase, there is continuous oversight by human expert supervision, keyword monitoring, and sampling checks.

DATA PRIVACY AND PROTECTION

During our provision of healthcare services and the sales of healthcare products, we collect and maintain personal and medical information of our customers with their prior consents.

We are required by applicable laws and regulations to protect the privacy of our patients and prohibit unauthorized disclosure of personal information. We have taken measures to maintain the confidentiality of our patients' medical information, including installing advanced information technology systems to properly manage our patients' information, encrypting such information in our information technology systems so that it cannot be accessed without authorization, setting up firewalls between our intranet and the external Internet to control and ensure the security of our database. In addition, we have implemented a confidential information security policy which requires, among others, (i) all of our employees to keep all customer data confidential and to receive mandatory training on our information security policies; (ii) our healthcare service institutions to adopt security measures in the transmission, storage and disposal of patient data; and (iii) our headquarters to strictly manage the authorization to our database and monitor the employee's activities in our database.

During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we did not experience any breach of patient confidential information or any other patient information related incidents which could cause a material adverse effect on our business, financial condition or results of operations, nor have there been any material disputes, administrative investigation or penalties relating to the protection of personal information. As advised by the PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable PRC laws and regulations with respect to cybersecurity, data security, privacy and personnel data protection in all material aspects.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had (i) 17 registered trademarks in the PRC, four registered trademarks in Singapore and one registered trademark in Hong Kong; (ii) one registered domain name and (iii) nine copyrights, which were material to our business. For more details regarding our material intellectual property rights, please see “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights.”

We rely on a combination of intellectual property right protection laws in the PRC, confidentiality procedures, contractual provisions and strict internal procedures to protect our intellectual properties. Our principal intellectual properties include our trademarks for the “Distinct HealthCare (卓正醫療)” brands and copyrights. Our public relations and regulatory compliance group of the administrative department closely monitors our intellectual properties, ensuring that all necessary application, renewal or filing for such intellectual properties have been timely made to competent authorities.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

EMPLOYEES

As of August 31, 2025, we had 1,729 employees in total. Among these employees, 201 are stationed in our headquarters in Shenzhen. The following table sets forth the number of our employees categorized by function as of August 31, 2025.

Function	Numbers of Employees
Headquarters level	
Senior management	7
Finance	18
Information and data technology	47
Administrative and others	<u>129</u>
<i>Subtotal</i>	<i>201</i>

BUSINESS

Function	Numbers of Employees
Healthcare service institutions and others	
Full-time doctors	385 ⁽¹⁾
Other medical professionals ⁽²⁾	654
Administrative and others	489
<i>Subtotal</i>	<u>1,528</u>
Total	<u><u>1,729</u></u>

Note:

- (1) As of August 31, 2025, we had a total of 387 full-time doctors, two of whom also served management roles and were counted as part of the above senior management team.
- (2) Comprising 569 other medical professionals practicing in our healthcare service institutions and 85 other medical professionals for our on-campus and corporate healthcare management services.

Our success depends on our ability to attract, retain and motivate qualified personnel, especially qualified medical professionals. We use various methods for our recruitment, including campus recruitment, internal and external recommendation and social recruitment, to satisfy our demands for different types of talent, and we adopt high standards and strict procedures in our recruitment to ensure the quality of new hiring. In compliance with the applicable labor laws, we enter into individual employment contracts with our employees covering matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, and grounds for termination. These employment contracts typically have terms of three years.

We believe we have maintained good relationships with our employees. As of the Latest Practicable Date, we did not experience any strikes or any labor disputes with our employees which have had or are likely to have a material effect on our business. To remain competitive in the labor market, we provide various incentives and benefits to our employees. We provide a series of annual training plans, including orientation programs, on-the-job training, professional skill training and external training, to our management staff and other employees to upgrade their skills and knowledge. We also provide competitive salaries to our employees especially key employees. As of the Latest Practicable Date, only one of our healthcare service institutions in Changsha had a labor union.

During the Track Record Period, we failed to make payment of social insurance and housing provident fund contributions in full for certain of our employees. Accordingly, we made full provision for the total shortfall for the outstanding social insurance and housing provident fund contributions of RMB2.2 million, RMB3.4 million, RMB2.7 million and RMB2.3 million for the years ended December 31, 2022, 2023 and 2024, and the eight months ended August 31, 2025, respectively.

As advised by our PRC Legal Adviser, if the relevant social insurance authority is of the view that we failed to make full social insurance contributions for our employees in accordance with the relevant laws and regulations, it may order us to pay outstanding amounts within a prescribed time limit. As a result, we may be subject to a late charge at the daily rate of 0.05% on the outstanding amounts from the date on which such amounts are payable. If such payment is not made within the prescribed period, the relevant social insurance authority may further impose a fine one to three times the amount of any overdue payment. In addition, if any of the relevant housing reserve fund authorities is of the view that we failed to make full housing reserve fund contributions for our employees in accordance with the relevant laws and regulations, it may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement.

Considering that (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty in relation to social insurance and housing provident fund contributions, and we had not received any notice from the competent government authorities regarding any claim for inadequate contributions of our current and former employees, nor any notifications from the competent government authorities requiring us to pay the shortfall; (ii) we were not aware of any material employee complaints or claims with respect to inadequate social insurance and/or housing provident fund contributions as of the Latest Practicable Date; (iii) we undertake that, in the event that competent government authorities require us to make contributions within a stipulated time period or make supplementary contributions and late fees, we will duly comply in a timely manner; and (iv) as stated in the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilization the Collection of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) issued by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) (the “OHRSS”), being the national authority responsible for regulating social insurance regulation, seeks to reduce the amount of social insurance contributions made by companies as appropriate to avoid overburdening enterprises and prohibit local authorities from requiring enterprises to make lump sum payments of historically underpaid or unpaid social insurance contributions, our PRC Legal Adviser is of the view that the likelihood that the competent government authorities would impose fines on us due to our failure to make full payment of the social insurance and housing provident funds during the Track Record Period is remote.

INSURANCE

As of August 31, 2025, we maintained medical liability insurance for eight of our healthcare service institutions in China for commercial reasons. Specifically, we need to purchase medical liability insurance in order to be eligible to participate in the bidding processes of some of our customers (mainly for on-campus healthcare management services). According to Frost & Sullivan, our insurance coverage is in line with industry practice. We did not maintain product liability insurance and business interruption insurance as of the Latest Practicable Date. As advised by our PRC Legal Adviser, we are not legally required to maintain medical liability insurance or property insurance.

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During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

Our Directors believe that our insurance coverage is adequate and is in line with industry practice. However, the risks related to our business and operations may not be fully covered by insurance. See “Risk Factors — Risks Relating to Our Business and the Industry — Our business is subject to professional and other liabilities for which we may not be insured.”

PROPERTIES

As of the Latest Practicable Date, we did not own any properties. As of the Latest Practicable Date, we leased 55 properties in the PRC with an aggregate GFA of 60,123.8 sq.m. Our leased properties are primarily used as healthcare service institution and office premises.

Our lease agreements for our healthcare service institutions typically have a term ranging from two to 10 years. The table below sets forth the details of leased properties for our healthcare service institutions in China as of the Latest Practicable Date:

Lessee	Location	Expiration Date	GFA (sq.m.)
Shenzhen Zhuojian	Futian District, Shenzhen	April 30, 2026	1,629
Shenzhen Zhuozheng	Nanshan District, Shenzhen	February 28, 2031	4,800
Shenzhen Zhuokang	Nanshan District, Shenzhen	March 31, 2027	680
	Nanshan District, Shenzhen	March 31, 2027	1,014
Shenzhen Zhuomouqing Ophthalmology Clinic (深圳卓眸清眼科診所) . .	Futian District, Shenzhen	April 30, 2026	463
Shenzhen Zhuoan'an Pediatrics	Futian District, Shenzhen	May 31, 2026	245
Guangzhou Zhuorui	Tianhe District, Guangzhou	February 14, 2032	2,703
Guangzhou Zhuoxiang . . .	Tianhe District, Guangzhou	July 31, 2026	2,451
	Tianhe District, Guangzhou	July 31, 2026	748
Foshan Nanhai Distinct . .	Nanhai District, Foshan	February 28, 2029	297
	Nanhai District, Foshan	February 28, 2029	891
	Nanhai District, Foshan	February 28, 2029	172

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Lessee	Location	Expiration Date	GFA (sq.m.)
Beijing Zhuokang	Chaoyang District, Beijing	September 15, 2027	2,936
	Chaoyang District, Beijing	June 24, 2026	154
Beijing Zhuorui Outpatient Department Co., Ltd. (北京卓睿門 診部有限公司)	Haidian District, Beijing	September 3, 2030	1,449
Shanghai Distinct Rui Outpatient Department Co., Ltd. (上海卓正睿 門診部有限公司)	China (Shanghai) Pilot Free Trade Zone, Shanghai	February 28, 2031	1,025
	China (Shanghai) Pilot Free Trade Zone, Shanghai	February 28, 2031	1,277
Chongqing Zhuojian Outpatient Department Co., Ltd. (重慶卓健門 診部有限公司)	Yubei District, Chongqing	February 28, 2027	2,036
Hangzhou Zhuokang Comprehensive Outpatient Department Co., Ltd. (杭州卓康綜 合門診部有限公司)	Jianggan District, Hangzhou	December 31, 2027	1,594
Shanghai Zhuoyuan Outpatient Department Co., Ltd. (上海卓原門 診部有限公司)	Jing'an District, Shanghai	July 31, 2028	1,101
	Jing'an District, Shanghai	March 22, 2029	200
Wuhan Zhuojian Comprehensive Outpatient Department Co., Ltd. (武漢卓健綜 合門診部有限公司)	Wuchang District, Wuhan	October 31, 2027	2,702
Suzhou Industrial Park Distinct Ruian Outpatient Department Co., Ltd. (蘇州工業園 區卓正睿安門診部有限 公司)	Industrial Park Distinct, Suzhou	January 14, 2030	2,415
	Industrial Park Distinct, Suzhou	November 15, 2029	897

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Lessee	Location	Expiration Date	GFA (sq.m.)
Suzhou Industrial Park Distinct Ruiqing Medical Cosmetology Clinic Co., Ltd. (蘇州工 業園區卓正睿清醫療美 容診所有限公司)	Industrial Park Distinct, Suzhou	November 15, 2029	456
Chengdu High-tech Distinct.	Hi-Tech Industrial Development Zone, Chengdu	April 23, 2027	2,351
	Hi-Tech Industrial Development Zone, Chengdu	January 31, 2026	520
	Hi-Tech Industrial Development Zone, Chengdu	January 1, 2030	553
	Hi-Tech Industrial Development Zone, Chengdu	January 31, 2030	345
	Hi-Tech Industrial Development Zone, Chengdu	January 31, 2030	156
	Hi-Tech Industrial Development Zone, Chengdu	January 31, 2030	274
Changsha Zhuojian Outpatient Department Co., Ltd. (長沙卓健門 診部有限公司)	Yuelu District, Changsha	June 14, 2028	286
	Yuelu District, Changsha	June 14, 2028	626
	Yuelu District, Changsha	June 14, 2028	417
Changsha Ruiqing Medical Cosmetology Clinic Co., Ltd. (長沙睿 清醫療美容診所有限公 司)	Yuelu District, Changsha	June 14, 2028	460
Guangzhou Distinct Hospital	Tianhe District, Guangzhou	February 14, 2032	5,596
Wuhan Pleiades Children's Hospital Co., Ltd. (武漢北斗星兒童醫 院有限公司)	Wuchang District, Wuhan	February 28, 2029	5,000
	Wuchang District, Wuhan	February 28, 2029	754
Wuhan Pleiades Guanshan	Donghu New Technique Development Zone, Wuhan	December 31, 2033	1,570

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As of the Latest Practicable Date, 51 of our lease agreements had not been registered with the relevant PRC authorities primarily due to the difficulty of procuring our lessors' cooperation to register such leases. The registration of such leases will require the cooperation of our lessors. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered. As advised by our PRC Legal Adviser, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be approximately RMB510,000, which we believe is immaterial.

In addition, as of the Latest Practicable Date, the lessors of three leased properties (including one used for clinic premises and in the aggregate accounting for around 4.3% of the total GFA of our leased properties) had not provided us with valid title documents to demonstrate their ownership in spite of our repeated requests. Our PRC Legal Adviser has advised us that it is the property owners' responsibility to obtain valid title documents, and as the lessee, we will not be required by the relevant PRC authorities to pay any penalty in respect of the lessors' failure to obtain or provide property ownership certificates. However, if our lessors are not the legal owners and they failed to obtain the proper authorization from the legal owners of these properties, and the actual owners successfully challenge the validity of the relevant lease agreements, we may be required to vacate from these properties. In addition, the property owners may be required by the relevant PRC authorities to demolish these properties if the property owners fail to obtain the completion and acceptance inspection certificates, being the precedent condition to apply for property ownership certificates, and in such event, we will be forced to vacate from these properties. As of the Latest Practicable Date, we had not received any notice from any third parties to vacate from these properties and our use of these properties had not been challenged by the relevant PRC authorities or any third parties. Even if we are required to vacate from these properties, there are multiple site candidates in the vicinity at similar rental rates, and we believe we will be able to readily find comparable properties to relocate. Also, we do not expect any material disruption to our business operations. In particular, unlike hospitals, our clinics do not have in-patients and substantially all of our medical equipment of portable and can be easily disassembled and re-installed. Therefore, we estimate that the relocation costs will not be significant and will not result in any material adverse effect on our results of operations and financial position.

We will continue to use commercially reasonable efforts to request our lessors to provide us with valid title documents, and to identify suitable locations to relocate the affected premises when necessary. In addition, we have enhanced our internal control measures in connection with property rentals. We will require all of our lessors to provide valid property ownership certificates and other necessary documentation, and before entering into any new lease agreements, we will carefully review such relevant documents provided by the lessors to ensure that we will not inadvertently lease any property with title defects. All the lease agreements as well as the relevant documents provided by the lessors need to be approved by our legal department.

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In the event that any of our leases expire after the end of their respective lease term and we are not able to renew any such lease, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations.

COMPETITION

We primarily compete with private healthcare service providers in China. We primarily compete on the following key factors: service quality, brand reputation and patient loyalty, accessibility, medical professionals and pricing. However, we believe we are well positioned to capitalize on the future industry growth, leveraging our leading market position and extensive market knowledge. See “Industry Overview” for a more detailed discussion regarding the industries and markets where we operate.

LICENSES, PERMITS AND APPROVALS

We operate in heavily regulated industries in the PRC. Our healthcare service institutions and tele-healthcare service platform are required to obtain various licenses, permits and certificates for our and their respective operations. See “Regulatory Overview — Applicable Laws and Regulations to Our Business in the PRC — Regulations on the administration and classification of medical institutions” for details of the relevant requirements.

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations. The table below sets forth the relevant details of the material licenses required for our operation in the PRC and overseas as of the Latest Practicable Date:

Holder	License/Registration Certificate	Expiration Date	Authority
Shenzhen Zhuojian . . .	Medical Institution Practicing License (醫療機構執業許可證)	August 27, 2028	Health Bureau of Futian District of Shenzhen City (深圳市福田區衛生健康局)
Shenzhen Zhuozheng . .	Medical Institution Practicing License (醫療機構執業許可證)	April 7, 2030	Health Bureau of Nanshan District of Shenzhen City (深圳市南山區衛生健康局)

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Holder	License/Registration Certificate	Expiration Date	Authority
Shenzhen Zhuokang . .	Medical Institution Practicing License (醫療機構執業許可證)	December 3, 2028	Health Bureau of Nanshan District of Shenzhen City (深圳市南山區衛生健康局)
Shenzhen Zhuomouqing Ophthalmology Clinic (深圳卓眸清眼科診所)	Clinic Registration Certificate (診所備案憑證)	No expiration date	Health Bureau of Futian District of Shenzhen City (深圳市福田區衛生健康局)
Shenzhen Zhuoan'an Pediatrics	Clinic Registration Certificate (診所備案憑證)	No expiration date	Health Bureau of Futian District of Shenzhen City (深圳市福田區衛生健康局)
Guangzhou Zhuorui . .	Medical Institution Practicing License (醫療機構執業許可證)	November 28, 2029	Health Bureau of Tianhe District of Guangzhou City (廣州市天河區衛生健康局)
Guangzhou Zhuoxiang	Medical Institution Practicing License (醫療機構執業許可證)*	November 25, 2030	Health Bureau of Tianhe District of Guangzhou City (廣州市天河區衛生健康局)
Foshan Nanhai Distinct	Medical Institution Practicing License (醫療機構執業許可證)	September 2, 2029	Health Bureau of Nanhai District of Foshan City (佛山市南海區衛生健康局)

BUSINESS

Holder	License/Registration Certificate	Expiration Date	Authority
Beijing Zhuokang	Clinic Registration Certificate (診所備案憑證)	No expiration date	Health Commission of Chaoyang District of Beijing (北京市朝陽區衛生健康委員會)
Beijing Zhuorui Outpatient Department Co., Ltd. (北京卓睿門診部有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	December 31, 2028	Health Commission of Haidian District of Beijing (北京市海淀區衛生健康委員會)
Chongqing Zhuojian Outpatient Department Co., Ltd. (重慶卓健門診部有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	June 3, 2029	Health Commission of Yubei District of Chongqing (重慶市渝北區衛生健康委員會)
Hangzhou Zhuokang Comprehensive Outpatient Department Co., Ltd. (杭州卓康綜合門診部有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	August 5, 2030	Health Bureau of Shangcheng District of Hangzhou City (杭州市上城區衛生健康局)
Shanghai Zhuoyuan Outpatient Department Co., Ltd. (上海卓原門診部有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	March 30, 2026	Health Commission of Jing'an District of Shanghai (上海市靜安區衛生健康委員會)

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Holder	License/Registration Certificate	Expiration Date	Authority
Wuhan Zhuojian Comprehensive Outpatient Department Co., Ltd. (武漢卓健綜合門診部有限公司).....	Medical Institution Practicing License (醫療機構執業許可證)	August 17, 2026	Administrative Examination and Approval Bureau of Wuchang District of Wuhan City (武漢市武昌區行政審批局)
Suzhou Industrial Park Distinct Ruian Outpatient Department Co., Ltd. (蘇州工業園區卓正睿安門診部有限公司) ..	Medical Institution Practicing License (醫療機構執業許可證)	July 24, 2030	Health Commission of Suzhou Industrial Park (蘇州工業園區衛生健康委員會)
Suzhou Industrial Park Distinct Ruiqing Medical Cosmetology Clinic Co., Ltd. (蘇州工業園區卓正睿清醫療美容診所有限公司) ...	Clinic Registration Certificate (診所備案憑證)	No expiration date	Health Commission of Suzhou Industrial Park (蘇州工業園區衛生健康委員會)
Shanghai Distinct Rui Outpatient Department Co., Ltd. (上海卓正睿門診部有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	March 23, 2028	Health Commission of Pudong New District of Shanghai (上海市浦東新區衛生健康委員會)

BUSINESS

Holder	License/Registration Certificate	Expiration Date	Authority
Chengdu High-tech Distinct	Medical Institution Practicing License (醫療機構執業許可證)	September 17, 2026	Bureau of Education, Culture, and Health of Chengdu High-Tech Industrial Development District (成都高新技術產業開發區教育文化和衛生健康局)
Changsha Zhuojian Outpatient Department Co., Ltd. (長沙卓健門診部有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	December 7, 2028	Health Bureau of Xiangjiang New District Management Committee of Hunan (湖南湘江新區管理委員會衛生健康局)
Changsha Ruiqing Medical Cosmetology Clinic Co., Ltd. (長沙睿清醫療美容診所有限公司)	Clinic Registration Certificate (診所備案憑證)	No expiration date	Health Bureau of Xiangjiang New District Management Committee of Hunan (湖南湘江新區管理委員會衛生健康局)

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Holder	License/Registration Certificate	Expiration Date	Authority
Guangzhou Distinct Hospital	Medical Institution Practicing License (醫療機構執業許可證)	January 3, 2028	Health Bureau of Tianhe District of Guangzhou City (廣州市天河區衛生健康局)
Wuhan Pleiades Children's Hospital Co., Ltd. (武漢北斗星兒童醫院有限公司)	Medical Institution Practicing License (醫療機構執業許可證)	December 26, 2029	Health Commission of Wuhan City (武漢市衛生健康委員會)
Wuhan Pleiades Guanshan	Medical Institution Practicing License (醫療機構執業許可證)	March 11, 2029	Wuhan Eastern Lake New Technological Development Zone Management Committee (武漢市東湖新技術開發區管理委員會)
Distinct SG	Licence for Outpatient Medical Service	January 25, 2027	Ministry of Health, Singapore
Distinct SG	Licence for Outpatient Medical Service	April 12, 2026	Ministry of Health, Singapore
Distinct SG	Licence for Outpatient Medical Service	January 22, 2028	Ministry of Health, Singapore
Distinct SG	Licence for Outpatient Medical Service	May 21, 2027	Ministry of Health, Singapore
Distinct Healthcare Malaysia Sdn. Bhd.	Certificate of registration to operate private medical and private dental clinic	No expiration date	Director General of Health, Malaysia

Note:

- * Our tele-healthcare service platform is solely operated by Guangzhou Zhuoxiang, which has completed registration with the Health Bureau of Tianhe District of Guangzhou City to carry out Internet diagnosis and treatment activities.

In addition to the above licenses, permits and certificates, we have also obtained other necessary licenses and permits, such as Radiation Safety License (輻射安全許可證) and Radiotherapy Diagnosis and Treatment License (放射診療許可證) where required.

We monitor the validity status of, and make timely applications for the renewal of, relevant licenses, permits and certificates prior to the expiration date. Our PRC Legal Adviser is of the view that, there is no material legal impediment in renewing the required licenses, permits, approvals and certificates for our business operations as they expire in future as long as we are in compliance with applicable laws, regulations and rules. However, we cannot assure you that we will be able to maintain or renew such licenses, permits or certificates in the future. See “Risk Factors — Risks Relating to Our Business and the Industry — We operate in a heavily regulated industry and are subject to extensive and evolving regulatory requirements.”

COMPLIANCE AND LEGAL PROCEEDINGS

Legal Compliance

During the Track Record Period and up to the Latest Practicable Date, we complied with applicable laws and regulations in all material respects and we had not been and were not involved in any non-compliance incidents which our Directors believe would, individually or in the aggregate, have a material operational or financial impact on our business as a whole.

Legal Proceedings

We may from time to time be involved in legal, arbitral or administrative proceedings arising in our ordinary operations. Our Directors confirmed that, as of the Latest Practicable Date, we were not aware of any ongoing or threatened legal, arbitral or administrative proceedings to which we were, or will be, named as a party and would have a material and adverse effect on our business, financial condition or result of operations.

Our Directors further confirm that none of our Directors or senior management personnel is personally involved in any legal, arbitral or administrative proceedings which would have a material and adverse impact on our business, financial condition or results of operations.

Medical Disputes

A patient complaint becomes a medical dispute when initial negotiation fails to reach a settlement and the patient applies to an external medical dispute mediation committee to resolve the complaint by mediation or files a lawsuit against us. Due to the subjective nature of the healthcare services, our healthcare service institutions occasionally encounter medical disputes brought by our patients against us. During the Track Record Period, our healthcare service institutions did not experience any medical disputes that could cause a material adverse effect on our business, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, the monetary compensation paid by our healthcare service institutions to settle medical disputes was RMB0.1 million.

In each of our medical disputes during the Track Record Period, we believe that our medical professionals have followed appropriate treatment procedures and protocols. None of our medical disputes during the Track Record Period involved any determination of medical malpractice (醫療事故). During the Track Record Period and up to the Latest Practicable Date, none of the Group, our doctors and other medical professionals was involved in any disciplinary proceedings or otherwise determined to be liable for medical malpractice.

As of the Latest Practicable Date, we did not have any unresolved medical dispute that could have a material and adverse effect on our business, financial condition or result of operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are dedicated to building a sustainable business and pay close attention to environmental, social and corporate governance (“ESG”) matters. We have incorporated ESG elements such as sustainability into various aspects of our business. On the one hand, we have integrated ESG considerations into our healthcare service business. On the other hand, we are continuously strengthening our social responsibility system, taking on environmental responsibility, promoting green office and low-carbon practices. We believe we have adequate policies ensuring compliance with all health, safety, social and environmental protection regulations. We aim to improve our ESG strategies, and our Directors will actively participate in designing our ESG strategies and targets, and will evaluate, determine and address our ESG-related risks.

Governance

We acknowledge our environmental protection and social responsibilities and are aware of the climate-related issues that may impact our Group’s business operation. We are committed to complying with ESG reporting requirements upon the Listing. We endeavor to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We expect to establish ESG policies in accordance with the standards

set forth in Appendix C2 to the Listing Rules to cover, among others, (i) ESG governance structure and ESG strategy formation procedures, (ii) ESG risk management and monitoring, and (iii) the identification of key performance indicators, the relevant metrics and mitigating measures.

Our ESG policies will set out different parties' respective responsibilities and authority in managing the ESG matters. Our Board is our highest decision-making and governing body regarding ESG issues. It will have overall responsibility for overseeing and determining our Group's environmental, social, and climate-related risks and opportunities impacting our Group, establishing and adopting the ESG policy and targets of our Group, and reviewing our Group's performance annually against the ESG targets and revising the ESG strategies as appropriate if significant variance from the target is identified. Our Board continues to review the ESG-related materials from all departments of our Company to ensure our Board is well-informed on ESG matters. Our Directors, possessing an average of over 17 years of industry-related or professional management experience, have accumulated hands-on experience in managing business operations and have in-depth knowledge and exposure to ESG matters.

Under the oversight of the Board, we will actively identify and monitor the actual and potential impact of ESG-related risks on our business, strategy and financial performance, and incorporate considerations for these issues into our business, strategic and financial planning. We will also take environmental protection as an important part in employee training, and continue to raise the awareness of energy conservation and environmental protection of all employees in the Group, helping us achieve a green, healthy and sustainable development.

We do not conduct manufacturing activities, thus generate no direct emissions and industrial wastes. However, we are subject to various ESG related laws and regulations in China, and our operations are regularly inspected by local government authorities. For further details, please see "Regulatory Overview — Applicable Laws and Regulations to Our Business in the PRC — Regulations on environmental protection related to healthcare institutions" in this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we have not received any fines or penalties associated with the material breach of any environmental laws or regulations. To the best knowledge and belief of our Directors, we are not subject to material environmental liabilities risk and will not incur material compliance costs in the future.

In view of the nature of our business, to the best knowledge of our Directors, the climate change will not have any major impact on our business operation. In the case of extreme natural weather, we will actively respond to the relevant policies of local government and make contingency plans to ensure the safety of our staff. In the case of acute physical risks such as direct damage to assets and indirect impacts from supply chain disruption as a result of extreme weather events, we will make corresponding contingency and disaster preparedness plans, and

BUSINESS

we believe that we have the ability to deal with climate crisis. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material impact on our business operations, strategies or financial performance as a result of environmental, social and climate-related issues.

Metrics and Targets for Assessment of ESG-related Risks

We strive to operate our facilities in a manner that protects the environment. During the Track Record Period and up to the Latest Practicable Date, there had been no material claim or penalty imposed on us as a result of a violation of environmental laws and regulations that would materially and adversely affect our business, financial condition or results of operations. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, our expenses in relation to environmental compliance matters were RMB500.6 thousand, RMB409.8 thousand, RMB517.0 thousand and RMB275.1 thousand, respectively.

For our Group, we always recognize the significance of environmental and social responsibility, and are committed to achieving a balance between our role as a for-profit company and our responsibility to promote the well-being of society. The direct impact of our business on the environment and climate mainly through resource consumptions, including consumptions of electricity and water. The following table sets forth our major energy consumption data of our headquarters office space during the Track Record Period:

	For the Year Ended December 31,			For the Eight Months Ended August 31,
	2022	2023	2024	2025
Electricity consumption (MWh)	135,414	154,524	154,615	110,314
Water consumption (ton)	1,235	1,249	1,274	1,004

We understand the importance of power saving and resources conservation. Therefore, we have also implemented relevant internal policies to reduce our environmental impact and carbon footprint, mainly including: (i) sending regular energy-saving reminders to employees, which urge them to turn off indoor lights, electronic equipment and air conditioning in time after leaving the office or laboratory and before getting off work; (ii) setting up a wastebasket to recycle paper that can be reused (such as those with only one side used); (iii) encouraging the use of online system for collecting patients' pre-consultation information and reducing the use of paper documents; (iv) encouraging the adoption of materials that cause minimum environmental concerns to the extent possible; (v) establishing a "smoke-free" environment in our office area with green gardens outside to purify the air; and (vi) promoting accurate

garbage classification, providing recycling facilities and regularly clearing them to enable resource recycling. By 2029, we target to achieve a 10% reduction per unit revenue in electricity and water consumption.

Health, Safety and Social Responsibilities

We are committed to providing a safe and healthy working environment for our employees. We have implemented a policy on safety and accidents covering office and healthcare service institution safety policies, severe weather conditions arrangements and fire safety. To ensure compliance with applicable laws and regulations, from time to time, we would, if necessary and after consultation with legal adviser, adjust our human resources policies to accommodate material changes to relevant labor and safety laws and regulations.

In addition to providing a safe and healthy working environment, we have adopted various measures to maintain a safe and sustainable environment. For example, we have an occupational exposure protection measure that provides guidance for safety operation to all doctors, nurses and other medical personnel. We have also established a clinic environmental safety inspection policy, which clarifies the responsible departments and responsibilities for clinic safety. In addition, we purchased supplemental commercial insurance for our employees. We also provide periodical occupational safety education and training to augment our staff's awareness of safety issues.

In respect of social responsibilities, we are committed to offering a fair and caring working environment to our employees. We value the contribution of each employee in different roles and strive to provide a fair compensation scheme that provides proper incentives. We hire employees based on their merits and it is our corporate policy to offer equal opportunities to our employees, regardless of gender, age, race, religion or any other social or personal characteristics, and provide training programs to keep our employees stay abreast of industry and regulatory developments. Our employment policy is grounded in the principles of equitable distribution of work and equal pay for equal work. We uphold the dignity of our employees and maintain a zero-tolerance policy against discrimination based on gender, ethnicity, religion, age, or any other factors. In full compliance with applicable labor laws, we enter into individual employment contracts with our employees. These contracts comprehensively cover essential matters such as wages, bonuses, employee benefits, workplace safety, confidentiality obligations, and grounds for termination.

Our workforce composition reflects our commitment to diversity. As of August 31, 2025, approximately 87% of our employees are female, while 13% are male. In terms of educational background, 48% hold a bachelor's degree, 24% have a master's or doctoral degree, and the remaining 28% possess other academic qualifications. Age-wise, 31% of our workforce is under 30 years old, 55% are between 30 and 40 years old, and 14% are over 40 years old.

Meanwhile, we highly value social responsibility and actively participate in public welfare activities. We leverage social media and organize lectures to actively disseminate and promote scientific healthcare knowledge. For instance, our articles on the misuse of antibiotics

and the advice of not using cold medicine for children under six have attracted a significant number of readers. We believe these efforts have significantly enhanced public awareness about these medical issues and reduced unnecessary iatrogenic harm. We are a certified training center for “Heart Saver” and “First Aid” courses endorsed by the AHA. Beyond our medical professionals, our team of instructors has trained many AHA-certified first aiders across various schools and corporates. In addition, we played an active role in combating the outbreak of the COVID-19 pandemic and deployed a team of medical professionals to support COVID-19 testing in the local community. Our strong dedication to social responsibility has enabled us to enhance our brand influence and made our healthcare services available to a wider population, laying a foundation for our future development.

Further, we place strong emphasis on ensuring the safety and quality of the healthcare products sold on our online mall. To this end, we have implemented a structured product quality management system covering supplier due diligence, product sampling and testing, product inspection, and ongoing monitoring of customer feedback. Under this system, we conduct supplier due diligence in accordance with our supplier management requirements, including verification of supplier qualifications and credentials, regular assessments of existing suppliers, and review of registered information of products, such as their filing or registration numbers. Product samples are subject to review and evaluation by our medical reviewers, product line managers, or store operations staff. Upon arrival at our warehouse, products are inspected for shelf life, appearance, and other relevant conditions. Additionally, we continuously monitor customer feedback to identify potential product issues. Where any concerns are identified, we contact the relevant supplier or manufacturer for verification. Products with confirmed quality concerns are promptly removed from our online mall.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accidents, claims for personal or property damage or compensation to employees, and we had not been subject to any material fines or other penalties due to non-compliance with health, work safety, social or environmental regulations.

IMPACT OF COVID-19 EPIDEMIC ON OUR OPERATIONS

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

Our business operations to certain extent had been impacted by the COVID-19 pandemic. Operationally, the outbreak and the resurgence of COVID-19 cases in certain major cities across China throughout 2022 have led to the imposition of various pandemic mitigation measures by the PRC government. These measures have affected the performance and results of operations of some of our healthcare service institutions with business operations in the

affected areas, and as a result, many patients delayed their treatments or, where applicable, opted for our tele-healthcare services. Specifically, in light of the underperformance of operations in Ningbo during the COVID-19 pandemic, and considering cost saving, our management decided to terminate operations in Ningbo in 2022. Additionally, our expansion plan during the Track Record Period was affected by the resurgence of the COVID-19. For example, we suspended a planned clinic opening in Shanghai in 2022 but later opened it in 2023 and decided not to proceed with the planned opening of a new dental hospital in Changsha in 2022 to prioritize cash preservation during the COVID-19 resurgence. Financially, the resurgence of COVID-19 negatively affected our revenue growth rate, gross profit and gross profit margin. For more details, please see “Financial Information — Description of Selected Components of Our Consolidated Statements of Profit or Loss” and “Financial Information — Period to Period Comparison of Results of Operations.”

In 2023, since the PRC government has relaxed anti-pandemic measures nationwide, our healthcare service institutions experienced strong growth and expansion. Therefore, our revenue and the total patient visits of our healthcare service institutions increased significantly in 2023 compared to those in 2022. Our Directors are of the view that it is unlikely that COVID-19 pandemic will have material adverse impact on our business going forward.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks for our operations so risk management is important for our business. For details of the various operational risks we face, see “Risk Factors” in this prospectus. In addition, we are also exposed to different financial risks, such as foreign exchange risk, cash flow and fair value interest rate risk, credit and liquidity risks that arise in the ordinary course of our business. For details, see “Financial Information — Financial Risks” in this prospectus. In order to identify, assess, control and monitor the risks that may cause impediments to our business, we have designed and implemented policies and procedures to help ensure effective risk management in our operations.

We have adopted a comprehensive set of risk management policies, which set out a risk management framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Our senior management, especially our Chief Executive Officer, and our Board of Directors, supervise the implementation of our risk management policies. Risks identified by management will be analyzed on the basis of likelihood and impact, and will be properly followed up and mitigated and rectified by our Group and reported to our senior management.

BUSINESS

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted or will adopt, among other things, the following risk management and internal control measures:

- Our audit committee will oversee and manage the overall risks associated with our business operation. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board. See “Directors and Senior Management — Board Committees — Audit Committee” in this prospectus for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our audit committee.
- Our Chief Executive Officer will be responsible for (i) formulating and maintaining an effective comprehensive risk management system; (ii) determining risk management strategy, risk management policies, risk preferences and tolerances, and risk management structure; (iii) ensuring that our operations are legal, compliant and prudent; (iv) approving the establishment and adjustment of risk management structures; and (v) providing guidance on our risk management and assessment to senior management.
- We have designated senior management officers who will be responsible for (i) implementing the Chief Executive Officer’s risk strategy and risk management policy; (ii) leading the full-process risk management construction, formulating risk management operational procedures covering risk identification, assessment, control, monitoring, and reporting; (iii) identifying potential risks in our operations and taking relevant risk management measures; (iv) disseminating risk policies to every department in our Company; and (v) reporting to our Chief Executive Officer on our material risks.
- The relevant risk management specialties and relevant departments in our Company, including but not limited to the finance department, the legal department and the marketing department, are responsible for implementing our risk management policy and carrying out our day-to-day risk management practice. In order to standardize risk management across our Company and set a common level of transparency and risk management performance, the relevant departments will (i) conduct risk assessments, which include the identification, assessment, monitoring, control and reporting of risks that could potentially affect their operations; (ii) develop and maintain an appropriate mechanism to facilitate the application of our risk management framework; and (iii) prepare risk management reports regularly.

We consider that our Board of Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board of Directors is responsible for establishing and ensuring effective internal controls to safeguard our Shareholder's investment at all times. Our internal control policies set out a framework to identify, assess, evaluate and monitor key risks associated with our strategic objectives on an ongoing basis. Below is a summary of the internal control policies, measures and procedures we have implemented or plan to implement:

- We have adopted various measures and procedures regarding each aspect of our operations, such as protection of intellectual property, environmental protection and occupational health and safety. We provide periodic training on these measures and procedures to our employees as part of our employee training program. We also regularly monitor the implementation of those measures and procedures through our senior management team during the process of the provision of our healthcare service.
- Our Board of Directors (who are responsible for monitoring the corporate governance of our Group) with assistance from our legal advisers, will periodically review our compliance status with all relevant laws and regulations after the Listing.
- We have established the Audit Committee which shall (i) make recommendations to our Board of Directors on the appointment and removal of external auditors; and (ii) review the financial statements and render advice in respect of financial reporting as well as oversee the risk management and internal control procedures of our Group. For more details, see "Directors and Senior Management — Board Committees — Audit Committee".
- We have engaged Haitong International Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules to ensure that, among others, we are properly guided and advised as to compliance with the Listing Rules and all other applicable laws, rules, codes and guidelines.
- We have engaged a PRC law firm to advise us on and keep us abreast with PRC laws and regulations after the Listing. We will continue to arrange various training to be provided by external legal advisers from time to time when necessary and/or any appropriate accredited institution to update our Directors, senior management and relevant employees on the latest applicable laws and regulations.
- We maintain strict anti-corruption policies among our sales and marketing personnel and distributors in our sales and marketing activities. We also monitor to ensure that our sales and marketing personnel comply with applicable promotion and advertising requirements, which include restrictions on promoting our products for unapproved uses or patient populations, also known as off-label use, and limitations on industry-sponsored scientific and educational activities.

BUSINESS

- We believe that employees are key to our business development. To effectively identify and deter incidents, we have implemented internal policies regarding social insurance and housing provident fund contributions. Additionally, we have established mechanisms for regular monitoring and risk analysis.

We have implemented internal control measures in connection with the licenses and permits required for our operations. The administrative departments of our healthcare service institutions monitor and maintain the records for all licenses and permits required for operations in an internal system. All the licenses and permits obtained shall be reported to our headquarters for record. Our newly established or acquired healthcare service institutions will not be permitted to commence operations until all the licenses and permits required for operations have been obtained, including but not limited to, Business License, Medical Institution Practicing License or Clinic Filing Certificate (as applicable), Environmental Protection Filing (when necessary), Fire Protection Acceptance (when necessary) and Urban Sewage Disposal Drainage License. The legal staff at our headquarters is responsible for reviewing and checking all these licenses and permits before commencement of operations of our newly established or acquired healthcare service institutions. In addition, we have established policies and procedures that all medical treatment activities must be carried out by qualified personnel and within the approved service scope registered. The administrative departments of our healthcare service institutions are required to maintain a checklist setting out all qualifications required for all medical treatment activities and a designated staff is instructed to ensure that relevant requirements have been fulfilled.

During the Track Record Period, we have regularly reviewed and enhanced our internal control system. We believe that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

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The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountant's Report included in Appendix I to this prospectus. Our selected historical financial information and the consolidated financial statements of our Group have been prepared in accordance with the IFRSs.

The discussion and analysis set forth in this section contains forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. Our actual results may differ significantly from those projected. Factors that could cause or contribute to such differences include, without limitation, those discussed in the sections headed "Risk Factors" and "Business" and elsewhere in this prospectus. Discrepancies between totals and sums of amounts listed in this section in any table or elsewhere in this prospectus may be due to rounding.

OVERVIEW

We are the third largest private mid- to high-end comprehensive healthcare service provider in China in terms of revenue in 2024, according to Frost & Sullivan. We are dedicated to providing patients with professional healthcare services that cover a range of specialties, including pediatrics, dentistry, eye care, dermatology, ENT & general surgery, women's health, and internal medicine. We opened our first healthcare service institution in 2012. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions across China, including 17 clinics and two hospitals, and four general practice clinics in Singapore and one general practice clinic in Malaysia. According to Frost & Sullivan, we ranked first and second among all the private mid- to high-end comprehensive healthcare service institution groups in terms of the number of cities covered in China as of December 31, 2024 and number of paid patient visits in 2024, respectively.

We achieved strong revenue growth during the Track Record Period. We derive our revenue primarily from the provision of healthcare services, including our in-person healthcare services, tele-healthcare services, membership programs and off-network healthcare services. Our revenue increased from RMB473.2 million in 2022 to RMB958.6 million in 2024, representing a CAGR of 42.3%. Our revenue increased by 13.2% from RMB614.8 million for the eight months ended August 31, 2024 to RMB695.7 million for the eight months ended August 31, 2025. Our gross profit increased significantly from RMB44.0 million in 2022 to RMB226.0 million in 2024, representing a CAGR of 126.7%. Our gross profit increased by 9.7% from RMB152.4 million for the eight months ended August 31, 2024 to RMB167.3 million for the eight months ended August 31, 2025. Our operating loss decreased by 51.4% from RMB137.6 million in 2022 to RMB66.9 million in 2023, and further decreased by 30.0% to RMB46.9 million in 2024. We recorded operating loss of RMB29.9 million for the eight

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months ended August 31, 2024 and operating profit of RMB12.7 million for the eight months ended August 31, 2025. Excluding the effects of fair value loss/gain of convertible redeemable preference shares, share-based compensation expenses and listing expenses, we had an adjusted net loss (a non-IFRS measure) of RMB123.0 million and RMB43.6 million in 2022 and 2023, respectively, with a turnaround to adjusted net profit (a non-IFRS measure) of RMB10.7 million, RMB24.4 million and RMB10.4 million in 2024 and the eight months ended August 31, 2024 and 2025. See “— Description of Selected Components of Our Consolidated Statements of Profit or Loss — Non-IFRS Measure” in this section for more information.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe the following are major factors that affect our results of operations:

Healthcare Market Conditions in the PRC

We derive substantially all of our revenue from the healthcare services, which were provided primarily through our healthcare service institutions in the PRC. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, revenue generated from healthcare services accounted for 98.6%, 98.5%, 99.2%, 99.1% and 99.1% of our total revenue, respectively. We have been strategically focusing on serving the mid- to high-end healthcare service market, targeting mass affluent and wealthy population that generally has stronger purchasing power and a preference for more personalized care. Our results of operations and financial condition are significantly affected by the mid- to high-end healthcare market conditions in the PRC.

The mid- to high-end healthcare service market in China has experienced robust growth and is expected to continue expanding in the future. According to Frost & Sullivan, the number of mass affluent and wealthy population in China increased from 104.1 million in 2020 to 123.1 million in 2024, with a CAGR of 4.3%. The growing number of mass affluent and wealthy population and the rising disposable income have led to increasing demand for comprehensive and personalized health care. Reputable healthcare service institutions with skilled doctors are sought after, along with convenience, efficiency, and privacy. Meanwhile, the development of commercial medical insurance has made these services more accessible to patients. Substantial capital inflows have also enabled healthcare service providers to adopt advanced technologies and enhance capabilities through mergers and acquisitions, driving further market growth. Driven by these factors, the total revenue of mid- to high-end healthcare service market in China increased at a CAGR of 18.8% from RMB322.3 billion in 2020 to RMB641.1 billion in 2024, which is expected to reach RMB1,165.9 billion in 2029, according to Frost & Sullivan. In particular, the total revenue of private mid- to high-end healthcare service institutions in China increased with a CAGR of 21.9% from RMB193.0 billion in 2020 to RMB426.3 billion in 2024, and is expected to further increase to RMB831.4 billion in 2029.

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The private mid- to high-end healthcare services market in China is competitive and fragmented. According to Frost & Sullivan, we ranked third among private mid- to high-end comprehensive healthcare service providers in 2024 in terms of total revenue. For more information, see “Industry Overview — Overview of the Private Mid- to High-end Healthcare Service Market” and “Industry Overview — Competitive Landscape” in this prospectus.

Ability to Grow Patient Base and Serve Our Patients

The revenue generated from our healthcare services, which accounted for substantially all of our revenue during the Track Record Period, was primarily influenced by the number of patient visits in our healthcare service institutions and tele-healthcare service platform, as well as the average spending per patient visit.

In 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, revenue from our in-person healthcare services accounted for 83.0%, 85.8%, 91.1%, 90.1% and 92.1% of our total revenue, respectively. During the same periods, the number of paid patient visits in our healthcare service institutions was 387,190, 565,430, 730,291, 473,669 and 541,020, respectively, with an average spending per patient visit of RMB1,014, RMB1,048, RMB1,195, RMB1,170 and RMB1,185, respectively. Revenue generated from tele-healthcare services represented 4.5%, 3.3%, 2.4%, 2.5% and 2.1% of our total revenue in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. The number of paid patient visits on our tele-healthcare service platform during the same periods was 142,639, 167,967, 175,534, 121,401 and 101,112, respectively, with an average spending per patient visit of RMB149, RMB134, RMB131, RMB128 and RMB145, respectively. During the Track Record Period, we experienced strong growth in the number of patient visits, reflecting our efforts and ability to grow patient base. The fluctuations in average spending per patient visit were mainly due to our pricing adjustments to offer more competitive prices for tele-healthcare services, as well as the changes in our service mix for in-person healthcare services and tele-healthcare services. For details, see “— Description of Selected Components of Our Consolidated Statements of Profit or Loss — Revenue — Revenue from Healthcare Services” in this section.

Our ability to serve patients is supported by our whole-family care model, which integrates in-person and tele-healthcare services. By offering a range of specialties and subspecialties, we are able to address the diverse medical needs of patients and their whole families. Our whole-person care approach ensures that we consider the combination of physical, mental, and social health of patients, providing them with comprehensive and personalized care. The integration of our healthcare service institutions and tele-healthcare platform further enhances convenience and accessibility for patients, allowing them to receive assessments, consultations, and follow-ups either in person or remotely. Thanks to our commitment to delivering professional healthcare services, we have cultivated a growing patient base. In 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the total number of patients who received services in our healthcare service institutions in China during the relevant period was 162,393, 201,335, 242,549, 190,685 and 212,180, respectively.

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Ability to Recruit and Retain Good Doctors and Expand Our Healthcare Service Network

Doctors play critical roles in patient care and are essential to achieving patient satisfaction and fostering word-of-mouth reputation. Our revenue and profitability are affected by our ability to continuously attract and retain skilled doctors to meet increasing patient demand. As of August 31, 2025, we employed 387 full-time doctors, and approximately 79% of them practiced in top Grade A Class III hospitals before joining us. Our doctors generally possess strong educational background from top-ranked universities and colleges. As of August 31, 2025, approximately 90% of our full-time doctors held master's degrees or above. Going forward, we target to hire experienced doctors primarily through internal referrals, and will also look for exceptional candidates through other channels, such as professional medical talent recruiting agencies and academic and experience-sharing events. We will continue to enhance our training programs and aim to attract experienced doctors to join our team by providing them with competitive compensation packages, appealing career development opportunities, and a respectful and professional work environment.

Meanwhile, our revenue and overall profitability are also affected by the number and development stage of healthcare service institutions in our network. We opened our first healthcare service institution in 2012 in Shenzhen, and since then we have grown our geographic footprint to cover Guangzhou, Beijing, Chengdu, Suzhou, Changsha, Shanghai, Chongqing, Hangzhou, Wuhan and Foshan in China and Singapore. As of the Latest Practicable Date, we owned and operated 19 healthcare service institutions across China, including 17 clinics and two hospitals, and four general practice clinics in Singapore and one general practice clinic in Malaysia. According to Frost & Sullivan, we ranked first among all the private mid- to high-end comprehensive healthcare service institution groups in terms of the number of cities covered in China as of December 31, 2024.

Leveraging our leading market position and track record, we expect to continuously expand our network of healthcare service institutions through upgrading existing healthcare service institutions, establishing new healthcare service institutions and strategically acquiring established healthcare service institutions that have demonstrated a good track record of performance. The desired acquisition targets are specialty healthcare service institutions which recognize our corporate culture and management philosophy and have strong reputation in the local community, a professional doctor team as well as an active patient base of mass affluent and wealthy individuals. Our ability to expand our business will be affected by a number of factors, including but not limited to: (i) changes to the PRC healthcare policies and regulations; (ii) the reputation of our existing healthcare facilities and doctors; (iii) our financial resources; and (iv) the ability to improve our financial and operational performance.

Our expansion may require us to make upfront investments, which could impact our liquidity. Our ability to manage our expanded operation in a cost-efficient manner determines whether and how quickly we can recoup our investment, which may materially affect our revenue and profitability.

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Ability to Control our Costs and Expenses

Our ability to manage costs and operating expenses has a profound impact on our results of operations, thus it is critical to the success of our business. Our cost of revenue accounted for 90.7%, 80.7%, 76.4%, 75.2% and 76.0% of our total revenue in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. During the same periods, our selling and administrative expenses in aggregate accounted for 41.5%, 29.0%, 29.3%, 30.3% and 21.9% of our total revenue, respectively.

During the Track Record Period, employee salary and benefit expenses constituted the largest component of our cost of revenue, selling expenses and administrative expenses. In 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our total employee salary and benefit expenses (including those recorded in cost of revenue, selling expenses and administrative expenses) amounted to RMB379.5 million, RMB436.2 million, RMB564.6 million, RMB370.0 million and RMB377.1 million, respectively, accounting for 80.2%, 63.2%, 58.9%, 60.2% and 54.2% of our total revenue for the same periods, respectively. The continued increase in the absolute amount of employee salary and benefit expenses was primarily attributable to the increased number and compensation level of our employees, which was in line with the growth of our business. The continued decrease in the proportion of employee salary and benefit expenses in our total revenue reflected our efforts to control costs and manage expenses while achieving robust revenue growth.

Looking ahead, we plan to hire additional experienced medical professionals and other employees to support the expansion of our business. Also, we anticipate the continued need to offer competitive benefits in order to attract and retain skilled employees in the future. Meanwhile, we are focused on advancing the digitalization and intelligentization of our operations to elevate patient satisfaction and improve the efficiency of our medical team and will continue to invest in advanced IT and data infrastructure. For further information, see “Business — Our Business Strategies” in this prospectus.

Apart from employee salary and benefit expenses, cost of pharmaceutical, consumables and other inventories is also a significant factor contributing to our cost of revenue. Our ability to effectively control such costs and expenses may materially affect our profitability.

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The following table sets forth a sensitivity analysis illustrating the impact of hypothetical fluctuations in (i) employee salary and benefit expenses, and (ii) cost of pharmaceutical, consumables and other inventories on our operating loss for the years/periods indicated:

	Year Ended December 31,						Eight Months Ended August 31,	
	2022		2023		2024		2025	
	Change in operating loss	% Change in operating loss	Change in operating loss	% Change in operating loss	Change in operating loss	% Change in operating loss	Change in operating profit	% Change in operating profit
<i>(RMB'000, except percentages)</i>								
+10%	(37,953)	28%	(43,620)	65%	(56,458)	120%	(37,711)	(296%)
+5%	(18,976)	14%	(21,810)	33%	(28,229)	60%	(18,856)	(148%)
-5%	18,976	(14%)	21,810	(33%)	28,229	(60%)	18,856	148%
-10%	37,953	(28%)	43,620	(65%)	56,458	(120%)	37,711	296%

	Year Ended December 31,						Eight Months Ended August 31,	
	2022		2023		2024		2025	
	Change in operating loss	% Change in operating loss	Change in operating loss	% Change in operating loss	Change in operating loss	% Change in operating loss	Change in operating profit	% Change in operating profit
<i>(RMB'000, except percentages)</i>								
+10%	(7,349)	5%	(11,046)	17%	(17,167)	37%	(12,428)	(98%)
+5%	(3,674)	3%	(5,523)	8%	(8,583)	18%	(6,214)	(49%)
-5%	3,674	(3%)	5,523	(8%)	8,583	(18%)	6,214	49%
-10%	7,349	(5%)	11,046	(17%)	17,167	(37%)	12,428	98%

Seasonality

Typically, we have fewer patient visits shortly after the Chinese New Year, during which most people usually avoid visiting healthcare service institutions. In the winter, we generally experience a relatively higher influx of patients with respiratory issue, such as flu and colds, seeking services at our healthcare service institutions. Moreover, towards the end of the year, many people prefer to receive health check-ups or dermatologic treatments. As a result of these factors, our revenue was lower in the first quarter of each financial year and higher in the fourth quarter of each financial year during the Track Record Period. For more information, see “Business — Seasonality” in this prospectus.

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BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board. All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning from January 1, 2023 are consistently applied by us for the Track Record Period.

The preparation of the historical financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 4 to the Accountant’s Report included in Appendix I to this prospectus.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most significant estimates and judgments used in the preparation of our financial statements. Our judgments and estimates, which are important for understanding our financial condition and results of operations, are set out in further detail in Note 4 to the Accountant’s Report in Appendix I to this prospectus.

Material Accounting Policies

Revenue Recognition

Our revenue is primarily derived from the provision of healthcare services through healthcare service institutions and tele-healthcare service platform. Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold and services rendered in the normal course of business, stated net of discounts.

We usually receive payment from customers in advance before or on the same day the healthcare services are rendered. In the cases that the customers selected insurance direct billing to settle their healthcare service fee, we usually receive the payment based on a payment schedule.

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Further details of our revenue recognition policies are as follows:

Healthcare Services

Revenue from healthcare services is recognized when the related services have been rendered to customers and include in-person healthcare service, tele-healthcare services, membership programs and off-network healthcare services.

In-person healthcare services

For in-person healthcare services, the patient normally receives in-person healthcare treatment by visiting healthcare service institutions, which contain various treatment components. In-person healthcare services contain more than one performance obligations, including (i) provision of consultation services and (ii) sale of pharmaceutical products. We allocate the transaction price to each performance obligation on a relative stand-alone selling price basis. Both (i) provision of consultation services and (ii) sale of pharmaceutical products for which the control of services or pharmaceutical products is transferred at a point in time, revenue is recognized when the customer obtains the control of the completed services or pharmaceutical products and we have satisfied our performance obligations with present right to payment and the collection of the consideration is probable.

Revenue from rendering of orthodontics services to in-person healthcare customers is recognized over time because our performance does not create an asset with an alternative use and we have an enforceable right to payment for performance completed to date. Such revenue is recognized using an input method to measure progress towards complete satisfaction of the service. The input method recognizes revenue on the basis of staff costs and/or costs of inventories, consumables and customized products, when appropriate, relative to the total expected costs to complete the respective service. When the payments received from customers exceed the services rendered, a contract liability is recognized. For contracts where the period between the payment by the customer and the transfer of the promised service exceeds one year, the transaction price is adjusted for the effects of a financing component, if significant.

For in-patient services provided to in-person healthcare customers, the patient normally receive in-patient treatment which contains various treatment components including (i) provision of consultation services and (ii) provision of in-patient healthcare services and (iii) sale of pharmaceutical products. We allocate the transaction price to each performance obligation on a relative stand-alone selling price basis. Revenue from (ii) provision of in-patient healthcare services is recognized over the service period when customers simultaneously receive the services and consumes the benefits provided by our performance as we perform, while revenue from (i) provision of consultation services and (iii) sale of pharmaceutical products for which control of services or pharmaceutical products is transferred at a point in time, revenue is recognized when the customer obtains the control of the completed services or pharmaceutical products and we have satisfied our performance obligations with present right to payment and the collection of the consideration is probable.

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The in-person healthcare services are usually performed in one day, except for the inpatient services which are performed for overnights stays or longer, generally from five days to seven days, and orthodontics service rendered to customers included in in-person healthcare services which will generally last for two years.

Tele-healthcare services

Tele-healthcare services provided to individual customers consist primarily of online consultation and diagnosis through our tele-healthcare service platform.

Individual customers are usually required to make payments in advance for tele-healthcare services. The revenue of tele-healthcare services is recognized when such services are rendered at a point in time, which is usually within one day upon the payments are made.

Membership programs

The customers may subscribe for the membership for a whole year period at a fixed fee payable to us. The member will enjoy discount from obtaining healthcare services and a series of privileges as material rights and the revenue for is recognized over time on a straight-line basis during the validity period of the membership. The full amount of membership fee is paid and non-refundable from customers when they subscribed the membership.

Off-network Healthcare Services

Off-network healthcare services primarily comprise revenue generated from provision of on-campus and corporate healthcare management services and medical concierge and escort services.

Revenue from rendering the on-campus and corporate healthcare management services to international schools in China to assign bilingual licensed nurses to support and ensure the smooth operations of healthcare clinics on the school premises is recognized over time as the customers simultaneously receive and consume the benefits provided by our performance as we perform.

Provision of medical concierge and escort services tailored to patients for which the control of services is transferred at a point in time and revenue is recognized when the customer obtains the control of the completed services.

Others

Others primarily comprise sales of healthcare products through online mall. We engaged in the sale of healthcare products to individual customers through our official WeChat account and mini-program. We recognize sales revenue at a point in time when products are delivered to customers while historical returns are insignificant.

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Property, plant and equipment

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs, net their residual values over their estimated useful lives, as follows:

	<u>Estimated Useful Life</u>
Medical equipment	5-10 years
Vehicles	4 years
Office equipment	3-4 years
Leasehold improvements	Shorter of remaining lease term and estimated useful life of 10 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all attributable costs of bringing the asset to working condition for its intended use. This includes direct costs of construction as well as interest expense capitalized during the period of construction and installation. Capitalization of these costs will cease and the construction in progress is transferred to appropriate categories within property, plant and equipment when the construction activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. For details, see “— Critical Accounting Estimates and Judgements — Impairment of non-financial assets” below in this section.

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Leases

We lease various properties for operation. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by us. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in us, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If we are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Amendment to IFRS 16 provides a practical expedient for leases to elect not to apply lease modification accounting for rent concessions, that reduce only lease payments due on or before June 30, 2022, arising as a direct consequence of the COVID-19 pandemic, we apply the practical expedient and records the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with corresponding adjustment of lease liabilities.

For further details of lease accounting, please see Note 14(c) and Note 42.18 to the Accountant's Report in Appendix I to this prospectus.

Fair value of financial assets and liabilities

We have purchased bank financial products during the Track Record Period as disclosed in Note 16 to the Accountant's Report set out in Appendix I to this prospectus. Financial assets within level 3 of the fair value hierarchy mainly included investments in bank financial products measured at financial assets at fair value through profit or loss. As these instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques, including discounted cash flows. We designated convertible

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redeemable preference shares as financial liabilities at fair value through profit or loss. Major assumptions used in the valuation and the sensitivity analysis for convertible redeemable preference shares are presented in Note 27 to the Accountant's Report in Appendix I to this prospectus.

In respect of the valuation of the financial assets and liabilities, we have a team of personnel who perform valuation on these level 3 instruments for financial reporting purposes. The team manages the valuation of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of our level 3 instruments. External valuation experts will be involved when necessary.

The details on the fair value measurement of the financial assets and liabilities at fair value through profit or loss, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs and the relationship of the unobservable inputs to the fair values, are disclosed in Note 3.3 to the Accountant's Report in Appendix I to this prospectus.

Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where we and our subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. We measure our tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

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Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Critical Accounting Estimates and Judgements

Fair value of convertible redeemable preference shares

The convertible redeemable preference shares issued by the Company are not traded in an active market is determined by using valuation techniques. We have engaged an independent valuer to select a variety of methods including use of the discounted cash flow method to determine the underlying equity value of the Company and adopted the equity allocation model and make assumptions including discount rate, risk-free interest rate, lack of marketability discount, volatility and credit risk associated with the instruments at the end of each reporting period, which are subject to uncertainty and might materially differ from the actual results. Changes in these assumptions and estimates could materially affect the respective fair value of these financial liabilities.

Recognition of share-based compensation expenses

We have granted share options to our employees during the Track Record Period, which was later converted into RSU Scheme. We have engaged an independent valuer to determine the total fair value of the share options granted to employees, which is to be expensed over the vesting period. Significant estimates on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, are required to be made by us in applying the option pricing model.

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Impairment of non-financial assets

Property, plant and equipment, intangible assets and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. The recoverable amounts of the cash-generating units (“CGU”) have been determined based on the higher of value-in-use calculations and fair value less costs of disposal.

Management judgement is required in the area of the impairment of the CGU particularly in assessing: (i) whether an event has occurred that may indicate that the relevant value of the CGU may not be recoverable; (ii) whether the carrying value of the CGU can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continuing use of the CGU; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate and growth rate used in the calculation of the present value of the estimated cash flows as appropriate as well as the lease agreement could be renewed at comparable rental rates available on the market when the leases expire.

Changes in relevant assumptions adopted by us to determine impairment may have material impact on the estimated recoverable amount used in the impairment test, and cause impairment in our non-financial assets.

Deferred income tax

Deferred income tax assets are mainly recognized for temporary differences to the extent it is probable that future taxable profits will be available against which deductible temporary differences and the unused tax losses can be utilized, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax in which the deferred income tax asset has been recognized. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred income tax assets will ultimately be realized, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilized. The carrying amount of deferred income tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the carry forward tax losses, the asset balance will be reduced and the difference charged to the consolidated statement of profit or loss.

Estimation of goodwill impairment

We test whether goodwill has suffered any impairment on an annual basis, or whenever events or changes in circumstances indicate that it might be impaired. Our goodwill arose from the acquisition of Wuhan Dragon World in 2024 through business combination is disclosed in Note 34 to the Accountant’s Report in Appendix I to this prospectus. As of December 31, 2024 and August 31, 2025, the recoverable amount of CGUs was determined based on fair value less

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cost of disposal calculations. The calculations use cash flow projections based on financial budgets prepared by management covering a five-year period. Cash flows beyond the projected period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

The key inputs and results of the impairment assessment are as below:

	As of December 31, 2024	As of August 31, 2025
Compound annual growth rate of revenue during the projection period	13.5%	11.8%
Post-tax discount rates	13.0%	13.0%
Terminal growth rate	2.5%	2.2%
Headroom (RMB'000)	23,651	18,509

Forecast growth rate of revenue is for the five-year forecast period. It is based on past performance and the management's expectations of market development. Cash flows beyond the projected period are extrapolated using the estimated terminal growth rate which are consistent with forecasts included in industry practice.

The discount rates used are post-tax and reflect specific risks relating to the relevant CGU.

We perform a sensitivity analysis based on the reasonably possible changes in assumptions underlying the compound annual revenue growth rate, terminal growth rate or the post-tax discount rate. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to zero.

If the compound annual growth rate of revenue during the projection period used in the calculation for the CGU had been 1.1% and 1.1% lower than management's estimates as at December 31, 2024 and August 31, 2025, we would have had to recognize an impairment against the carrying amount of goodwill.

If the post-tax discount rates used in the calculation for the CGU had been 0.8% and 0.7% higher than management's estimates as at December 31, 2024 and August 31, 2025, we would have had to recognize an impairment against the carrying amount of goodwill.

If the terminal growth rate used in the calculation for the CGU had been 1.1% and 1.0% lower than management's estimates as at December 31, 2024 and August 31, 2025, we would have had to recognize an impairment against the carrying amount of goodwill.

The Directors and management have considered and assessed above reasonably possible changes for key assumptions, and they have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

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DESCRIPTION OF SELECTED COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Revenue	473,184	100.0	690,435	100.0	958,578	100.0	614,804	100.0	695,667	100.0
Cost of revenue	(429,204)	(90.7)	(556,933)	(80.7)	(732,575)	(76.4)	(462,388)	(75.2)	(528,396)	(76.0)
Gross profits	43,980	9.3	133,502	19.3	226,003	23.6	152,416	24.8	167,271	24.0
Selling expenses	(12,927)	(2.7)	(8,199)	(1.2)	(15,956)	(1.7)	(9,853)	(1.6)	(12,713)	(1.8)
Administrative expenses . .	(183,334)	(38.7)	(191,872)	(27.8)	(264,452)	(27.6)	(176,698)	(28.7)	(139,669)	(20.1)
Net impairment losses on										
financial assets	(99)	(0.0)	(220)	(0.0)	(1,282)	(0.1)	(605)	(0.1)	(1,488)	(0.2)
Other income	4,730	1.0	457	0.1	1,282	0.1	964	0.2	1,061	0.2
Other gains/(losses) – net .	10,064	2.1	(601)	(0.1)	7,528	0.8	3,882	0.6	(1,732)	(0.2)
Operating (loss)/profit . .	(137,586)	(29.0)	(66,933)	(9.7)	(46,877)	(4.9)	(29,894)	(4.8)	12,730	1.9
Financial income	1,168	0.2	10,148	1.4	8,619	0.9	6,402	1.0	1,721	0.2
Finance costs	(15,543)	(3.3)	(16,044)	(2.3)	(16,642)	(1.7)	(11,188)	(1.8)	(8,743)	(1.2)
Finance costs – net	(14,375)	(3.1)	(5,896)	(0.9)	(8,023)	(0.8)	(4,786)	(0.8)	(7,022)	(1.0)
Fair value (loss)/gain of										
convertible redeemable										
preference shares	(87,371)	(18.5)	(289,365)	(41.9)	128,797	13.4	80,036	13.0	77,321	11.1
Fair value gain on										
remeasurement of										
previously held equity										
interest in subsidiaries at										
the										
acquisition date	–	–	–	–	5,990	0.6	5,990	1.0	–	–
Share of results of										
associates	–	–	–	–	(143)	(0.0)	(143)	0.0	–	–
(Loss)/profit before										
income tax	(239,332)	(50.6)	(362,194)	(52.5)	79,744	8.3	51,203	8.4	83,029	12.0
Income tax benefit	17,810	3.8	8,949	1.3	483	0.1	960	0.2	182	0.0
(Loss)/profit for the										
year/period	(221,522)	(46.8)	(353,245)	(51.2)	80,227	8.4	52,163	8.6	83,211	12.0
Attributable to:										
– Owners of the Company .	(215,496)	(45.5)	(350,669)	(50.8)	83,805	8.7	53,556	8.8	85,452	12.3
– Non-controlling										
interests	(6,026)	(1.3)	(2,576)	(0.4)	(3,578)	(0.4)	(1,393)	(0.2)	(2,241)	(0.3)

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Non-IFRS Measure

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

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

The table below sets forth the reconciliation of our non-IFRS measure presented in accordance with IFRS for the years/periods indicated:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	<i>(unaudited)</i>				
(Loss)/profit for the					
year/period	(221,522)	(353,245)	80,227	52,163	83,211
Adjustment:					
Fair value gain/(loss) of					
convertible redeemable					
preference shares	87,371	289,365	(128,797)	(80,036)	(77,321)
Share-based compensation					
expenses	11,142	9,256	38,362	38,362	–
Listing expenses	–	11,050	20,908	13,927	4,557
Adjusted net profit or loss					
(a non-IFRS measure) . .	<u>(123,009)</u>	<u>(43,574)</u>	<u>10,700</u>	<u>24,416</u>	<u>10,447</u>

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Revenue

We primarily derive revenue from the provision of healthcare services to our customers. To a much lesser extent, we derive revenue from other businesses, which mainly comprise the sales of healthcare products on our online mall.

In 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, our revenue was RMB473.2 million, RMB690.4 million, RMB958.6 million, RMB614.8 million and RMB695.7 million, respectively. The following table sets forth the breakdown of our revenue by business segments for the years/periods indicated.

	Year Ended December 31,						Eight months Ended August 31,					
	2022		2023		2024		2024		2025			
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	(unaudited)	
Healthcare services												
– In-person healthcare services ⁽¹⁾	392,769	83.0	592,492	85.8	872,364	91.1	553,977	90.1	640,990	92.1		
– Tele-healthcare services ⁽²⁾	21,233	4.5	22,459	3.3	22,960	2.4	15,483	2.5	14,678	2.1		
– Membership programs ⁽³⁾	18,606	3.9	20,821	3.0	22,372	2.3	14,968	2.4	14,756	2.1		
– Off-network healthcare services ⁽⁴⁾	34,104	7.2	44,215	6.4	32,830	3.4	25,285	4.1	19,787	2.8		
<i>Subtotal</i>	<i>466,712</i>	<i>98.6</i>	<i>679,987</i>	<i>98.5</i>	<i>950,526</i>	<i>99.2</i>	<i>609,713</i>	<i>99.1</i>	<i>690,211</i>	<i>99.1</i>		
Others⁽⁵⁾	6,472	1.4	10,448	1.5	8,052	0.8	5,091	0.9	5,456	0.9		
Total	473,184	100.0	690,435	100.0	958,578	100.0	614,804	100.0	695,667	100.0		

Notes:

- (1) Representing revenue generated from our healthcare service institutions.
- (2) Representing revenue generated from our tele-healthcare service platform.
- (3) Representing revenue generated from annual membership fees.
- (4) Representing revenue generated from on-campus and corporate healthcare management services and medical concierge and escort services.
- (5) Primarily comprising the sales of healthcare products. The healthcare products we offer primarily include (i) skincare items, (ii) oral health products, (iii) nutritional supplements, and (iv) eye and nose care products.

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Revenue from Healthcare Services

During the Track Record Period, substantially all of our revenue stemmed from the provision of healthcare services. Our revenue from healthcare services comprises (i) revenue from in-person healthcare services, which is generated by our healthcare service institutions; (ii) revenue from tele-healthcare services, which is generated through our tele-healthcare service platform; (iii) revenue from membership programs, which is generated from annual membership fees; and (iv) revenue from off-network healthcare services, mainly including on-campus and corporate healthcare management services, as well as medical concierge and escort services. Our revenue from healthcare services amounted to RMB466.7 million, RMB680.0 million, RMB950.5 million, RMB609.7 million and RMB690.2 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively, representing 98.6%, 98.5%, 99.2%, 99.1% and 99.1% of our total revenue for the same periods.

We offer a broad range of in-person healthcare services and tele-healthcare services, such as general consultation, diagnostic and preventive healthcare services, treatments, and sales of pharmaceuticals. We strategically provide “integrated in-person and tele-healthcare services” to our patients, targeting the mass affluent and wealthy population that generally has stronger purchasing power and a preference for more personalized care, ensuring their accessibility to our services in both our healthcare service institutions and on our tele-healthcare service platform. We deliver professional healthcare services through our healthcare service institutions, mainly clinics, and our tele-healthcare service platform, namely “Distinct HealthCare (卓正醫療)”, covering a range of specialties, such as pediatrics, dentistry, eye care, dermatology, ENT & general surgery, women’s health, and internal medicine.

The following table sets forth a breakdown of the number of paid patient visits and the average patient spending per visit of our healthcare service institutions and tele-healthcare service platform for the years/periods indicated.

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
In-person healthcare services					
Patient visits	387,190	565,430	730,291	473,669	541,020
Average spending					
per patient visit (RMB)	1,014	1,048	1,195	1,170	1,185
Tele-healthcare services					
Patient visits	142,639	167,967	175,534	121,401	101,112
Average spending					
per patient visit (RMB).	149	134	131	128	145
Total paid patient visits	529,829	733,397	905,825	595,070	642,132

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During the Track Record Period, the number of paid patient visits for in-person and tele-healthcare services experienced a continued increase, which was mainly driven by (i) the expansion of our healthcare service institution network and the continuous ramping up of our existing healthcare service institutions. With the relocation and/or expansion of certain existing healthcare service institutions, establishment of new healthcare service institutions and acquisition of Wuhan Dragon World, the GFA of our healthcare service institutions increased from 32,390 sq.m. as of December 31, 2022 to 53,339 sq.m. as of August 31, 2025, with the number of full-time doctors growing from 267 as of December 31, 2022 to 387 as of August 31, 2025; (ii) our efforts and ability to grow patient base, evidenced by the increases in the number of membership accounts from 79,734 as of December 31, 2022 to 116,542 as of August 31, 2025; (iii) the resumption of normal operations following the COVID-19 pandemic.

The fluctuations in average spending per patient visit in healthcare service institutions were primarily attributed to the changes in the service mix, particularly the shifts in the proportion of various specialties which had different pricing and average spending per visit. In particular, the increase in the average spending per patient visit for internal medicine in 2024 partially due to the introduction of certain more complex and higher-priced services as part of our offerings of subspecialties and diagnoses/treatments of certain medical conditions, such as various chronic diseases. This trend aligns with our ongoing efforts to expand the breadth and depth of service offerings by rolling out certain subspecialties and diagnoses/treatments of certain medical conditions to better meet patient needs and respond to market demands. Additionally, the increase in the average spending per patient visit for pediatrics, ENT and general surgery in 2024 was mainly attributable to the inpatient services offered by Wuhan Dragon World, which we acquired in 2024. Our average spending per patient visit remained relatively stable at RMB1,170 and RMB1,185 in the first eight months of 2024 and 2025, respectively.

However, in response to customer demand for accessible healthcare services and to broaden our online patient base while strengthening our competitive position in the tele-healthcare service market, we adjusted internal pricing guidelines in 2022 for tele-healthcare services and decided to offer more competitive prices for our tele-healthcare services. We believe that such competitive prices will foster stronger connections between our patients and us, encouraging greater stickiness to our tele-healthcare service platform and brand. Consequently, the average spending per patient visit on our tele-healthcare service platform decreased from 2022 to 2023, reflecting our proactive pricing management. In 2024, the average spending per patient visit on our tele-healthcare service platform remained relatively stable. The average spending per patient visit on our tele-healthcare service platform increased during the eight months ended August 31, 2025, mainly because (i) an increase in the proportion of revenue generated from certain higher-priced services, such as online psychological consultations, and (ii) we introduced a new form of prepaid package under which a designated doctor team provides to patients with health counselling over an annual or quarterly service period.

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A majority of our revenue was derived from in-person healthcare services, which represented 83.0%, 85.8%, 91.1%, 90.1% and 92.1% of our total revenue in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. The following table sets forth a summary of our in-person healthcare services by key specialties during the Track Record Period:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
Total Patient Visit					
Outpatient Services					
– Pediatrics	139,968	210,364	247,467	162,289	158,894
– Dentistry	82,035	107,744	134,514	90,606	102,882
– Eye Care	33,178	61,533	98,961	64,804	87,991
– Dermatology	38,108	47,591	56,996	36,480	41,320
– ENT & General					
Surgery	21,559	36,977	62,312	39,450	46,344
– Internal Medicine . .	31,365	49,989	64,670	42,141	49,027
– Women’s Health . .	18,810	21,892	26,441	17,176	17,358
– Others ⁽¹⁾	22,167	29,340	38,930	20,723	37,204
Total	387,190	565,430	730,291	473,669	541,020
Revenue (RMB’000)					
Outpatient Services					
– Pediatrics	81,872	133,043	203,194	131,157	123,793
– Dentistry	92,556	112,723	148,450	98,358	114,186
– Eye Care	25,196	51,696	83,644	55,174	77,015
– Dermatology	101,274	148,305	190,022	115,159	134,966
– ENT & General					
Surgery	17,739	32,132	88,011	54,818	72,792
– Internal Medicine . .	21,054	41,039	66,731	43,310	51,211
– Women’s Health . .	22,271	28,829	35,370	23,231	21,945
– Others ⁽¹⁾	30,807	44,725	56,942	32,770	45,082
Total	392,769	592,492	872,364	553,977	640,990

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	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
Average Spending					
Per Patient Visit					
(RMB)					
Outpatient Services					
– Pediatrics	585	632	821	808	779
– Dentistry	1,128	1,046	1,104	1,086	1,110
– Eye Care	759	840	845	851	875
– Dermatology	2,658	3,116	3,334	3,157	3,266
– ENT & General					
Surgery	823	869	1,412	1,390	1,571
– Internal Medicine . .	671	821	1,032	1,028	1,045
– Women’s Health . .	1,184	1,317	1,338	1,353	1,264
– Others ⁽¹⁾	1,390	1,524	1,463	1,581	1,212
Total	1,014	1,048	1,195	1,170	1,185

Notes:

- (1) Others included health check-ups and other specialties, such as physical therapy and rehabilitation, and psychiatry and psychology.
- (2) Our in-person healthcare services comprise outpatient services and inpatient services. Our inpatient services were mainly provided by the hospital in Wuhan that we acquired in 2024. For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, we recorded revenue from inpatient services, mainly in pediatrics and general surgery specialties, of nil, nil, RMB42.5 million, RMB23.9 million and RMB37.7 million, respectively. The number of our paid inpatient visits was nil, nil, 2,137, 1,217 and 1,868, for the same periods. The average spending per inpatient visit was nil, nil, RMB19,902, RMB19,622 and RMB20,172 in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

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For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, 99.5%, 99.2%, 99.2%, 99.2% and 99.3%, respectively of our revenue from in-person healthcare services was derived from our healthcare service institutions in China, with the remaining 0.5%, 0.8%, 0.8%, 0.8% and 0.7%, respectively from healthcare service institutions in Singapore. The following table sets forth a breakdown of revenue from in-person healthcare services by geographic locations during the Track Record Period:

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Shenzhen . .	123,881	31.7	175,007	29.4	231,406	26.4	149,401	27.1	162,048	25.4
Guangzhou	97,975	24.9	146,678	24.8	181,897	20.9	120,362	21.7	126,057	19.7
Chengdu . .	43,983	11.2	62,119	10.5	87,715	10.1	55,875	10.1	65,506	10.2
Beijing . . .	27,657	7.0	47,565	8.0	67,579	7.7	42,207	7.6	56,045	8.7
Shanghai .	16,085	4.1	31,588	5.3	44,719	5.1	28,295	5.1	38,178	6.0
Changsha .	22,367	5.7	28,542	4.8	35,940	4.1	22,955	4.1	26,902	4.2
Suzhou . . .	12,359	3.1	24,868	4.2	40,894	4.7	25,836	4.7	32,270	5.0
Hangzhou .	17,093	4.4	24,728	4.2	31,090	3.6	20,111	3.6	23,861	3.7
Wuhan . . .	15,055	3.8	23,435	4.0	116,812 ⁽²⁾	13.4	66,915	12.1	81,622	12.7
Chongqing	8,697	2.2	16,419	2.8	18,079	2.1	12,359	2.2	14,378	2.2
Foshan . . .	4,772	1.2	6,968	1.2	9,662	1.1	5,251	0.9	9,595	1.5
Singapore .	2,035	0.5	4,574	0.8	6,571	0.8	4,410	0.8	4,528	0.7
Ningbo . . .	810	0.2	— ⁽¹⁾	—	—	—	—	—	—	—
Total	392,769	100.0	592,492	100.0	872,364	100.0	553,977	100.0	640,990	100.0

Note:

- (1) In light of the underperformance of operations in Ningbo during the COVID-19 pandemic, we closed our clinic in Ningbo in 2022 for cost saving purpose.
- (2) We acquired Wuhan Dragon World in March 2024. For more details, please see “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World.” Therefore, there was a significant increase in our in-person healthcare service revenue from Wuhan in 2024.

Headquartered in Shenzhen, we have historically generated a significant percentage of revenue in Shenzhen. Our revenue from healthcare service institutions in Shenzhen increased in absolute amount from RMB123.9 million in 2022 to RMB231.4 million in 2024. Our revenue from healthcare service institutions in Shenzhen increased in absolute amount from RMB149.4 million for the eight months ended August 31, 2024 to RMB162.0 million for the eight months ended August 31, 2025. However, with our continuous expansion in China, our revenue from healthcare service institutions in Shenzhen as a percentage of our total revenue from in-person healthcare services decreased from 31.7% in 2022 to 25.4% for the eight months ended August 31, 2025. This reflects our efforts to expand our operations in other cities across China and even overseas regions. For further information, please see “Business — In-person and Tele-Healthcare Service Network” in this prospectus.

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Revenue from Others

Revenue from others primarily consisted of the sales of healthcare products on our online mall named “Distinct Selected (卓正嚴選)”. During the Track Record Period, our revenue from others amounted to RMB6.5 million, RMB10.4 million, RMB8.1 million, RMB5.1 million and RMB5.5 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively, which represented 1.4%, 1.5%, 0.8%, 0.9% and 0.9% of our total revenue for the same years/periods.

Cost of Revenue

During the Track Record Period, our cost of revenue primarily consisted of (i) employee salary and benefit expenses, primarily consisting of the salaries, bonuses and other employee benefits for our medical professionals; (ii) depreciation and amortization, mainly depreciation of right-of-use assets and medical equipment; (iii) cost of pharmaceutical, consumables and other inventories, mainly representing the costs of procuring pharmaceuticals and medical consumables by our healthcare service institutions; (iv) utilities, office and property management payments; and (v) others, which mainly included professional service fees relating to part-time doctors providing online consultation services on our tele-healthcare platform, service fees paid for outsourced laboratory tests and examinations, as well as travelling expenses. The following table sets forth the breakdown of our cost of revenue by nature for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Employee salary and benefit expenses	230,227	53.6	279,257	50.2	348,205	47.5	223,758	48.4	258,807	49.0
Depreciation and amortization	84,660	19.7	116,232	20.9	126,629	17.3	83,136	18.0	85,309	16.1
Cost of pharmaceutical, consumables and other inventories	73,183	17.1	110,461	19.8	171,668	23.4	103,134	22.3	124,280	23.5
Utilities, office and property management payments	23,265	5.4	22,526	4.0	27,407	3.7	17,260	3.7	19,594	3.7
Others	17,869	4.2	28,457	5.1	58,666	8.1	35,100	7.6	40,406	7.7
Total	429,204	100.0	556,933	100.0	732,575	100.0	462,388	100.0	528,396	100.0

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Our cost of revenue for in-person healthcare services amounted to RMB384.6 million, RMB502.3 million, RMB681.4 million, RMB428.1 million and RMB498.2 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively, representing 89.6%, 90.2%, 93.0%, 92.6% and 94.3% of our total cost of revenue for the same periods. The following table sets forth a breakdown of our cost of revenue for in-person healthcare services by nature for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Employee salary and benefit expenses	201,550	52.4	246,527	49.1	316,000	46.2	202,730	47.4	238,623	47.9
Depreciation and amortization	83,504	21.7	115,495	23.0	126,539	18.6	83,080	19.4	85,250	17.1
Cost of pharmaceutical, consumables and other inventories	66,977	17.4	101,733	20.3	166,054	24.4	99,414	23.2	120,916	24.3
Utilities, office and property management payments	21,217	5.5	21,774	4.3	26,590	4.0	16,664	3.9	19,072	3.8
Others	11,364	3.0	16,751	3.3	46,253	6.8	26,259	6.1	34,307	6.9
Total	384,612	100.0	502,280	100.0	681,436	100.0	428,147	100.0	498,168	100.0

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of revenue. Our gross profit was RMB44.0 million, RMB133.5 million, RMB226.0 million, RMB152.4 million and RMB167.3 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. Our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit margin was 9.3%, 19.3%, 23.6%, 24.8% and 24.0% in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

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The following table sets forth a breakdown of our gross profit and gross profit margin by business segments for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
							(unaudited)			
Healthcare services										
– In-person healthcare services	8,157	2.1	90,212	15.2	190,927	21.9	125,830	22.7	142,822	22.3
– Tele-healthcare services	3,131	14.7	3,056	13.6	4,974	21.7	3,493	22.6	3,797	25.9
– Membership programs	16,636	89.4	19,803	95.1	20,922	93.5	13,992	93.5	13,681	92.7
– Off-network healthcare services	14,993	44.0	17,825	40.3	4,835	14.7	6,397	25.3	3,409	17.2
<i>Subtotal</i>	42,917	9.2	130,896	19.2	221,658	23.3	149,712	24.6	163,709	23.7
Others⁽¹⁾	1,063	16.4	2,606	24.9	4,345	54.0	2,704	53.1	3,562	65.3
Total	<u>43,980</u>	<u>9.3</u>	<u>133,502</u>	<u>19.3</u>	<u>226,003</u>	<u>23.6</u>	<u>152,416</u>	<u>24.8</u>	<u>167,271</u>	<u>24.0</u>

Note:

(1) Mainly included the sales of healthcare products.

The gross profit margin for in-person healthcare services increased significantly from 2.1% in 2022 to 15.2% in 2023, and further increased to 21.9% for 2024. These increases were primarily attributable to our enhanced operating efficiency and greater economies of scale we enjoyed due to the increased number of patient visits. Specifically, as the impact of COVID-19 pandemic eased, our revenue from in-person healthcare services rebounded significantly, while a substantial portion of the components of cost of revenue remained relatively stable or increased by a comparatively smaller degree. The gross profit margin for in-person healthcare services remained relatively stable at 22.7% and 22.3% for the eight months ended August 31, 2024 and 2025, respectively.

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The gross profit margin for membership programs were 89.4%, 95.1%, 93.5%, 93.5% and 92.7% in 2022, 2023, 2024 and the eight months ended August 31, 2024 and 2025, respectively. The major cost components for our membership programs include costs associated with gifts for new memberships and renewal gifts, which are typically small compared to the corresponding revenue, resulting in high gross profit margins for this business segment. Examples of our gifts include plush toys, notebooks and small bags featuring our own IP character, “Distinct Bear (熊小正).” According to Frost & Sullivan, such high gross profit margins for membership programs were reasonable and in line with those of the industry peers. The fluctuations in the gross profit margin for membership programs primarily reflect changes in the abovementioned costs as we dynamically adjust the level of investment to attract and retain members from period to period.

The gross profit margin for tele-healthcare services increased significantly from 13.6% for 2023 to 21.7% for 2024, and further increased from 22.6% for the eight months ended August 31, 2024 to 25.9% for the eight months ended August 31, 2025. These increases were primarily due to the decrease in total remuneration for our doctors providing online consultation services mainly as we reduced the fee-sharing percentage with these doctors based on our strategic considerations and in response to prevailing market conditions. Specifically, leveraging our continued investments in tele-healthcare services and the strong brand recognition we have built among our patient base, we have gained greater bargaining power when negotiating fee-sharing arrangements with doctors. Concurrently, by benchmarking against prevailing market practices, we prudently adjusted the fee-sharing percentages in 2025, which contributed to a further increase in the gross profit margin of our tele-healthcare services.

The gross profit margin for off-network healthcare services decreased from 40.3% for 2023 to 14.7% for 2024 and decreased from 25.3% for the eight months ended August 31, 2024 to 17.2% for the eight months ended August 31, 2025. This decline was primarily due to reduced revenue from medical concierge services, which typically have a higher profit margin compared to other off-network healthcare services. Medical concierge services involve accompanying clients and assisting them with consultations and treatments at external healthcare institutions. As we expanded our healthcare service network and recruited more full-time doctors, we encouraged our concierge team to facilitate client visits at our own institutions, leading to more clients opting for in-person healthcare services and reducing reliance on medical concierge services. While this shift increased revenue from in-person healthcare services, it also caused a decline in revenue from medical concierge services. Moreover, related costs did not decline at the same rate as revenue. This discrepancy contributed to a lower gross profit margin for medical concierge services, further impacting the overall profit margin for off-network healthcare services.

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The gross profit margin for others increased significantly from 24.9% for 2023 to 54.0% for 2024 and increased from 53.1% for the eight months ended August 31, 2024 to 65.3% for the eight months ended August 31, 2025, mainly reflecting the increased profit margin for our sales of products in “Distinct Selected” online mall, as we concentrated on the popular, existing products with comparatively better profit margins in 2024 and the eight months ended August 31, 2025. Specifically, we made strategic adjustments to our product mix in “Distinct Selected” by removing products with lower gross margins and higher sales volumes, which resulted in a decrease in revenue of this segment, but led to an improvement in our gross profit margin.

Selling Expenses

During the Track Record Period, our selling expenses consisted of (i) employee salary and benefit expenses, primarily consisting of the salaries, bonuses and other employee benefits for our branding and marketing staff; (ii) promotion and marketing expenses; (iii) office expenses; and (iv) others, which mainly included travelling expenses, depreciation and amortization, as well as software usage expenses associated with branding and marketing promotion. The following table sets forth a breakdown of our selling expenses for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Employee salary and benefit expenses	11,387	88.1	6,747	82.3	6,572	41.1	4,836	49.0	4,203	33.0
Promotion and marketing expenses	643	5.0	500	6.1	7,891	49.5	4,035	41.0	6,860	54.0
Office expenses	298	2.3	165	2.0	139	0.9	108	1.1	45	0.4
Others	599	4.6	787	9.6	1,354	8.5	874	8.9	1,605	12.6
Total	12,927	100.0	8,199	100.0	15,956	100.0	9,853	100.0	12,713	100.0

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Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) employee salary and benefit expenses, primarily consisting of the share-based compensation expenses, salaries, bonuses and other employee benefits for our management and supporting staff; (ii) depreciation and amortization; (iii) listing expenses in connection with the Global Offering; (iv) consulting fees, mainly in connection with professional advice required in the ordinary course of business operations provided by third-party consulting firms; and (v) others, which mainly included software usage expenses, travelling and entertainment expenses, and utilities, office and property management payments. The following table sets forth a breakdown of our administrative expenses for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
	<i>(unaudited)</i>									
Employee salary and benefit expenses ⁽¹⁾ . . .	137,914	75.2	150,198	78.3	209,800	79.3	141,391	80.0	114,100	81.7
Depreciation and amortization	26,381	14.4	10,777	5.6	9,125	3.5	6,151	3.5	4,963	3.6
Listing expenses	–	–	11,050	5.8	20,908	7.9	13,927	7.9	4,557	3.3
Consulting fees	992	0.5	998	0.5	2,988	1.1	2,178	1.2	1,457	1.0
Others	18,047	9.9	18,849	9.8	21,631	8.2	13,051	7.4	14,592	10.4
Total	183,334	100.0	191,872	100.0	264,452	100.0	176,698	100.0	139,669	100.0

Note:

- (1) Included share-based compensation expenses of RMB11.1 million, RMB9.3 million, RMB38.4 million, RMB38.4 million and nil in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

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Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily consisted of the impairment losses on trade and other receivables. We had net impairment losses on financial assets of RMB0.1 million, RMB0.2 million, RMB1.3 million, RMB0.6 million and RMB1.5 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

Other Income

During the Track Record Period, our other income consisted of (i) government subsidies, mainly including job stability subsidies and individual income tax handling fee refund. These government subsidies received by us did not come with any further conditions that we needed to fulfill, but we cannot guarantee that these subsidies will recur in the future; and (ii) gain on COVID-19 rent concessions, representing the rent concessions agreed by our lessors in response to the outbreak of COVID-19 pandemic. The following table sets forth a breakdown of our other income for the years/periods indicated.

	Year Ended December 31,						Eight Months Ended August 31,			
	2022		2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Government subsidies . .	1,282	27.1	457	100.0	1,282	100.0	964	100.0	1,061	100.0
Gain on COVID-19 rent concessions.	3,448	72.9	—	—	—	—	—	—	—	—
Total	4,730	100.0	457	100.0	1,282	100.0	964	100.0	1,061	100.0

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Other Gains/(Losses) — Net

During the Track Record Period, our other gains/(losses) primarily consist of (i) fair value gains from bank financial products, representing short-term investments in certain financial instruments issued by commercial banks; (ii) fair value losses from investment in a listed equity security; (iii) net gains/(losses) on modification and early termination of leases, representing the disposal gains or losses resulting from the termination of certain leases as a result of our relocation or closure of certain healthcare service institutions as recognized in accordance with the relevant accounting policies; (iv) net losses on disposal of property, plant and equipment and intangible assets; (v) forfeiture of deposits and compensation from early termination of certain leases as a result of our relocation or closure of certain healthcare service institutions; and (vi) exchange gains/(losses). The following table sets forth a breakdown of our net other gains/(losses) by component for the years/periods indicated.

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Fair value gains from bank financial products	9,363	8,238	5,387	3,106	6,375
Fair value losses from a listed equity security . . .	—	(1,071)	(2,701)	(3,211)	(3,021)
Net gains/(losses) on modification and early termination of leases . . .	8,192	(2,276)	3,226	2,816	(383)
Net losses on disposal of property, plant and equipment and intangible assets	(1,827)	(1,028)	(3,244)	(1,083)	(4,227)
Forfeiture of deposits and compensation from early termination of lease contracts	(8,243)	(2,675)	(717)	(448)	(449)
Exchange gains/(losses) . . .	2,349	(2,954)	5,232	3,032	(27)
Others	230	1,165	345	(330)	—
Total	<u>10,064</u>	<u>(601)</u>	<u>7,528</u>	<u>3,882</u>	<u>(1,732)</u>

The recognition of net gains/(losses) on modification and early termination of leases and forfeiture of deposits and compensation from early termination of lease contracts during the Track Record Period was primarily due to: (i) our initiatives to optimize and expand our healthcare service institution network. In particular, we closed six clinics (3,381 sq.m. in the

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aggregate) with relatively small GFA and fewer specialty departments in 2022 and opened three new healthcare service institutions (6,908 sq.m. in the aggregate) in 2023, including two new flagship institutions in Shanghai and Guangzhou which had larger GFA and more specialty departments to optimize resource allocation and enhance overall operating efficiency. We also expanded and/or relocated certain other clinics in Beijing, Suzhou, Shenzhen and Changsha in 2022 and 2023. This optimization continued into 2024 with the closure of a non-flagship institution in Shanghai adjacent to our new flagship institution for structural adjustment and cost control, along with the relocation and/or expansion of certain clinics in Beijing, Changsha and Foshan in 2024. Between August 2024 and August 2025, we relocated and expanded four clinics in Beijing, Chengdu, Guangzhou and Shanghai, respectively, and (ii) our efforts to adapt our expansion plan in response to factors such as the COVID-19 resurgence. In particular, we suspended a planned clinic opening in Shanghai in 2022 but later opened it in 2023, decided not to proceed with the planned opening of a new dental hospital in Changsha in 2022 to prioritize cash preservation during the COVID-19 resurgence, and suspended the planned expansion and relocation of a clinic in Shenzhen into a hospital and early terminated a lease agreement in 2023. Additionally, we modified a lease for a clinic in Shanghai in 2023 due to a change of property owner. These events led to the modification or early termination of certain leases, contributing to the recognition of the relevant gains/losses and forfeiture of deposits and compensation.

Finance Costs — Net

During the Track Record Period, our finance income primarily included interest income from bank deposits, while our finance costs mainly consisted of interest expenses on lease liabilities. The following table sets forth a breakdown of our net finance costs for the years/periods indicated.

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Finance income					
Interest income from bank deposits	(1,168)	(10,148)	(8,619)	(6,402)	(1,721)
Finance costs					
– Interest expense on lease liabilities	15,541	15,721	16,332	10,928	8,743
– Interest expense on loan from a non-controlling shareholder of a subsidiary	2	323	310	260	–
<i>Subtotal</i>	<u>15,543</u>	<u>16,044</u>	<u>16,642</u>	<u>11,188</u>	<u>8,743</u>
Finance costs – net	<u>14,375</u>	<u>5,896</u>	<u>8,023</u>	<u>4,786</u>	<u>7,022</u>

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Fair Value (Loss)/Gain of Convertible Redeemable Preference Shares

We recorded fair value loss of convertible redeemable preference shares of RMB87.4 million and RMB289.4 million in 2022 and 2023, respectively, and recorded fair value gain of convertible redeemable preference shares of RMB128.8 million, RMB80.0 million and RMB77.3 million in 2024 and the eight months ended August 31, 2024 and 2025. Our fair value (loss)/gain of convertible redeemable preference shares represented changes in fair value of the convertible redeemable preference shares that we issued to Pre-IPO Investors. Please see “History, Reorganization and Corporate Structure — Pre-IPO Investments.” We designated the convertible redeemable preference shares as financial liabilities at fair value through profit or loss. Subsequent to initial recognition, the fair value change of convertible redeemable preference shares is recognized in profit or loss except for the portion attributable to the Company’s own credit risk which is recognized in other comprehensive income, if any. Please see Note 27 to the Accountant’s Report in Appendix I to this prospectus. The convertible redeemable preference shares will be converted into ordinary Shares and accounted for as an increase in share capital and share premium upon the Listing, after which we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preference shares.

Fair Value Gain on Remeasurement of Previously Held Equity Interest in Subsidiaries at the Acquisition Date

We recorded fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date of RMB6.0 million in 2024, due to our increase of investment in Wuhan Dragon World. This fair value gain represented the difference between the fair value and carrying amount of our previously held equity interest in Wuhan Dragon World, which became a non-wholly owned subsidiary in March 2024.

For details, please see “History, Reorganization and Corporate Structure – Acquisition of Wuhan Dragon World” and Note 34 to the Accountant’s Report in Appendix I to this prospectus.

Income Tax Benefit

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which our subsidiaries are domiciled and operate. The following summarizes the major factors affecting our applicable tax rates in Cayman Islands, Hong Kong, Singapore and mainland China.

Cayman Islands and British Virgin Islands

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to the income tax pursuant to the current laws of the Cayman Islands. The group entity incorporated or registered under the Business Companies Act of British Virgin Islands (“BVI”) are exempted from BVI income tax pursuant to the current laws of the BVI.

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Hong Kong

The Hong Kong profits tax rate of our subsidiaries incorporated in Hong Kong is 16.5%.

Singapore

The statutory tax rate applicable to our subsidiary incorporated in Singapore is 17%.

Malaysia

The statutory tax rates applicable to the subsidiary of our subsidiaries incorporated in Malaysia is 24%.

Mainland China

Our income tax provision in respect of operations in PRC was subject to statutory EIT rate of 25% on the assessable profits for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 based on the existing legislation, interpretation and practices in respect thereof.

For our PRC subsidiaries qualified as Small and Micro Enterprise by the relevant government authorities, they are subject to a 75%-87.5% deduction of the assessable profits as well as a preferential tax rate of 20%, effective during the Track Record Period.

Our income tax benefit consists of current income tax and deferred income tax. The following table sets forth a breakdown of our income tax benefit for the years/periods indicated:

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Current income tax					
– Current tax on profits					
for the year/period	259	522	2,097	1,721	5,527
Deferred income tax	(18,069)	(9,471)	(2,580)	(2,681)	(5,709)
Total	(17,810)	(8,949)	(483)	(960)	(182)

We recorded income tax benefit of RMB17.8 million, RMB8.9 million, RMB0.5 million, RMB1.0 million and RMB0.2 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively, which mainly comprised the provision for deferred income tax assets which can be utilized to deduct future taxable profit. We recognize deferred

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income tax assets to the extent that our management estimates that it is probable that we will generate sufficient taxable profit in the foreseeable future to offset against the deductible losses. For further details, please see Note 11 to the Accountant's Report in Appendix I to this prospectus.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Eight Months Ended August 31, 2024 Compared to Eight Months Ended August 31, 2025

Revenue

Our revenue increased by 13.2% from RMB614.8 million for the eight months ended August 31, 2024 to RMB695.7 million for the eight months ended August 31, 2025, which was mainly attributable to an increase of RMB80.5 million in revenue from healthcare services.

- **Healthcare Services.** Our revenue generated from healthcare services increased by 13.2% from RMB609.7 million for the eight months ended August 31, 2024 to RMB690.2 million for the eight months ended August 31, 2025, primarily due to an increase of RMB87.0 million in in-person healthcare services, primarily due to increases in revenue from eye care, ENT & general surgery, internal medicine, dentistry and dermatology, which were primarily attributable to the number of paid patient visits in these specialties increasing from 273,481 to 327,564. These increases were further due to the continuous ramping up of our existing healthcare service institutions with our membership accounts growing from 104,220 as of August 31, 2024 to 116,542 as of August 31, 2025 and the expansion of our healthcare service institution network through expanding our existing clinics and the acquisition of Wuhan Dragon World in March 2024. Wuhan Dragon World contributed revenue of RMB59.3 million during the eight months ended August 31, 2025, compared to RMB47.9 million for the eight months ended August 31, 2024.

The increase in revenue from in-person healthcare services was partially offset by a decrease of RMB5.5million in revenue from off-network healthcare services, mainly due to the decline in revenue from on-campus healthcare management services. Such decrease was primarily causing by the adjustment in our cooperation with certain international schools, resulting from the changes in their business strategies in China.

- **Others.** Our revenue generated from others remained relatively stable at RMB5.1 million for the eight months ended August 31, 2024 and RMB5.5 million for the eight months ended August 31, 2025.

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Cost of Revenue

Our cost of revenue increased by 14.3% from RMB462.4 million for the eight months ended August 31, 2024 to RMB528.4 million for the eight months ended August 31, 2025, primarily due to (i) a rise of RMB35.0 million in employee salary and benefit expenses mainly caused by (a) the addition of doctors and other medical professionals, mainly resulting from our organic growth and the acquisition of Wuhan Dragon World in March 2024, and (b) an increase in the compensation level of our full-time doctors, and (ii) an increase of RMB21.1 million in cost of pharmaceutical, consumables and other inventories, which was in line with the increased number of our paid in-person patient visits.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 9.7% from RMB152.4 million for the eight months ended August 31, 2024 to RMB167.3 million for the eight months ended August 31, 2025. Our gross profit margin remained relatively stable at 24.8% and 24.0% for the eight months ended August 31, 2024 and 2025, respectively.

Selling Expenses

Our selling expenses increased by 29.0% from RMB9.9 million for the eight months ended August 31, 2024 to RMB12.7 million for the eight months ended August 31, 2025, primarily attributable to an increase of RMB2.8 million in promotion and marketing expenses mainly as a result of our acquisition of Wuhan Dragon World in March 2024.

Administrative Expenses

Our administrative expenses decreased by 21.0% from RMB176.7 million for the eight months ended August 31, 2024 to RMB139.7 million for the eight months ended August 31, 2025. This decrease was primarily mainly due to (i) a decrease of RMB27.3 million in employee salary and benefit expenses, resulting from a decrease in share-based compensation expenses, and (ii) a decrease of RMB9.4 million in listing expenses relating to the Global Offering.

Net Impairment Losses on Financial Assets

Our impairment losses on financial assets increased from RMB0.6 million for the eight months ended August 31, 2024 to RMB1.5 million for the eight months ended August 31, 2025, mainly due to an increase in the trade receivables, which was in line with the increase in revenue derived from direct billing settlement.

Other Income

Our other income remained relatively stable at RMB1.0 million for the eight months ended August 31, 2024 and RMB1.1 million for the eight months ended August 31, 2025.

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Other (Losses)/Gains — Net

We recorded net other gains of RMB3.9 million for the eight months ended August 31, 2024 and net other losses of RMB1.7 million for the eight months ended August 31, 2025. This fluctuation was primarily due to (i) the net gains of RMB2.8 million on modification and early termination of leases for the eight months ended August 31, 2024, contrasting with the net losses of RMB0.4 million on modification and early termination of leases in the eight months ended August 31, 2025. For details, see “— Description of Selected Components of Our Consolidated Statements of Profit or Loss — Other (Losses)/Gains — Net”, (ii) the increase in net losses on disposal of property, plant and equipment and intangible assets from RMB1.1 million for the eight months ended August 31, 2024 to RMB4.2 million in the eight months ended August 31, 2025, due to write-offs of unamortized renovation costs resulting from our clinic relocation and closing, and (iii) the exchange gains of RMB3.0 million recognized in the eight months ended August 31, 2024, compared to the exchange losses of RMB27 thousand in the eight months ended August 31, 2025, due to changes in exchange rates.

Operating (Loss)/Profit

As a result of the foregoing, we recorded operating loss of RMB29.9 million for the eight months ended August 31, 2024 and operating profit of RMB12.7 million for the eight months ended August 31, 2025.

Finance Costs — Net

Our net finance costs increased by 46.7% from RMB4.8 million for the eight months ended August 31, 2024 to RMB7.0 million for the eight months ended August 31, 2025, primarily attributable to a decrease in interest income from bank deposits, which mainly resulted from a decrease in average bank deposit balance.

Fair Value (Loss)/Gain of Convertible Redeemable Preference Shares

Our fair value gain of convertible redeemable preference shares decreased from RMB80.0 million for the eight months ended August 31, 2024 to RMB77.3 million for the eight months ended August 31, 2025, primarily due to a change in our Company’s equity value.

Fair Value Gain on Remeasurement of Previously Held Equity Interest in Subsidiaries at the Acquisition Date

Our fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date decreased from RMB6.0 million for the eight months ended August 31, 2024 to nil for the eight months ended August 31, 2025, mainly due to the one-off fair value gains from our acquisition of Wuhan Dragon World in 2024.

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Profit for the Period

Based on the reasons described above, we recognized a profit for the period of RMB52.2 million and RMB83.2 million for the eight months ended August 31, 2024 and 2025, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 38.8% from RMB690.4 million for 2023 to RMB958.6 million for 2024, which was attributable to an increase of RMB270.5 million in revenue from healthcare services, partially offset by a decrease of RMB2.3 million in revenue from others.

- Healthcare Services. Our revenue generated from healthcare services increased by 39.8% from RMB680.0 million for 2023 to RMB950.5 million for 2024, primarily due to the following:
 - (i) a significant increase of RMB279.9 million in in-person healthcare services, primarily due to increases in revenue from pediatrics, dentistry, eye care, dermatology, internal medicine and ENT & general surgery, which were primarily attributable to the number of paid patient visits in these specialties increasing from 514,198 to 664,920. These increases were further due to the continuous ramping up of our existing healthcare service institutions, with our membership accounts growing from 97,245 as of December 31, 2023 to 108,052 as of December 31, 2024, and the expansion of our healthcare service institution network through expanding our existing clinics and the acquisition of Wuhan Dragon World. Wuhan Dragon World contributed revenue of RMB86.2 million in 2024;
 - (ii) an increase of RMB0.5 million in tele-healthcare services, driven by the increase in the number of paid patient visits on our tele-healthcare service platform from 167,967 in 2023 to 175,534 in 2024; and
 - (iii) an increase of RMB1.6 million in membership fees, driven by the acquisition of 39,506 new members and a high renewal rate of 64% for 2024. For details, see “Business — Our Healthcare Service Offerings — Healthcare Services — Healthcare Membership Programs” in this prospectus.

The increase in revenue from in-person healthcare services, tele-healthcare services and membership fees was partially offset by a decrease of RMB11.4 million in revenue from off-network healthcare services, which was mainly due to the decline in revenue from medical concierge services. In particular, as we expanded our healthcare service institution network, recruited more full-time doctors and

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enhanced our service offerings, more patients opted to directly receive in-person healthcare within our own healthcare service institutions, rather than relying on our medical concierge services to coordinate healthcare at external institutions.

- Others. Our revenue generated from others decreased by 22.9% from RMB10.4 million in 2023 to RMB8.1 million in 2024, mainly representing the decline in revenue from sales of products on “Distinct Selected” online mall, as we focused on the popular, existing products with comparatively greater profit margins.

Cost of Revenue

Our cost of revenue increased by 31.5% from RMB556.9 million in 2023 to RMB732.6 million in 2024, primarily due to (i) a rise of RMB68.9 million in employee salary and benefit expenses mainly caused by the addition of doctors and other medical professionals. In particular, the number of our full-time doctors increased from 297 as of December 31, 2023 to 379 as of December 31, 2024, mainly resulting from our organic growth and the acquisition of Wuhan Dragon World in 2024, and (ii) an increase of RMB61.2 million in cost of pharmaceutical, consumables and other inventories, which was in line with the increased number of our paid in-person patient visits.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 69.3% from RMB133.5 million in 2023 to RMB226.0 million in 2024. Our gross profit margin increased from 19.3% for 2023 to 23.6% for 2024, which was mainly due to an increase in gross profit margin for in-person healthcare services, further attributable to the enhanced operating efficiency and greater economies of scale we enjoyed due to the increased number of patient visits. Specifically, despite the significant revenue growth for in-person healthcare services, a substantial portion of the cost of revenue increased at a smaller degree. As of December 31, 2023 and 2024, we had 297 and 379 full-time doctors, respectively, representing a 27.6% increase. Accordingly, employee salary and benefit expenses for in-person healthcare services, which is the largest component of cost of revenue, increased by 28.2%, while our revenue from in-person healthcare services increased by 47.2% in 2024.

Selling Expenses

Our selling expenses increased by 94.6% from RMB8.2 million in 2023 to RMB16.0 million in 2024, primarily attributable to an increase of RMB7.4 million in promotion and marketing expenses, which mainly resulted from our acquisition of Wuhan Dragon World in 2024.

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Administrative Expenses

Our administrative expenses increased by 37.8% from RMB191.9 million in 2023 to RMB264.5 million in 2024. This increase was primarily mainly due to (i) an increase of RMB59.6 million in employee salary and benefit expenses, resulting from increased vesting of previously granted RSUs and our granting of RSUs to employees in April 2024 under the RSU Scheme, and (ii) an increase of RMB9.9 million in listing expenses relating to the Global Offering.

Net Impairment Losses on Financial Assets

Our impairment losses on financial assets increased significantly from RMB0.2 million in 2023 to RMB1.3 million in 2024, mainly due to an increase in our trade receivables, which was in line with the increase in revenue derived from direct billing settlement.

Other Income

Our other income increased from RMB0.5 million in 2023 to RMB1.3 million in 2024, mainly representing an increase in government subsidies.

Other (Losses)/Gains — Net

We recorded net other losses of RMB0.6 million in 2023, and net other gains of RMB7.5 million in 2024. This fluctuation was primarily due to (i) the net loss of RMB2.3 million on modification and early termination of leases in 2023, contrasting with the net gains of RMB3.2 million on modification and early termination of leases in 2024. For details, see “—Description of Selected Components of Our Consolidated Statements of Profit or Loss — Other (Losses)/Gains — Net”; and (ii) the exchange losses of RMB3.0 million recognized in 2023, compared to the exchange gains of RMB5.2 million in 2024, due to changes in exchange rates.

Operating Loss

As a result of the foregoing, our operating loss decreased by 30.0% from RMB66.9 million in 2023 to RMB46.9 million in 2024.

Finance Costs — Net

Our net finance costs increased by 36.1% from RMB5.9 million in 2023 to RMB8.0 million in 2024, primarily attributable to a decrease in interest income from bank deposits, which mainly resulted from lower market interest rates for bank deposits.

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Fair Value (Loss)/Gain of Convertible Redeemable Preference Shares

We recorded fair value loss of convertible redeemable preference shares of RMB289.4 million in 2023, and fair value gain of convertible redeemable preference shares of RMB128.8 million in 2024. This fluctuation was mainly due to a decrease in the valuation of fair values of convertible redeemable preference shares mainly in relation to the higher probabilities of conversion as a result of increasing expectation of the Listing and the issuance of certain preferred shares during 2024 in relation to the acquisition of Wuhan Dragon World.

Given the convertible redeemable preference shares are not traded in an active securities market, as such, we engaged an independent valuer to assess the fair value of the convertible redeemable preference shares using a discount cash flow model. Changes in the unobservable inputs and estimates and judgements used in the model, particularly the probabilities assigned to the exit scenarios under the equity allocation model, namely the liquidation scenario, the redemption scenario and the conversion scenario, together with other assumptions such as the risk-free rates and volatilities adopted, could affect the fair value of our convertible redeemable preference shares.

Specifically, our valuation model assigned a higher possibilities to the IPO scenario, where preference shares converted into ordinary shares upon the Listing with its preferential rights (such as redemption rights and liquidation preferences) being lapsed, as our proposed Listing date approached. Consequently, the preferential rights attached to preference shares became less valuable under the equity allocation model and option pricing method.

In addition, the issuance of certain preference shares during 2024 also decreased the fair value of convertible redeemable preference shares due to dilution effect. Specifically, the new tranche of preference shares affected the relative economics of the previously issued preference shares, effectively reducing the redemption or liquidation rights attached to the older preference shares. In other words, multiple classes of preference shares were all competing for the same pool of enterprise value, thereby diluting the existing preference shares' preferential rights. The abovementioned reasons led to the transition from loss to gain in 2024 despite the modest increase in our equity value during the period.

Fair Value Gain on Remeasurement of Previously Held Equity Interest in Subsidiaries at the Acquisition Date

Our fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date increased from nil in 2023 to RMB6.0 million in 2024, resulting from our acquisition of Wuhan Dragon World in 2024. For further information, please see “—Description of Selected Components of Our Consolidated Statements of Profit or Loss — Fair Value Gain on Remeasurement of Previously Held Equity Interest in Subsidiaries at the Acquisition Date” above in this section.

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Income Tax Benefit

Our income tax benefit decreased by 94.6% from RMB8.9 million in 2023 to RMB0.5 million in 2024. This was mainly due to a decrease in deferred income tax resulting from reduced deductible tax losses in 2024, resulting from increased taxable profits of some of our PRC subsidiaries.

(Loss)/Profit for the Year

Based on the reasons described above, we recognized a profit for the year of RMB80.2 million in 2024, indicating a significant improvement from the loss for the year of RMB353.2 million in 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 45.9% from RMB473.2 million in 2022 to RMB690.4 million in 2023, primarily attributable to (i) an increase of RMB213.3 million in revenue from healthcare services and (ii) an increase of RMB3.9 million in revenue from others.

- *Healthcare Services.* Our revenue generated from healthcare services increased by 45.7% from RMB466.7 million in 2022 to RMB680.0 million in 2023, primarily due to the following:
 - (i) a significant increase of RMB199.7 million in in-person healthcare services, primarily due to increases in revenue from pediatrics, dentistry, eye care, dermatology and internal medicine. These increases were primarily attributable to the continuous ramping up of our existing healthcare service institutions, growth in membership accounts from 79,734 as of December 31, 2022 to 97,245 as of December 31, 2023, and the resumption of normal operations following the COVID-19 pandemic. With our recruitment of new doctors, our expanded service capacity and the continued implementation of our “whole-family care” model, the number of paid patient visits of these specialties increased from 324,654 in 2022 to 477,221 in 2023. Additionally, the impact of influenza season in 2023 contributed to the revenue growth in pediatrics and internal medicine. In 2023, we achieved steady growth across regions where we operate, primarily due to our centralized management system which ensured that our service quality, the core growth driver, was standardized across all regions;

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- (ii) an increase of RMB1.2 million, or 5.8%, in tele-healthcare services, driven by the increase in the number of paid patient visits on our tele-healthcare service platform from 142,639 to 167,967. This growth was partially offset by the fact that many patients opted for in-person care following the ease of COVID-19 anti-pandemic measures in 2023;
 - (iii) an increase of RMB2.2 million in membership fees, driven by the acquisition of 45,461 new members and a high renewal rate of 56% in 2023. For details, see “Business — Our Healthcare Service Offerings — Healthcare Services — Healthcare Membership Programs” in this prospectus; and
 - (iv) an increase of RMB10.1 million in off-network healthcare services, reflecting the expansion of our medical concierge and escort services and on-campus healthcare management services in 2023.
- *Others.* Our revenue generated from others increased by 61.4% from RMB6.5 million in 2022 to RMB10.4 million in 2023, mainly as a result of the successful ramp-up of “Distinct Selected” online mall since its launch in March 2022.

Cost of Revenue

Our cost of revenue increased by 29.8% from RMB429.2 million in 2022 to RMB556.9 million in 2023, primarily attributable to (i) a rise of RMB49.0 million in employee salary and benefit expenses mainly due to the addition of doctors and other medical professionals. In particular, the number of our full-time doctors increased from 267 as of December 31, 2022 to 297 as of December 31, 2023. This further resulted from the opening of new healthcare service institutions in Guangzhou and Shanghai in 2023 and the relocation and/or expansion of healthcare service institutions in Beijing, Suzhou and Changsha in 2022 and in Shenzhen in 2023, (ii) an increase of RMB37.3 million in cost of pharmaceutical, consumables and other inventories, which was driven by the increase in the number of our paid in-person patient visits, and (iii) an increase of RMB31.6 million in depreciation, primarily due to the opening of new healthcare service institutions as well as the relocation and/or expansion of healthcare service institutions as mentioned above.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly from RMB44.0 million in 2022 to RMB133.5 million in 2023. Our gross profit margin increased from 9.3% in 2022 to 19.3% in 2023, which was primarily due to an increase in gross profit margin of in-person healthcare services, mainly attributable to our enhanced operating efficiency and greater economies of scale we enjoyed due to the increased number of patient visits. Specifically, with the significant rebound of our revenue following the COVID-19 pandemic, a substantial portion of the components of cost of revenue remained relatively stable or increased by a comparatively smaller degree. As of December 31, 2022 and 2023, we had 267 and 297 full-time doctors, representing an 11.2% increase. In 2023, for in-person healthcare

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services, our utilities, office and property management payments remained relatively stable, and depreciation and amortization costs increased by 38.3% from 2022, while our revenue from in-person healthcare services increased by 50.8%.

Selling Expenses

Our selling expenses decreased by 36.6% from RMB12.9 million in 2022 to RMB8.2 million in 2023, primarily due to a reduction of RMB4.6 million in employee salary and benefit expenses, as a result of a decrease in the number of branding and marketing staff in 2023 to streamline personnel structure and enhance operational efficiency.

Administrative Expenses

Our administrative expenses increased by 4.7% from RMB183.3 million in 2022 to RMB191.9 million in 2023. This increase was primarily attributable to (i) an increase of RMB12.3 million in employee benefit expenses as a result of an increase in the compensation level of our management and supporting staff, and (ii) the listing expenses of RMB11.1 million in connection with the Global Offering. This was partially offset by a reduction of RMB15.6 million in depreciation and amortization expenses, mainly due to the commencement of operations of new healthcare service institutions in Guangzhou and Shanghai in 2023, as well as relocated and/or expanded healthcare service institutions in Beijing, Suzhou, Shenzhen and Changsha. We initially recorded depreciation charges for the leases of these healthcare service institutions as administrative expenses before their commencement of operations; however, these depreciation charges were instead recognized in cost of revenue once the operations commenced.

Net Impairment Losses on Financial Assets

Our impairment losses on financial assets increased from RMB0.1 million in 2022 to RMB0.2 million in 2023, mainly due to an increase in our trade receivables, which was in line with the increases in revenue derived from direct billing settlement and in revenue from off-network healthcare services.

Other Income

Our other income decreased by 90.3% from RMB4.7 million in 2022 to RMB0.5 million in 2023, as we recorded gains on rent concessions of RMB3.4 million in 2022 due to the outbreak of COVID-19 pandemic, but did not record similar rent concessions in 2023.

Other (Losses)/Gains — Net

In 2022, we recorded net other gains of RMB10.1 million, while in 2023, we experienced net other losses of RMB0.6 million. This fluctuation was primarily due to the net gains of RMB8.2 million on modification and early termination of leases in 2022, contrasting with the

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net losses of RMB2.3 million on modification and early termination of leases in 2023. For details, see “— Description of Selected Components of Our Consolidated Statements of Profit or Loss — Other (Losses)/Gains — Net.”

Operating Loss

As a result of the foregoing, our operating loss decreased by 51.4% from RMB137.6 million in 2022 to RMB66.9 million in 2023.

Finance Costs — Net

Our net finance costs decreased by 59.0% from RMB14.4 million in 2022 to RMB5.9 million in 2023, primarily attributable to the growth in interest income from bank deposits mainly as a result of increased interest rates, while the interest expense on lease liabilities remained relatively stable.

Fair Value Loss of Convertible Redeemable Preference Shares

Our fair value loss of convertible redeemable preference shares increased significantly from RMB87.4 million in 2022 to RMB289.4 million in 2023, primarily as a result of an increase in our Company’s equity value.

Income Tax Benefit

Our income tax benefit decreased by 49.8% from RMB17.8 million in 2022 to RMB8.9 million in 2023. This was mainly due to a reduction in deferred income tax as a result of a decrease in deductible tax losses in 2023, which was driven by increased taxable profits of certain of our PRC subsidiaries.

Loss for the Year

Based on the reasons described above, our loss for the year increased by 59.5% from RMB221.5 million in 2022 to RMB353.2 million in 2023.

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DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth certain selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment . . .	173,011	187,941	205,584	188,099
Right-of-use assets	284,793	274,921	302,612	288,357
Intangible assets	2,754	2,292	135,977	138,008
Prepayments, deposits and other receivables	83,261	26,926	30,429	27,526
Deferred income tax assets	32,454	42,654	45,591	51,298
Term deposits with initial term of over three months	—	10,223	10,553	—
Total non-current assets	<u>576,273</u>	<u>544,957</u>	<u>730,746</u>	<u>693,288</u>
Current assets				
Financial assets at fair value through profit or loss	324,966	196,565	162,862	334,791
Inventories	19,965	23,046	31,947	34,665
Trade receivables	19,407	36,982	52,154	59,097
Prepayments, deposits and other receivables	13,496	11,213	28,595	24,724
Cash and cash equivalents	146,335	198,327	307,970	158,498
Term deposits with initial term of over three months	—	107,585	11,049	10,219
Total current assets	<u>524,169</u>	<u>573,718</u>	<u>594,577</u>	<u>621,994</u>

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	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES				
Current liabilities				
Trade payables	7,024	5,583	9,705	10,097
Accruals and other payables	106,145	131,537	180,571	135,915
Loan from a non-controlling shareholder of a subsidiary	4,902	10,695	—	—
Contract liabilities	55,572	88,954	130,552	153,783
Current income tax liabilities . . .	—	—	2,379	7,520
Lease liabilities	61,861	62,245	81,478	71,547
Convertible redeemable preference shares	2,026,804	2,337,245	2,411,094	2,325,281
Total current liabilities	2,262,308	2,636,259	2,815,779	2,704,143
Net current liabilities	(1,738,139)	(2,062,541)	(2,221,202)	(2,082,149)
Non-current liabilities				
Contract liabilities	1,956	2,211	1,762	4,404
Lease liabilities	239,994	239,895	257,791	258,521
Deferred income	—	—	9,410	18,820
Deferred income tax liabilities . . .	910	1,639	6	4
Total non-current liabilities . . .	242,860	243,745	268,969	281,749
Net liabilities	(1,404,726)	(1,761,329)	(1,759,425)	(1,670,610)
Equity attributable to owners of the Company				
Share capital	85	85	85	85
Reserves	22,104	18,758	(96,717)	(91,113)
Accumulated losses	(1,434,484)	(1,785,153)	(1,701,348)	(1,615,896)
Non-controlling interests	7,569	4,981	38,555	36,314
Total deficit	(1,404,726)	(1,761,329)	(1,759,425)	(1,670,610)

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Property, Plant and Equipment

During the Track Record Period, our property, plant and equipment primarily consisted of leasehold improvements, medical equipment, vehicles, office equipment, and construction in process. The following table sets forth a breakdown of the net book value of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Leasehold improvements	81,817	103,508	111,253	96,245
Medical equipment	67,904	75,759	84,547	77,144
Vehicles	211	340	285	236
Office equipment	5,681	5,531	5,519	5,591
Construction in process	17,398	2,803	3,980	8,883
Total	173,011	187,941	205,584	188,099

Our property, plant and equipment increased from RMB173.0 million as of December 31, 2022 to RMB187.9 million as of December 31, 2023, primarily due to (i) an increase of RMB21.7 million in leasehold improvements, mainly resulting from the renovations made to our healthcare service institutions, particularly our relocated and expanded clinic in Shenzhen and our new clinic in Shanghai, and (ii) an increase of RMB7.9 million in medical equipment to support the expansion of our healthcare service network, partially offset by a decrease of RMB14.6 million in construction in process due to the completion of certain renovations made to our healthcare service institutions. Our property, plant and equipment further increased to RMB205.6 million as of December 31, 2024, primarily due to (i) an increase of RMB8.8 million in medical equipment, and (ii) an increase of RMB7.7 million in leasehold improvements, mainly arising from the acquisition of Wuhan Dragon World. Our property, plant and equipment then decreased from RMB205.6 million as of December 31, 2024 to RMB188.1 million as of August 31, 2025, primarily due to a decrease of RMB15.0 million in leasehold improvements, mainly due to the depreciation.

Right-of-Use Assets

We are the lessee in respect of certain properties held under leases as healthcare service institution premises and offices during the Track Record Period. For any lease with a term of more than 12 months, unless the underlying asset is of low value, we recognize a right-of-use asset representing our right to use the underlying leased asset and a lease liability representing our obligation to make lease payments. For details, please see Note 14 to the Accountant's Report in Appendix I to this prospectus.

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Our right-of-use assets decreased from RMB284.8 million as of December 31, 2022 to RMB274.9 million as of December 31, 2023, mainly due to depreciation charges in 2023. Our right-of-use assets increased from RMB274.9 million as of December 31, 2023 to RMB302.6 million as of December 31, 2024, primarily due to the addition of leases of RMB53.0 million resulting from the acquisition of Wuhan Dragon World. Our right-of-use assets then decreased to RMB288.4 million as of August 31, 2025, primarily due to the combined effect of rent decrease on the leases and depreciation charges in the eight months ended August 31, 2025.

Intangible Assets

During the Track Record Period, our intangible assets primarily consisted of computer software and goodwill. Our intangible assets relatively remained relatively stable at RMB2.8 million and RMB2.3 million as of December 31, 2022 and 2023, respectively. Our intangible assets increased significantly to RMB136.0 million as of December 31, 2024, primarily attributable to the goodwill of RMB133.9 million arising from the acquisition of Wuhan Dragon World. Our intangible assets then remained relatively stable at RMB138.0 million as of August 31, 2025.

Inventories

During the Track Record Period, our inventories consisted of pharmaceuticals, medical consumables and others. We actively monitor the inventory level to minimize the risk of inventory shortage or accumulation. We did not experience any material shortage or accumulation of inventories during the Track Record Period. The following table sets forth our inventory balances as at the dates indicated.

	As of December 31,			As of
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
Pharmaceuticals	6,878	7,782	11,699	13,441
Medical consumables	8,083	11,236	16,324	15,261
Others ⁽¹⁾	5,004	4,028	3,924	5,963
Total	19,965	23,046	31,947	34,665

Note:

- (1) Others mainly consist of the inventories of office supplies and healthcare products for sales on our online mall.

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The following table sets forth our inventory turnover days for the years/period indicated.

	Year Ended December 31,			Eight Months Ended August 31,
	2022	2023	2024	2025
Inventory turnover days ⁽¹⁾ . . .	15.4	14.1	13.7	15.3

Note:

- (1) Inventory turnover days equals the average of the opening and closing inventory balances of the year/period divided by cost of revenue for the relevant year/period, and multiplied by 365 days for 2022, 2023 and 2024 and 243 days for the eight months ended August 31, 2025.

During the Track Record Period, our inventory turnover days remained relatively stable.

Our inventories increased from RMB20.0 million as of December 31, 2022 to RMB23.0 million as of December 31, 2023, which further increased to RMB31.9 million as of December 31, 2024, mainly due to our increased inventories of pharmaceuticals and medical consumables in line with our business expansion. Our inventories further increased to RMB34.7 million as of August 31, 2025, mainly due to our increased inventories of pharmaceuticals in line with our business expansion. This growth rate in inventories, which was slower compared to the increases in revenue and costs, reflects our efforts in managing procurement and inventory levels effectively.

The following table sets forth the aging analysis of our inventories as of the dates indicated.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 180 days	17,989	19,729	27,516	28,920
181 days to 1 year	1,974	1,730	2,326	3,630
Over 1 year	2	1,587	2,105	2,115
Total	19,965	23,046	31,947	34,665

As of November 30, 2025, RMB25.7 million, or 74.2%, of our inventories as of August 31, 2025 had been subsequently utilized/sold.

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Trade Receivables

During the Track Record Period, our trade receivables mainly consisted of (i) the amounts due from medical insurance companies and third-party administrators, arising from the direct billing settlement for certain healthcare services we provided to patients under the relevant insurance policies, and (ii) the amounts due from corporate customers for our on-campus and corporate healthcare services. We typically grant a credit term of one month to these customers, including corporate customers and customers who pay for services by direct billing settlement. The following table sets forth our trade receivables as of the dates indicated.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	19,489	37,172	53,195	61,552
Less: allowance for impairment of trade receivables	(82)	(190)	(1,041)	(2,455)
Total	<u>19,407</u>	<u>36,982</u>	<u>52,154</u>	<u>59,097</u>

Our trade receivables were RMB19.4 million, RMB37.0 million and RMB52.2 million and RMB59.1 million as of December 31, 2022, 2023 and 2024, and August 31, 2025 respectively. The continued increase in trade receivables was primarily due to (i) a growth in the balance due from medical insurance companies and third-party administrators as we actively sought to expand our business under direct billing settlement. In particular, in 2024, the proportion of revenue derived from direct billing settlement through commercial medical insurance policies increased to 12.3% from 8.4% in 2022. This, along with significant revenue growth, contributed to the increase in trade receivables as of December 31, 2024. For further information, see “Business — Our Customers — Settlement Methods — Commercial Medical Insurance Policies” in this prospectus; (ii) an increase in the balance due from corporate customers, driven by the growth of our on-campus healthcare services. Our trade receivables increased from RMB52.2 million as of December 31, 2024 to RMB59.1 million as of August 31, 2025, mainly due to the increased revenue derived from direct billing settlement with commercial insurance companies and third-party administrators.

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The following table sets forth our trade receivable turnover days for the years/periods indicated.

	Year Ended December 31,			Eight Months Ended August 31,
	2022	2023	2024	2025
Trade receivable turnover days ⁽¹⁾ .	12.8	14.9	17.0	19.5

Note:

- (1) The trade receivable turnover days equals the average of the opening and ending balance of trade receivables of the year/period divided by revenue for the relevant year/period, and multiplied by 365 days for 2022, 2023 and 2024 and 243 days for the eight months ended August 31, 2025.

During the Track Record Period, our trade receivables turnover days increased slightly from 12.8 days in 2022 to 14.9 days in 2023, then to 17.0 days in 2024, and further to 19.5 days in the first eight months of 2025. The continued increase in trade receivable turnover days was mainly due to the increased proportion of revenue derived from direct billing settlement and healthcare services offered to corporate customers.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 60 days	12,182	25,515	32,743	35,994
60 days to 1 year	7,185	11,339	18,781	20,845
1 to 2 years	71	277	1,548	4,428
Over 2 years	51	41	123	285
Total	19,489	37,172	53,195	61,552

As of November 30, 2025, RMB34.7 million, or 56.5%, of our trade receivables as of August 31, 2025 had been subsequently settled.

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Prepayments, Deposits and Other Receivables

During the Track Record Period, our prepayments primarily included prepayments for (i) purchase of goods, mainly pharmaceuticals and medical consumables, (ii) prepaid expenses, (iii) listing expenses relating to the Global Offering, (iv) purchase of equipment and leasehold improvement, and (v) lease. Our deposits and other receivables primarily consisted of (i) rental and other deposits for property leases and procurement of medical equipment, (ii) staff advances, primarily representing petty cash advanced to staff for daily operations, which were unsecured, interest-free and repayable on demand, and (iii) amounts due from a non-controlling shareholder of a subsidiary arising from our acquisition of Wuhan Dragon World, which were unsecured, interest-free and repayable on demand. The following table sets forth a breakdown of our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Included in current assets				
Deposits and other receivables				
– Rental and other deposits	1,093	603	913	1,994
– Staff advances	3,171	2,335	2,996	3,466
– Amounts due from related party	47	48	–	–
– Amounts due from a non-controlling shareholder of a subsidiary	–	–	9,500	–
– Others	683	120	542	320
Less: provision for impairment of deposits and other receivables .	(75)	(43)	(143)	(92)
	4,919	3,063	13,808	5,688
Prepayments for				
– Purchase of goods	5,549	3,431	2,951	3,107
– Prepaid expenses	3,028	3,776	8,910	12,728
– Listing expenses	–	943	2,926	3,201
	8,577	8,150	14,787	19,036
<i>Subtotal</i>	<i>13,496</i>	<i>11,213</i>	<i>28,595</i>	<i>24,724</i>

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	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Included in non-current assets				
Deposits and other receivables				
– Rental and other deposits	<u>28,677</u>	<u>22,534</u>	<u>27,714</u>	<u>26,532</u>
Less: provision for impairment of other receivables	<u>(254)</u>	<u>(202)</u>	<u>(234)</u>	<u>(209)</u>
	28,423	22,332	27,480	26,323
Prepayments for				
– Purchase of equipment and leasehold improvement	8,861	4,594	2,576	1,000
– Purchase of computer software .	1,100	–	373	203
– Lease	<u>44,877</u>	<u>–</u>	<u>–</u>	<u>–</u>
	54,838	4,594	2,949	1,203
<i>Subtotal</i>	<u>83,261</u>	<u>26,926</u>	<u>30,429</u>	<u>27,526</u>
Total	<u>96,757</u>	<u>38,139</u>	<u>59,024</u>	<u>52,250</u>

Our prepayments, deposits and other receivables decreased by 60.6% from RMB96.8 million as of December 31, 2022 to RMB38.1 million as of December 31, 2023, primarily due to (i) a decrease of RMB44.9 million in prepayments for lease as the relevant prepayment was returned in 2023 following the termination of a lease agreement, and (ii) a decrease of RMB6.6 million in rental and other deposits mainly attributable to the refunds of deposits for the relocation of certain healthcare service institutions. Our prepayments, deposits and other receivables increased by 54.8% from RMB38.1 million as of December 31, 2023 to RMB59.0 million as of December 31, 2024, primarily due to (i) an increase of RMB9.5 million in amounts due from a non-controlling shareholder of a subsidiary arising from the acquisition of Wuhan Dragon World, which is unsecured, interest-free and repayable on demand, and is expected to be settled within six months, and (ii) an increase of RMB5.5 million in rental and other deposits mainly arising from the acquisition of Wuhan Dragon World. Our prepayments, deposits and other receivables decreased by 11.5% from RMB59.0 million as of December 31, 2024 to RMB52.3 million as of August 31, 2025, primarily due to a decrease of RMB9.5 million in amounts due from a non-controlling shareholder of a subsidiary as we had settled such receivables as of August 31, 2025.

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Financial Assets at Fair Value through Profit or Loss

During the Track Record Period, our financial assets at fair value through profit or loss comprised (i) bank financial products, namely, short-term investments in low-risk financial instruments issued by reputable commercial banks with non-determinable return rate, and (ii) our investment in a listed equity security. Our financial assets at fair value through profit or loss decreased from RMB325.0 million as of December 31, 2022 to RMB196.6 million as of December 31, 2023. The decline was primarily due to the maturity of certain structured deposits in 2023, after which we chose to place funds in bank deposits instead of bank financial products. As of December 31, 2024, our financial assets at fair value through profit or loss further decreased to RMB162.9 million, primarily because of the maturity of additional bank financial products, which in turn contributed to an increase in our cash and cash equivalents. Our financial assets at fair value through profit or loss increased from RMB162.9 million to RMB334.8 million as of August 31, 2025, primarily as we purchased more bank financial products in the first eight months of 2025.

We have implemented a structured internal control mechanism to conduct treasury management and safeguard our exposure to investment risks, and followed a rigorous process for making investment decisions in line with our internal policies.

Prior to making any investments, we undertake thorough evaluations and analyses. This process ensures careful examination of investment opportunities, taking into account our overall financial condition, market and investment environment, economic developments, investment costs, duration of investment, and expected returns as well as potential risks.

In terms of governance and approval procedures, our annual plans, including those regarding investment, require approval from the Board of Directors. Moreover, any investment in public or private entities, or any external investment transaction exceeding a certain threshold must receive prior approval from the Board before proceeding. Additionally, finance department is responsible for centrally managing our wealth management activities utilizing our surplus funds. By strategically allocating our funds across bank deposits as well as other low-risk investment instruments, we aim to preserve capital and generate returns, while ensuring the safety and liquidity of our funds. The purchase of such investment instruments is subject to our internal hierarchical approval process, which may involve approval from the head of the finance department or the Chief Executive Officer, who has extensive experience in financial management and investment oversight.

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Under our treasury management policies, our wealth management arrangements should be aligned with our overall treasury planning and structured in a reasonable manner over time. When we have ample surplus funds, we can adopt a combination of long-term and short-term investment strategies; when our funds are relatively tight, we should prioritize maintaining sufficient liquidity by increasing the proportion of short-term investments. Our wealth management approach is primarily focused on preserving the principal. We allocate our surplus funds across various investment instruments with differing risk profiles, such as bank deposits, structured deposits, and principal-protected wealth management products, in order to enhance our investment returns. However, we do not invest in any wealth management products that cannot guarantee the safety of the principal. When selecting investment options, we compare the relevant information from two or more financial institutions and their products, including the duration of investment, return rates, safety, and flexibility. We then make a comprehensive assessment considering our budgets and the risk profiles of investment instruments before deciding on the optimal choice.

After making an investment, our finance department is responsible for maintaining detailed account records to ensure the completeness and timeliness of the information. Our finance department also closely monitor the performance of our investments.

In the past we have sought, and may continue to seek, investments that can provide better returns than regular bank deposits. Following the Listing, our investment in financial assets will be subject to the compliance with the requirements under Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

During the Track Record Period, our cash and cash equivalents primarily consisted of cash on hand and bank deposits with an initial term of no more than three months. As of December 31, 2022, 2023 and 2024 and August 31, 2025, our cash and cash equivalents were denominated in U.S. dollars, Renminbi, Singapore dollars, and Hong Kong dollars. As of December 31, 2022, 2023 and 2024 and August 31, 2025, we had cash and cash equivalents of RMB146.3 million, RMB198.3 million, RMB308.0 million and RMB158.5 million, respectively.

Trade Payables

During the Track Record Period, our trade payables primarily represented outstanding amounts due to our suppliers of pharmaceuticals and medical consumables. Our trade payables decreased by 20.5% from RMB7.0 million as of December 31, 2022 to RMB5.6 million as of December 31, 2023, reflecting our efforts to control our procurement and inventories. Our trade payables increased by 73.8% from RMB5.6 million as of December 31, 2023 to RMB9.7 million as of December 31, 2024, primarily due to the acquisition of Wuhan Dragon World. Our trade payables remained relatively stable at RMB10.1 million as of August 31, 2025.

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Our suppliers generally offer us a credit term of 30 to 50 days. The trade payable turnover days equals the average of the opening and ending balance of trade payables of the period divided by cost of revenue for the relevant period, and multiplied by 365 days for 2022, 2023 and 2024 and 243 days for the eight months ended August 31, 2025. During the Track Record Period, our trade payable turnover days remained relatively stable, with approximately 4.7 days in 2022, 4.1 days in 2023, 3.8 days in 2024 and 4.6 days for the eight months ended August 31, 2025.

The following table sets forth the aging analysis of our trade payables as of the dates indicated.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 1 year	6,957	5,385	8,981	9,781
Over 1 year	67	198	724	316
Total	<u>7,024</u>	<u>5,583</u>	<u>9,705</u>	<u>10,097</u>

As of November 30, 2025, RMB7.2 million, or 71.2%, of our trade payables as of August 31, 2025 had been subsequently settled.

Accruals and Other Payables

During the Track Record Period, our accruals and other payables primarily consisted of (i) employee benefits, including salaries and bonuses payable at the end of the year; (ii) stored-value in membership accounts, which represented advance receipts from our members that can be used to settle their payments within our healthcare service institution network. Such stored-value has no expiry date and is refundable on demand. See “Business — Our Customers — Settlement Methods — Stored-Value in Membership Accounts” for more details; (iii) other taxes payable; (iv) other payables for guaranteed deposits; (v) payable for repurchase shares of a subsidiary, representing the outstanding consideration due to non-controlling shareholder of Wuhan Dragon World for the repurchase of shares, which had been settled subsequently. See “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World” for more details; and (vi) accrued listing expense payable in relation to the Global Offering. The following table sets forth a breakdown of our accruals and other payables as of the dates indicated.

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	As of December 31,			As of
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
Employee benefits	56,500	82,616	98,697	82,248
Stored-value in membership				
accounts	38,743	35,364	34,441	32,760
Other taxes payable	2,942	4,407	4,322	3,440
Other payables for guaranteed				
deposits	5,281	5,692	4,163	3,619
Payable for repurchase shares of				
a subsidiary	—	—	27,000	—
Accrued listing expense payable .	—	—	5,240	6,288
Others	2,679	3,458	6,708	7,560
Total	106,145	131,537	180,571	135,915

Our accruals and other payables increased by 23.9% from RMB106.1 million as of December 31, 2022 to RMB131.5 million as of December 31, 2023, primarily attributable to an increase of RMB26.1 million in our employee benefits, resulting from the increased number of our employees in 2023, partially offset by a decrease of RMB3.4 million in stored-value in membership accounts. Our accruals and other payables increased by 37.3% from RMB131.5 million as of December 31, 2023 to RMB180.6 million as of December 31, 2024, mainly due to (i) an increase of RMB27.0 million in payable for repurchase shares of a subsidiary in connection with the Wuhan Dragon World's registered capital reduction (see "History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World"); and (ii) an increase of RMB16.1 million in employee benefits, resulting from the increased number of our employees. Our accruals and other payables decreased by 24.7% from RMB180.6 million as of December 31, 2024 to RMB135.9 million as of August 31, 2025, primarily attributable to (i) a decrease of RMB27.0 million in payable for repurchase shares of a subsidiary mainly because we settled such payment in the first eight months of 2025, and (ii) a decrease in employee benefits mainly because we settled the annual bonuses accrued at year end in the first eight months of 2025.

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Loan From A Non-Controlling Shareholder of A Subsidiary

In 2022 and 2023, we obtained a loan with a principal amount of RMB4.9 million and RMB5.5 million, respectively, from Guangzhou Humansa Health Management Consulting Co., Ltd. (廣州仁山優社健康管理諮詢有限公司), a non-controlling shareholder of one of our subsidiaries, Distinct Shenzhen. According to the investment agreement entered into in 2022 for the establishment of Distinct Shenzhen, the shareholders, including ourselves and the non-controlling shareholder, committed to provide Distinct Shenzhen with loans in multiple tranches based on its operational needs. We committed to provide a loan of up to RMB20.4 million, while the non-controlling shareholder committed up to RMB19.6 million, with the specific amounts to be determined in separate loan agreements. Since Distinct Shenzhen is our subsidiary, the loan we provided to it is eliminated on consolidation. The loan obtained from the non-controlling shareholder is non-trade in nature, and is intended to support the normal business operations of Distinct Shenzhen. As of December 31, 2022 and 2023, the balance of the loan from a non-controlling shareholder of a subsidiary amounted to RMB4.9 million and RMB10.7 million, respectively. The loan was unsecured, bearing interest rate with 3.7% per annum and repayable on demand. The loan from a non-controlling shareholder of a subsidiary was fully settled in October 2024. As of December 31, 2024, the balance of the loan from a non-controlling shareholder of a subsidiary was nil.

Convertible Redeemable Preference Shares

We had convertible redeemable preference shares of RMB2,026.8 million, RMB2,337.2 million, RMB2,411.1 million and RMB2,325.3 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively. During the Track Record Period, our convertible redeemable preference shares represented the convertible redeemable preference shares that we issued to Pre-IPO Investors. We designated the convertible redeemable preference shares as financial liabilities at fair value through profit or loss. Subsequent to initial recognition, the fair value change of convertible redeemable preference shares is recognized in profit or loss except for the portion attributable to the Company's own credit risk which is recognized in other comprehensive income, if any. Since our convertible redeemable preference shares can be converted into ordinary Shares at the option of the holders any time, our convertible redeemable preference shares were classified as current liabilities as of December 31, 2022, 2023 and 2024 and August 31, 2025. The convertible redeemable preference shares will be automatically converted into ordinary Shares and accounted for as an increase in share capital and share premium upon the Listing, after which we do not expect to recognize any further loss or gain on fair value changes from the convertible redeemable preference shares. For details, see "History, Reorganization and Corporate Structure — Pre-IPO Investments — Special Rights of the Pre-IPO Investors" and Note 27 to the Accountant's Report in Appendix I to this prospectus.

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Lease Liabilities

Our lease liabilities mainly represent the amount to be paid for the leases of our healthcare service institution premises and offices. For details, please see Note 14 to the Accountant's Report in Appendix I to this prospectus. The following table sets forth a breakdown of our leased liabilities as of the dates indicated.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities				
– Current	61,861	62,245	81,478	71,547
– Non-current	239,994	239,895	257,791	258,521
Total	301,855	302,140	339,269	330,068

During the Track Record Period, our lease liabilities amounted to RMB301.9 million, RMB302.1 million, RMB339.3 million and RMB330.1 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, respectively. The continued increase in our lease liabilities from December 31, 2022 to December 31, 2024 was mainly in relation to the establishment, expansion and relocation of some of our healthcare service institutions. The decrease in our lease liabilities from December 31, 2024 to August 31, 2025 was mainly due to the lease payments we made.

Contract Liabilities

Our contract liabilities mainly represent (i) payment received for prepaid package from patients while the underlying services are yet to be provided; and (ii) annual membership fees received which are amortized using the straight-line method over a period of 12 months. As of December 31, 2022, 2023 and 2024 and August 31, 2025, we had contract liabilities of RMB57.5 million, RMB91.2 million, RMB132.3 million and RMB158.2 million, respectively. The increase in our contract liabilities during the Track Record Period was primarily due to the growth of our business.

We recognized revenue of RMB33.7 million, RMB55.6 million, RMB89.0 million and RMB130.6 million in 2022, 2023 and 2024 and the eight months ended August 31, 2025, respectively, in relation to the carried-forward contract liabilities as of the beginning of respective year.

As of November 30, 2025, RMB60.8 million, or 38.4%, of our contract liabilities as of August 31, 2025 had been subsequently recognized as revenue.

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LIQUIDITY AND CAPITAL RESOURCES

Overview

Our business operations and expansion plans require a significant amount of capital to upgrade and expand our healthcare service network and other working capital requirements. During the Track Record Period, we financed our capital expenditures and working capital requirements mainly through cash generated from operating activities and financing activities. Going forward, we believe our liquidity requirements will be satisfied by a combination of the estimated net proceeds from the Global Offering, cash generated from our operations and financing activities. As of November 30, 2025, our cash and cash equivalents amounted to RMB226.1 million.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the years/periods indicated.

	Year Ended December 31,			Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(unaudited)</i>	
Cash generated from					
operations.	5,708	115,244	164,829	84,310	111,333
Interest received	1,168	8,581	7,017	5,945	1,502
Income taxes paid	(15)	(60)	(508)	(507)	(386)
Net cash generated from					
operating activities	6,861	123,765	171,338	89,748	112,449
Net cash (used					
in)/generated investing					
activities.	(209,053)	(1,477)	85,982	55,243	(179,454)
Net cash used in financing					
activities.	(52,383)	(72,430)	(150,253)	(90,569)	(79,793)
Net (decrease)/increase in					
cash and cash					
equivalents	(254,575)	49,858	107,067	54,422	(146,798)
Cash and cash equivalents					
at the beginning of the					
year	383,288	146,335	198,327	198,327	307,970
Exchange gains/(losses) on					
cash and cash					
equivalents	17,622	2,134	2,576	2,236	(2,674)
Cash and cash					
 equivalents at end of					
 the year/period	146,335	198,327	307,970	254,985	158,498

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Net Cash Flows Generated From Operating Activities

For the eight months ended August 31, 2025, our net cash generated from operating activities was RMB112.4 million. This net cash inflow was primarily attributable to our profit before income tax of RMB83.0 million, as adjusted for non-cash and non-operating items, which mainly included depreciation and amortization of RMB90.3 million, partially offset by fair value change of convertible redeemable preference shares included in profit or loss of RMB77.3 million due to a change in our Company's equity value. The amount was further adjusted by changes in working capital, mainly including an increase in contract liabilities of RMB25.9 million, which was partially offset by a decrease in accruals and other payables of RMB17.7 million.

For the year ended December 31, 2024, our net cash generated from operating activities was RMB171.3 million. This net cash inflow was primarily attributable to our profit before income tax of RMB79.7 million, as adjusted for non-cash and non-operating items, which mainly included (i) depreciation and amortization of RMB135.8 million, and (ii) share-based compensation expenses of RMB38.4 million, partially offset by fair value gain of convertible redeemable preference shares of RMB128.8 million due to decreased valuation of such shares. The amount was further adjusted by changes in working capital, mainly including (i) an increase in contract liabilities of RMB40.3 million, and (ii) an increase in accruals and other payables of RMB11.6 million, which was partially offset by an increase in trade receivables of RMB16.3 million.

For the year ended December 31, 2023, our net cash generated from operating activities was RMB123.8 million. This net cash inflow was primarily attributable to our loss before income tax of RMB362.2 million, as adjusted for non-cash and non-operating items, which mainly included (i) fair value loss of convertible redeemable preference shares of RMB289.4 million as a result of an increase in the Company's equity value, (ii) depreciation and amortization of RMB127.1 million, and (iii) interest expense of RMB16.0 million mainly in relation to lease liabilities, partially offset by interest income from bank deposits of RMB10.1 million. The amount was further adjusted by changes in working capital, mainly including (i) an increase in contract liabilities of RMB33.6 million primarily due to the growth of our business, and (ii) an increase in accruals and other payables of RMB28.9 million primarily due to the increased accruals for employee benefits driven by the increased number of employees, which was partially offset by an increase in trade receivables of RMB17.9 million.

For the year ended December 31, 2022, our net cash generated from operating activities was RMB6.9 million. This net cash inflow was primarily attributable to our loss before income tax of RMB239.3 million, as adjusted for non-cash and non-operating items, which mainly included (i) depreciation and amortization of RMB111.1 million, (ii) fair value loss of convertible redeemable preference shares of RMB87.4 million as a result of an increase in the Company's equity value, and (iii) interest expense on lease liabilities of RMB15.5 million, partially offset by fair value gains from bank financial products of RMB9.4 million and net gains on modification and early termination of leases of RMB8.2 million. The amount was further adjusted by changes in working capital, mainly including (i) an increase in accruals and

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other payables of RMB33.3 million, which was primarily due to the increased accruals for employee benefits resulting from the increased number of employees, and (ii) an increase in contract liabilities of RMB21.7 million, which was partially offset by an increase in prepayments, deposits and other receivables of RMB8.5 million.

Net Cash Flows (Used in)/Generated From Investing Activities

For the eight months ended August 31, 2025, our net cash used in investing activities was RMB179.5 million, primarily attributable to (i) payments for financial assets at fair value through profit or loss of RMB765.7 million, and (ii) purchases of property, plant and equipment of RMB25.9 million, partially offset by (i) proceeds from disposal of financial assets at fair value through profit or loss of RMB594.5 million, and (ii) withdrawal of term deposits with initial term of over three months of RMB11.1 million.

For the year ended December 31, 2024, our net cash generated from investing activities was RMB86.0 million, primarily attributable to (i) proceeds from disposal of financial assets at fair value through profit or loss of RMB1,005.5 million, and (ii) withdrawal of term deposits with initial term of over three months of RMB109.4 million, partially offset by (i) payments for financial assets at fair value through profit or loss of RMB967.4 million, (ii) acquisition of subsidiaries, net of cash acquired of RMB87.9 million, and (iii) purchase of property, plant and equipment of RMB58.0 million.

For the year ended December 31, 2023, our net cash used in investing activities was RMB1.5 million, primarily attributable to (i) payments for financial assets at fair value through profit or loss of RMB825.1 million, (ii) placement of term deposits with initial term of over three months of RMB325.2 million, and (iii) purchase of property, plant and equipment of RMB66.4 million, partially offset by (i) proceeds from disposal of financial assets at fair value through profit or loss of RMB963.1 million, and (ii) withdrawal of term deposits with initial term of over three months of RMB208.9 million.

For the year ended December 31, 2022, our net cash used in investing activities was RMB209.1 million, primarily attributable to (i) payments for financial assets at fair value through profit or loss of RMB1,908.1 million, and (ii) purchase of property, plant and equipment of RMB86.8 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB1,789.3 million.

Net Cash Flows Used In Financing Activities

For the eight months ended August 31, 2025, our net cash used in financing activities was RMB79.8 million, primarily attributable to (i) principal elements of lease payments of RMB43.8 million, and (ii) payments for acquisition of additional shares of subsidiaries of RMB27.0 million.

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For the year ended December 31, 2024, our net cash used in financing activities was RMB150.3 million, primarily attributable to (i) principal elements of lease payments of RMB61.6 million, (ii) payments for acquisition of additional shares of subsidiaries of RMB59.4 million, and (iii) interests paid for leases liabilities of RMB16.3 million.

For the year ended December 31, 2023, our net cash used in financing activities was RMB72.4 million, primarily attributable to (i) principal elements of lease payments of RMB61.2 million, and (ii) interests paid for leases liabilities of RMB15.7 million.

For the year ended December 31, 2022, our net cash used in financing activities was RMB52.4 million, attributable to (i) principal elements of lease payments of RMB56.4 million, and (ii) interests paid for leases liabilities of RMB15.5 million, partially offset by capital contribution from a non-controlling shareholder of RMB14.7 million.

Net Current Liabilities

The following table sets forth details of our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of August 31,	As of November 30,
	2022	2023	2024	2025	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Current assets					
Financial assets at fair value through profit or loss	324,966	196,565	162,862	334,791	294,245
Inventories	19,965	23,046	31,947	34,665	35,227
Trade receivables	19,407	36,982	52,154	59,097	77,192
Prepayments, deposits and other receivables	13,496	11,213	28,595	24,724	29,634
Term deposits with initial term of over three months	–	107,585	11,049	10,219	10,855
Cash and cash equivalents	146,335	198,327	307,970	158,498	226,091
Total current assets . . .	524,169	573,718	594,577	621,994	673,244

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	As of December 31,			As of August 31,	As of November 30,
	2022	2023	2024	2025	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>
Current liabilities					
Trade payables	7,024	5,583	9,705	10,097	8,868
Accruals and other payables	106,145	131,537	180,571	135,915	168,275
Loan from a non- controlling shareholder of a subsidiary	4,902	10,695	—	—	—
Contract liabilities	55,572	88,954	130,552	153,783	168,131
Current income tax liabilities	—	—	2,379	7,520	7,520
Lease liabilities	61,861	62,245	81,478	71,547	77,857
Convertible redeemable preference shares	2,026,804	2,337,245	2,411,094	2,325,281	2,277,434
Total current liabilities.	<u>2,262,308</u>	<u>2,636,259</u>	<u>2,815,779</u>	<u>2,704,143</u>	<u>2,708,085</u>
Net current liabilities . .	<u>(1,738,139)</u>	<u>(2,062,541)</u>	<u>(2,221,202)</u>	<u>(2,082,149)</u>	<u>(2,034,841)</u>

Our net current liabilities increased from RMB1,738.1 million as of December 31, 2022 to RMB2,062.5 million as of December 31, 2023, primarily attributable to an increase of RMB310.4 million in convertible redeemable preference shares, which was further due to an increase in our Company's equity value and fluctuations in the exchange rate between Renminbi and U.S. dollars.

Our net current liabilities increased from RMB2,062.5 million as of December 31, 2023 to RMB2,221.2 million as of December 31, 2024, mainly attributable to an increase of RMB73.8 million in convertible redeemable preference shares, which was further due to the subsequent issue of 1,849,100 Series D Preferred Shares in March 2024 to acquire the equity interest in Wuhan Dragon World (see "History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World") and fluctuations in the exchange rate between Renminbi and U.S. dollars.

Our net current liabilities decreased from RMB2,221.2 million as of December 31, 2024 to RMB2,082.1 million as of August 31, 2025, mainly attributable to a decrease of RMB85.8 million in convertible redeemable preference shares, primarily as a result of a change in our Company's equity value.

We expect to record net current assets and net assets after Listing, as all of our convertible redeemable preference shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary Shares upon Listing. Additionally, we plan to continue improving our liquidity position in the following aspects: (i) improving cash flow from

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operations by increasing profitability through business expansion and revenue growth while managing costs and enhancing operational efficiency; (ii) receiving net proceeds from the Global Offering of approximately HK\$219.1 million (assuming the Over-Allotment Option is not exercised and at an Offer Price of HK\$62.15 per Share, being the mid-point of the indicative Offer Price range); and (iii) implementing stringent cash management measures. We closely monitor and manage our cash position and cash requirements to determine the usage and allocation of cash in our operations and meet our working capital needs.

Working Capital Sufficiency

During the Track Record Period, we funded our operations primarily with cash generated from operating activities and funds raised from equity financings. We manage our cash flow and working capital mainly through closely monitoring our operations and expansion plans. We also diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations and expansion plans.

Taking into account the financial resources available to us, including cash flow from operating activities and the estimated net proceeds from the Global Offering, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this prospectus.

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratios as of the dates and for the years/periods indicated.

	For the Year Ended December 31,			For the Eight Months Ended August 31,	
	2022	2023	2024	2024	2025
	<i>(unaudited)</i>				
Gross profit					
margin ⁽¹⁾	9.3%	19.3%	23.6%	24.8%	24.0%
Operating margin ⁽²⁾ . .	(29.0%)	(9.7%)	(4.9%)	(4.9%)	1.8%
Net (loss)/profit					
margin ⁽³⁾	(46.8%)	(51.2%)	8.4%	8.5%	12.0%
Adjusted net					
(loss)/profit margin					
(a non-IFRS					
measure) ⁽⁴⁾	(26.0%)	(6.3%)	1.1%	4.0%	1.5%

Notes:

(1) Gross profit margin equals gross profit divided by revenue.

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- (2) Operating margin equals operating (loss)/profit divided by revenue.
- (3) Net (loss)/profit margin equals net (loss)/profit divided by revenue.
- (4) Adjusted net (loss)/profit margin (a non-IFRS measure) equals adjusted net (loss)/profit (a non-IFRS measure) divided by revenue.

	As of December 31,			As of August 31,
	2022	2023	2024	2025
Current ratio ⁽¹⁾	0.2	0.2	0.2	0.2

Note:

- (1) Current ratio equals total current assets divided by total current liabilities.

See “— Period to Period Comparison of Results of Operations” in this section for a discussion of the factors affecting our results of operations during the respective periods.

Current Ratio

As of December 31, 2022, 2023, 2024 and August 31, 2025, our current ratio remained stable at 0.2.

INDEBTEDNESS

Indebtedness

Our indebtedness during the Track Record Period principally consisted of convertible redeemable preference shares, lease liabilities and a loan from a non-controlling shareholder of a subsidiary. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of August 31,	As of November 30,
	2022	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Convertible redeemable preference shares	2,026,804	2,337,245	2,411,094	2,325,281	2,277,434
Lease liabilities	301,855	302,140	339,269	330,068	300,881
Loan from a non- controlling shareholder of a subsidiary	4,902	10,695	—	—	—
Total	<u>2,333,561</u>	<u>2,650,080</u>	<u>2,750,363</u>	<u>2,655,349</u>	<u>2,578,315</u>

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We had convertible redeemable preference shares of RMB2,026.8 million, RMB2,337.2 million, RMB2,411.1 million, RMB2,325.3 million and RMB2,277.4 million as of December 31, 2022, 2023 and 2024, August 31, 2025 and November 30, 2025, respectively, which represented the convertible redeemable preference shares that we issued to Pre-IPO Investors. The increase from 2022 to 2023 was mainly due to the fair value change of convertible redeemable preference shares, which reflected the growth in the Company's equity value, as well as fluctuations in the exchange rate between Renminbi and U.S. dollars. The increase from 2023 to 2024 was attributable to the issue of 1,849,100 Series D Preferred Shares in March 2024 to acquire the equity interest in Wuhan Dragon World (see "History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World") and fluctuations in the exchange rate between Renminbi and U.S. dollars. Additionally, the decrease from RMB2,750.4 million as of December 31, 2024 to RMB2,655.3 million as of August 31, 2025 was attributable to the fair value change of convertible redeemable preference shares caused by a change in Company's equity value, as well as fluctuations in the exchange rate between Renminbi and U.S. dollars.

We had lease liabilities of RMB301.9 million, RMB302.1 million, RMB339.3 million, RMB330.1 million and RMB300.9 million as of December 31, 2022, 2023 and 2024, August 31, 2025 and November 30, 2025, respectively, which mainly represented the amount to be paid for the leases of our healthcare service institution premises and offices. The continued increase from 2022 to 2024 was mainly in relation to the establishment, expansion and relocation of some of our healthcare service institutions. The decrease from December 31, 2024 to August 31, 2025 was mainly due to the lease payments we made.

We had a loan from a non-controlling shareholder of one of our subsidiaries, which amounted to RMB4.9 million, RMB10.7 million, nil, nil and nil as of December 31, 2022, 2023 and 2024, August 31, 2025 and November 30, 2025, respectively. This loan was obtained from Guangzhou Humansa Health Management Consulting Co., Ltd. (廣州仁山優社健康管理諮詢有限公司), a non-controlling shareholder of one of our subsidiaries, Distinct Shenzhen, with a principal amount of RMB4.9 million in 2022 and an additional RMB5.5 million in 2023. The purpose of the loan was to support the normal business operations of the relevant subsidiary. The loan was unsecured, bearing interest rate with 3.7% per annum and repayable on demand. The loan from a non-controlling shareholder of a subsidiary was fully settled in October 2024.

Our Directors confirm that there has not been any material change in our indebtedness since November 30, 2025, being the latest practicable date for the purpose of our indebtedness statement, to the date of this prospectus. We had unutilized bank facilities of RMB30.0 million as of November 30, 2025.

Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. There was no material restrictive covenant in our indebtedness which could significantly limit our ability to undertake additional debt or equity financing during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, we did not have plans for other

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material external debt financing. We do not anticipate any changes to the availability of bank financing to finance our operations in the future, although we cannot assure you that we will be able to access bank financing on favorable terms or at all.

Contingent Liabilities

Except as disclosed above, we did not have, as of November 30, 2025, any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period primarily consisted of purchases of property, plant and equipment and intangible assets. Our capital expenditures were RMB90.5 million, RMB73.4 million, RMB61.1 million and RMB30.6 million, respectively, in 2022, 2023 and 2024 and the eight months ended August 31, 2025, including RMB88.1 million, RMB71.7 million, RMB60.0 million and RMB27.9 million for purchases of property, plant and equipment in 2022, 2023 and 2024 and the eight months ended August 31, 2025, respectively.

We funded our capital expenditure requirements during the Track Record Period mainly from cash generated from our operating activities and financing activities. We expect to incur additional capital expenditures in 2025 primarily related to expanding our healthcare service institution network. For details, see “Future Plans and Use of Proceeds” in this prospectus. We plan to fund our planned capital expenditures through net proceeds from the Global Offering and cash generated from our operations. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

COMMITMENT

We have recognized right-of-use assets and lease liabilities for these leases, except for short-term leases. We had commitments relating to short-term leases of RMB0.4 million, nil, RMB0.4 million and RMB0.3 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, which represented the future aggregate minimum lease payments under non-cancellable short-term leases contracted for at the end of the year/period but not recognized as liabilities.

In addition, during the Track Record Period, we had capital expenditure contracted for but not yet incurred of RMB3.7 million, RMB1.0 million, RMB3.2 million and RMB7.5 million as of December 31, 2022, 2023 and 2024 and August 31, 2025, which were primarily related to commitments for the construction and renovation of our healthcare service institutions.

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OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions, for details, please see Note 36 to the Accountant's Report in Appendix I to this prospectus. During the Track Record Period, we had certain deposits and other receivables from an entity controlled by certain shareholders, which were non-trade in nature. As of the Latest Practicable Date, all such amounts were fully settled.

Our Directors are of the view that the related party transactions set out in Note 36 of the Accountant's Report in Appendix I to this prospectus were conducted in the ordinary course of business and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort the results of our operations or make our historical results not reflective of our future performance.

FINANCIAL RISKS

We are exposed to a variety of financial risks, including market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Foreign Exchange Risk

Foreign exchange risk arises from future commercial transactions and recognized monetary assets and liabilities denominated in a currency that is not the functional currency of the relevant group entities. Our primary subsidiaries operate mainly in the PRC with most of the transactions settled in RMB. We may experience gains or losses as a result of any foreign currency exchange rate fluctuations in connection with monetary assets and liabilities denominated in the currencies other than the respective functional currencies of our entities. During the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, our main foreign currency assets were USD. This exposes us to foreign exchange risk. We have not entered into any derivative instruments to hedge our foreign exchange exposures.

During the Track Record Period, we recognized currency translation differences in other comprehensive income or loss. According to relevant accounting standards, in consolidated financial statements where the foreign operation is a subsidiary, the exchange differences shall be recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the relevant subsidiary. Consequently, the currency translation differences

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of our subsidiaries are included in other comprehensive income or loss and may later be reclassified to profit or loss. The currency translation differences which may be subsequently reclassified to profit or loss amounted to negative RMB63.7 million, negative RMB10.5 million, negative RMB15.6 million, negative RMB3.1 million and positive RMB11.7 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively. The remaining currency translation differences, which represent the Company's own currency translation differences, are recognized in other comprehensive income or loss and will not be reclassified to profit or loss. The currency translation differences which will not be reclassified to profit or loss amounted to negative RMB70.8 million, negative RMB17.7 million, negative RMB17.7 million, negative RMB5.1 million and positive RMB13.7 million in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, respectively.

We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. Please see Note 3.1(a) to the Accountant's Report set forth in Appendix I to this prospectus for more details.

Credit Risk

Credit risk mainly arises from bank balance, trade receivable and deposits and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statements of financial position.

To manage risk arising from bank balances, we transact with state-owned or reputable financial institutions in China and reputable overseas financial institutions. There has been no recent history of default in relation to those financial institutions.

For trade receivable, we, being a provider of healthcare services mainly to patients, have a highly diversified customer base without any single customer contributing material revenue. Certain patients will claim their medical billing from commercial insurance companies, third-party administrators who assist commercial insurance companies in realizing review process and direct billing settlement. The credit term granted to those insurance companies, third-party administrators and organizations is generally one month. We have policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective insurance companies' and third-party administrators and organizations policies and within reimbursement limits, provided fulfilling all ethics and moral responsibilities as healthcare provider. We also have controls to closely monitor the patients' billing and claim status to minimize the credit risk.

For deposits and other receivables, our management makes periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records and past experiences, as well as forward-looking factors. Please see Note 3.1(b) to the Accountant's Report set forth in Appendix I to this prospectus for more details.

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Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, we regularly monitor our liquidity risk and maintain adequate cash and cash equivalents to meet our liquidity requirements. Please see Note 3.1(c) to the Accountant's Report set forth in Appendix I to this prospectus for more details about our financial liabilities by different maturity groups.

DIVIDENDS

No dividend has been paid or declared by the Company during the Track Record Period. We do not have a formal dividend policy or a fixed dividend payout ratio.

Subject to our Articles of Association and the Cayman Companies Act, through a general meeting, we may declare dividends, but no dividend may be declared unless out of either profit or share premium account and no dividend shall exceed the amount recommended by our Board. Any declaration of dividends will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. We cannot guarantee in what form dividends will be paid in the future. As advised by our Cayman legal adviser, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our PRC subsidiaries. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

We have prepared the following profit estimate for the year ended December 31, 2025.

Estimated consolidated profit attributable to owners of the parent for the year ended December 31, 2025 ⁽¹⁾	Not less than RMB130 million (equivalent to approximately HK\$144 million)

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Notes:

- (1) The bases on which the above profit estimate has been prepared are summarized in Part A of Appendix IIB to this Prospectus. The Directors have prepared the estimated consolidated profit attributable to owners of the Company for the year ended December 31, 2025 based on the audited consolidated results of our Group for the eight months ended August 31, 2025 and the unaudited consolidated results based on the management accounts of our Group for the four months ended December 31, 2025. The profit estimate has been prepared on a basis consistent in all material respects with our accounting policies, as presently adopted and as set out in the Accountant's Report of the Group, the text of which is set out in Appendix I to this Prospectus.
- (2) The estimated consolidated profit attributable to owners of the parent is converted into Hong Kong dollars at the exchange rate of HK\$1 to RMB0.8978. No presentation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

DISTRIBUTABLE RESERVES

As of August 31, 2025, we did not have any distributable reserves.

LISTING EXPENSES

Based on the mid-point of our indicative Offer Price range and assuming the Over-allotment Option is not exercised, the listing expenses to be borne by us are estimated to be approximately RMB68.3 million and are expected to represent approximately 25.8% of the gross proceeds of the Global Offering, comprising (i) underwriting-related expenses, including underwriting commissions and other expenses, of approximately RMB10.6 million; and (ii) non-underwriting-related expenses of approximately RMB57.7 million (including (a) fees and expenses of legal advisers and reporting accountant of approximately RMB39.6 million; and (b) other fees and expenses of approximately RMB18.1 million). During the Track Record Period, we incurred listing expenses of RMB39.7 million, of which RMB36.5 million was charged to our consolidated statements of profit or loss, while RMB3.2 million was directly attributable to the issue of Shares and will be deducted from equity upon completion of the Global Offering.

We expect to incur additional listing expenses of RMB28.6 million (assuming the Over-allotment Option is not exercised and based on the mid-point of our indicative Offer Price range), approximately RMB17.1 million of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB11.5 million of which is expected to be charged to equity upon the Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

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UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is an illustrative unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to the owners of our Company as of August 31, 2025 as if the Global Offering had taken place on August 31, 2025.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of August 31, 2025 or at any future dates. The unaudited pro forma statement of adjusted consolidated net tangible assets is based on the audited consolidated net tangible liabilities of the Group attributable to the owners of our Company as of August 31, 2025, as set out in the Accountant's Report contained in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as of August 31, 2025	Estimated net proceeds from the Global Offering	Estimated impact to the net tangible assets upon the conversion of convertible redeemable preference shares of the Group	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as of August 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets per Offer Share	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB	HK\$
	(Note 1)	(Note 2)	(Note 3)		(Note 4)	(Note 5)
Based on an Offer Price of HK\$57.70 per Offer Share	<u>(1,844,727)</u>	<u>215,014</u>	<u>2,325,281</u>	<u>695,568</u>	<u>11.71</u>	<u>13.04</u>
Based on an Offer Price of HK\$66.60 per Offer Share	<u>(1,844,727)</u>	<u>251,445</u>	<u>2,325,281</u>	<u>731,999</u>	<u>12.33</u>	<u>13.73</u>

Notes:

- (1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at August 31, 2025 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the owners of the Company as of August 31, 2025 of approximately RMB1,706,924,000 with an adjustment for the intangible assets attributable to the owners of the Company of approximately RMB137,803,000 as of August 31, 2025.

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- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HKD57.70 and HKD66.60 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of RMB36,515,000 which have been accounted for in the consolidated statements of profit or loss prior to August 31, 2025) paid/payable by the Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option and any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed “Share Capital” in this prospectus.
- (3) Upon the Listing and the completion of the Global Offering, the convertible redeemable preferred shares of the Group will be automatically converted into ordinary shares. The convertible redeemable preference shares were accounted for as a liability to the Company. Accordingly, for the purpose of the unaudited pro forma statement of adjusted consolidated net tangible assets, the unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company will be increased by approximately RMB2,325,281,000, being the carrying amount of the convertible redeemable preference shares of the Group as of August 31, 2025.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 59,384,350 Shares were in issue, assuming that the Global Offering and the conversion of the convertible redeemable preference shares to Shares on a 1:1 basis have been completed on August 31, 2025 (for the purpose of this unaudited pro forma financial information excluding 5,000,000 Shares issued and reserved to be delivered to eligible participants under the RSU Scheme) but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option and any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed “Share Capital” in this prospectus.
- (5) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets per Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.8978 to HK\$1.00. No representation is made that Renminbi has been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to August 31, 2025.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since August 31, 2025 (being the date on which the latest audited consolidated financial information of our Company was prepared) and there is no event since August 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountant’s Report in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to disclosure required under Rules 13.13 to 13.19 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

OVERVIEW

Our Group has entered into certain transactions with parties who will, upon the Listing, become connected persons (as defined in the Listing Rules) of our Company. Details of the non-exempt continuing connected transaction of our Company following the Listing are set out below.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS — CONTRACTUAL ARRANGEMENTS

Background for the Contractual Arrangements

As disclosed in the section headed “Contractual Arrangements” of this prospectus, due to regulatory restrictions on foreign ownership in the PRC, we are restricted from directly owning 100% equity interest in the VIE Entities. Therefore, in order for our Group to effectively control and enjoy the entire economic benefit of our VIE Medical Management Companies, a series of Contractual Arrangements have been entered into among Qianhai Distinct, the VIE Medical Management Companies, Zhuozheng Xinhe, and the Relevant Shareholders. The Contractual Arrangements enable us to (i) receive substantially all of the economic benefits generated by the VIE Medical Institutions under our VIE Medical Management Companies; (ii) exercise effective control over Zhuozheng Xinhe and our VIE Medical Management Companies; and (iii) hold an exclusive option to purchase all or part of the equity interests in the VIE Entities from Zhuozheng Xinhe, and/or the equity interests in Zhuozheng Xinhe itself, when and to the extent permitted by PRC law.

Principal Terms

See the section headed “Contractual Arrangements — Summary of the Material Terms of the Contractual Arrangements” in this prospectus for detailed terms of the Contractual Arrangements.

Listing Rules Implications

The transactions contemplated under the Contractual Arrangements constitute non-exempt continuing connected transactions under the Listing Rules upon Listing as certain parties to the Contractual Arrangements, namely Mr. Zhou, Dr. Zhu, Ms. Qiu and Zhuozheng Xinhe, are connected persons of the Group. Mr. Zhou, Dr. Zhu and Ms. Qiu are directors of certain subsidiaries of the Group. Therefore Mr. Zhou, Dr. Zhu and Ms. Qiu are connected persons of our Company. Zhuozheng Xinhe is owned by Mr. Zhou, Dr. Zhu and Ms. Qiu as to 33.5%, 33.5% and 33% respectively, and therefore is an associate of Mr. Zhou, Dr. Zhu and Ms. Qiu and a connected person of our Company. The transactions contemplated under the Contractual Arrangements will be subject to reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Reasons for the Continuing Connected Transactions and Waiver Application

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group's legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and the Shareholders as a whole. The term of the relevant agreements underlying the Contractual Arrangements is of a duration longer than three years in order to ensure that (i) the financials and operation of the VIE Entities can be effectively controlled by our Company indirectly, (ii) our Company can indirectly obtain the economic benefits derived from the VIE Entities, and (iii) any possible leakages of assets and values of our VIE Entities can be prevented on an uninterrupted basis. In addition, the Contractual Arrangements were entered into prior to the Global Offering and are disclosed in this prospectus, and potential investors of our Company will participate in the Global Offering on the basis of such disclosure. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules.

WAIVER FROM THE STOCK EXCHANGE

In relation to the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are Listed on the Stock Exchange subject however to the following conditions:

- (a) **No change without independent non-executive Directors' approval.** No change to the terms of any agreements comprising the Contractual Arrangements will be made without the approval of our independent non-executive Directors.
- (b) **No change without independent Shareholders' approval.** Save as described in "(d) Renewal and reproduction" below, no change to the agreements constituting the Contractual Arrangements will be made without the approval of our Company's independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement, circular or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and

CONTINUING CONNECTED TRANSACTIONS

until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in “(e) Ongoing reporting and approvals” below) will however continue to be applicable.

- (c) **Economic benefits flexibility.** The Contractual Arrangements shall continue to enable the Group to receive 100% economic benefits derived by the VIE Medical Institutions under the VIE Medical Management Companies through: (i) the Group’s option (if and when so allowed under the applicable PRC laws) to acquire the equity interests in Zhuozheng Xinhe and/or the equity interests in the VIE Entities held by Zhuozheng Xinhe for the minimum amount of consideration permitted by applicable PRC laws and regulations; (ii) the business structure under which the distributable profits generated by the VIE Entities attributable to the Group and/or Zhuozheng Xinhe is retained by the Company, such that no annual caps shall be set on the amount of services fees payable to Qianhai Distinct by the VIE Entities under the Contractual Arrangements; and (iii) the Group’s right to control the management and operation of, as well as, in substance, all of the voting rights of the VIE Entities held by Zhuozheng Xinhe.
- (d) **Renewal and reproduction.** On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on the one hand, and the VIE Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new foreign invested enterprise or operating company (including branch company) engaging in the same business as that of our Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executive or Substantial Shareholders of any existing or new foreign invested enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, however be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.
- (e) **Ongoing reporting and approvals.** Our Group will disclose details relating to the Contractual Arrangements on an on-going basis as follows:
 - (i) The Contractual Arrangements in place during each financial period will be disclosed in our Company’s annual report and accounts in accordance with the relevant provisions of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

- (ii) Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report and accounts for the relevant year that (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the VIE Entities to Zhuozheng Xinhe or by Zhuozheng Xinhe to the Relevant Shareholders which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and Zhuozheng Xinhe during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of our Company and our Shareholders as a whole.
- (iii) Our Company's auditor will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange confirming that the transactions have received the approval of our Directors, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by the VIE Entities to Zhuozheng Xinhe or by Zhuozheng Xinhe to the Relevant Shareholders which are not otherwise subsequently assigned or transferred to our Group.
- (iv) For the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the VIE Entities will be treated as our Company's subsidiaries, and at the same time, the directors, chief executive officers or substantial shareholders of the VIE Entities and their respective associates will be treated as connected persons of our Company (excluding for this purpose, the VIE Entities themselves), and transactions between these connected persons and our Group (including for this purpose, the VIE Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules.
- (v) Zhuozheng Xinhe will undertake that, for so long as the Shares are listed on the Stock Exchange, Zhuozheng Xinhe will provide our Group's management and our Company's auditors full access to its relevant records for the purpose of our Company's auditors' review of the connected transactions.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our Group's legal structure and business, that such transactions have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and with respect to the term of the Contractual Arrangements Agreements which is of a

CONTINUING CONNECTED TRANSACTIONS

duration of longer than three years, taking into consideration the reasons for entering into the Contractual Arrangements with details set out in this section above, it is reasonable for these agreements to be for a duration of more than three years and it is normal business practice for agreements of this type to be of such duration. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules.

CONFIRMATION FROM THE JOINT SPONSORS

Based on the documentation provided by the Company and the Joint Sponsor's participation in the due diligence and discussion with the management of the Company and the PRC Legal Adviser, the Joint Sponsors are of the view that the Contractual Arrangements are fundamental to our Group's legal structure and business operations and that the Contractual Arrangements have been entered into in the ordinary and usual course of business, on normal commercial terms and are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

The Joint Sponsors are of the view that with respect to the term of those Contractual Arrangements Agreements which is of a duration of longer than three years, taking into consideration the reasons for entering into the Contractual Arrangements with details set out in this section above, it is reasonable and in line with normal business practice.

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BACKGROUND OF THE CONTRACTUAL ARRANGEMENTS

Our Company is principally engaged in the provision of medical services through operating healthcare institutions and tele-healthcare service in the PRC. According to the Negative Lists (as defined below), healthcare institutions fall within the “restricted” investment category, and therefore may not be held 100% by foreign investments, and foreign investments are restricted to the form of joint venture. For further details of the limitations on foreign ownership in PRC companies conducting the aforementioned business under PRC laws and regulations, please see the section headed “Regulatory Overview” in this prospectus.

Our VIE Entities are five VIE Medical Management Companies, namely Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen, and Distinct Management and their respective wholly owned VIE Medical Institutions, which were established under the laws of the PRC. We do not directly own 100% equity interest in the VIE Entities. Each of our VIE Medical Management Companies (except Distinct Management) is currently held as to 70% by Qianhai Distinct and 30% by Zhuozheng Xinhe which is owned by the Relevant Shareholders. Distinct Management is currently held as to 90% by Qianhai Distinct and 10% by Zhuozheng Xinhe.

In order to comply with PRC laws and regulations and maintain effective control over all of our operations, we entered into the Contractual Arrangements on May 10, 2024. Through shareholdings and the Contractual Arrangements, Qianhai Distinct has acquired effective control over the financial and operational management of the VIE Entities and has become entitled to all the economic benefits from their operations. We believe that the Contractual Arrangements are narrowly tailored and complied with other requirements as set out in Chapter 4.1 of the Guide as they are used to enable our Group to conduct businesses in industries that are subject to foreign investment restrictions in the PRC. Our Directors believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements were freely negotiated and entered into between Qianhai Distinct (our indirectly wholly-owned domestic subsidiary), Zhuozheng Xinhe, the Relevant Shareholders, and the VIE Medical Management Companies, (ii) by entering into the Exclusive Operation Services Agreements as defined below with Qianhai Distinct, the VIE Entities will enjoy better economic and technical support from us, as well as a better market reputation after the Listing, and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

Based on the independent due diligence work conducted by the Joint Sponsors, and taking into account the views and the basis of the Directors and the Company’s PRC Legal Adviser in this regard as disclosed in this section, nothing has come to the attention of the Joint Sponsors that would reasonably cause them to cast doubt on the views of the Company that the Contractual Arrangements are narrowly tailored and complied with other requirements as set out in Chapter 4.1 of the Guide.

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PRC Laws and Regulations Relating to Foreign Ownership Restriction

Overview

Foreign investment activities in the PRC are mainly governed by the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024) (外商投資准入特別管理措施(負面清單)(2024年版)) (the “**Negative List**”) and the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (鼓勵外商投資產業目錄) (the “**Encouraging Catalog**”) promulgated jointly and amended from time to time by the MOFCOM and the NDRC, the Negative List stipulates industries in which foreign investments is restricted and prohibited. According to the Negative List and the Encouraging Catalog, foreign investment is restricted in operating of medical institutions, and therefore could not be held 100% by foreign investors. Our Group engages in providing healthcare services (the “**Restricted Businesses**”), which involve the operating of medical institutions, and therefore falls into the scope of the “restricted” category of the Negative List. As such, we do not own 100% equity interest in the VIE Entities.

Restricted Business

Set out below is a summary of our business that are subject to foreign investment:

In-person healthcare service

According to the Provisional Measures for the Administration on Sino-Foreign Equity and Cooperative Medical Institutions (中外合資、合作醫療機構管理暫行辦法), (the “**Medical Institutions Administration Measures**”) operation of “medical institutions” falls within the “restricted category” and foreign investors are not allowed to hold more than 70% equity interest in a “medical institution”. Further, according to the Administrative Measures on Sino-Foreign Equity and Cooperative Medical Institutions in the Sichuan Province (四川省中外合資、合作醫療機構管理辦法) (the “**Sichuan Administrative Measures**”), the equity ratio or interests attributable to joint venture of foreign investor in the Sino-foreign cooperative medical institutes shall not be more than 90% in Sichuan Province.

With respect to the foreign investment restriction on medical services and medical institutions, the respective PRC legal advisers of our Company and of the Joint Sponsors conducted verbal consultations with officers of the Health Commission of Guangdong (“**Guangdong Health Commission**”) (廣東省衛生健康委員會), the foreign investment division of the Shenzhen Investment Promotion Bureau (“**Shenzhen IPB**”) (深圳市投資促進局) and Health Commission of Sichuan (“**Sichuan Health Commission**”) (四川省衛生健康委員會) in April 2024. According to such verbal consultations, (i) the officer of Sichuan Health Commission confirmed that foreign investors are not allowed to hold more than 90% equity interest in a medical institution in Sichuan Province, (ii) officers of Shenzhen IPB and Guangdong Health Commission confirmed that foreign investors are not allowed to hold, more than 70% equity interest in a medical institution. Pursuant to the Medical Institutions Administration Measures and Sichuan Administrative Measures, except for medical institutions

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located in Sichuan Province in which the foreign investors are not allowed to hold more than 90% equity interest, foreign investors are not allowed to hold more than 70% equity interest in medical institutions, including those in Chongqing. In addition, our PRC Legal Adviser further conducted verbal consultations with officers of the competent health commission authorities regulating our VIE Medical Institutions located outside of Guangdong province and Sichuan province, which are the Beijing Municipal Health Commission (北京市衛生健康委員會), the Shanghai Municipal Health Commission (上海市衛生健康委員會), the Jiangsu Commission of Health (江蘇省衛生健康委員會), the Health Commission of Zhejiang Province (浙江省衛生健康委員會), the Health Commission of Hunan Province (湖南省衛生健康委員會), the Health Commission of Hubei Province (湖北省衛生健康委員會), and the Health Commission of Chongqing (重慶市衛生健康委員會), and the officers of the above health commission authorities confirmed that foreign investors are not allowed to hold more than 70% equity interest in a medical institution located in these administrative regions. In addition, since the VIE Medical Institutions are subsidiaries of the VIE Medical Management Companies and pursuant to the Foreign Investment Law of the People's Republic of China (中華人民共和國外商投資法) and the officers consulted with regarding the introduction of the responsibilities of Shenzhen IPB, Shenzhen IPB have regulatory oversight over VIE Medical Management Companies and is the competent authority supervising the activities of foreign investment of VIE Medical Management Companies all of which are located in Shenzhen. Based on the foregoing, our PRC Legal Adviser is of the view that each of the above consulted Health Commission is the competent authority to give its respective confirmation in respect of foreign investment restrictions in the medical institutions located in its respective administrative region, and Shenzhen IPB is the competent authority to give its confirmation in respect of VIE Medical Management Companies' foreign investments.

Tele-healthcare Service

With respect to our tele-healthcare service platform which is operated by Guangzhou Zhuoxiang, a healthcare institution located in Guangzhou City for carrying out Internet diagnosis and treatment activities, as the PRC internet healthcare industry is relatively new and evolving, neither the Negative List nor the Medical Institutions Administration Measures provides clear guidance on the categorization of operation of "Internet hospital services" in terms of foreign investment restrictions. Our PRC Legal Adviser is of the view that, in practice, foreign investment restrictions on "online hospital services" are subject to the supervision and administration of the local competent authority responsible for supervision and administration of foreign investment and local health administrative departments, and there might be difference in the policy, guidance and interpretation adopted by the authorities in different provinces.

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Our PRC Legal Adviser conducted consultations with Guangdong Health Commission who is responsible for supervision and administration of medical institutions in Guangdong Province and Health Bureau of Tianhe District of Guangzhou City (廣州市天河區衛生健康局), who is the authority to issue Medical Institution Practicing License of Guangzhou Zhuoxiang. Guangdong Health Commission and Health Bureau of Tianhe District of Guangzhou City verbally confirmed that in Guangdong Province and Guangzhou Tianhe District, internet hospitals are regulated as offline medical institutions and foreign investors are not allowed to hold, more than 70% equity interest in a medical institution. As advised by our PRC Legal Adviser, Guangdong Health Commission and Health Bureau of Tianhe District of Guangzhou City are the competent authorities to give such confirmation.

Based on the above, our PRC Legal Adviser is of the opinion that, the Company, as a foreign entity, shall not hold, more than (i) 90% equity interest in the Company's healthcare institutions located in Sichuan Province; and (ii) 70% equity interest in the Company's healthcare institutions located in other provinces, including Chongqing (collectively, the **"Foreign Ownership Restriction"**).

The Contractual Arrangements are narrowly tailored to address solely the Foreign Ownership Restriction as set forth in the above paragraph. The Contractual Arrangements are also narrowly tailored to achieve the business purposes of the Company and to minimize the potential conflict with relevant PRC laws and regulations. The Company will closely monitor the regulatory developments regarding foreign investment restrictions in hospitals, and will take necessary actions to ensure the Contractual Arrangements are narrowly tailored pursuant to Chapter 4.1 of the Guide. The Company will not engage in new business through contractual arrangements unless it is not restricted by the laws, regulations or by relevant authorities. The Company will not incur additional income tax and business tax after the entering into of the Contractual Arrangements.

Circumstances in which we will unwind the Contractual Arrangements

With regards to the Contractual Arrangements, if and when MOFCOM and/or other relevant governmental departments promulgate any measures for the administration of foreign-invested enterprises engaging in the Restricted Businesses or such entities invested by foreign investors, depending on the limit of the percentage equity interest permitted to be held by foreign investors (if any), we will partially unwind the Contractual Arrangements and hold (directly or indirectly) equity interest in the VIE Entities up to the percentage limit prescribed by such measures; and if there is no prescribed limit of the percentage equity interest permitted to be held by foreign investors and that our Company would be allowed to directly hold all of the equity interest in our VIE Medical Management Companies, we will fully unwind the Contractual Arrangements and directly hold the entire equity interest in each of our VIE Medical Management Companies.

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PRC laws and regulations related to overseas listing

According to Article 6 of the 2021 Negative List which took effect on January 1, 2022, where a domestic company engaged in the business in the prohibited areas provided in the Negative List seeks to issue and list its shares overseas, it shall complete the examination process and obtain approval by the relevant competent authorities; the foreign investors shall not participate in the operation and management of the company; its shareholding percentage shall be subject to the relevant provisions on the administration of domestic securities investment by foreign investors. The 2024 Negative List, whereby the 2021 Negative List was simultaneously repealed, has continued the aforementioned provisions.

On December 27, 2021, a spokesman from the NDRC held a press conference in relation to the Negative List. During the conference, it was held that the supervision and administration of the overseas issuance and listing by a domestic enterprise under Negative List shall be led by the CSRC and the CSRC will seek the view of the competent authority in the relevant industry or sector after receipt of the application materials for an “overseas listing”. On January 18, 2022, another press conference was held by the NDRC to further clarify the position of Article 6, during which the spokesman made it clear that Article 6 shall only be applying to the situations where domestic enterprises were seeking a direct overseas issuance and listing. Furthermore, with reference to the definition under the Overseas Listing Trial Measures, a “direct overseas issuance and listing of a domestic enterprise” refers to a PRC-incorporated joint stock company issuing shares or seeking to be listed overseas, in which case the listed company is the PRC-incorporated company itself (the “Direct Overseas Listing”). An example of a Direct Overseas Listing is an H-share listing.

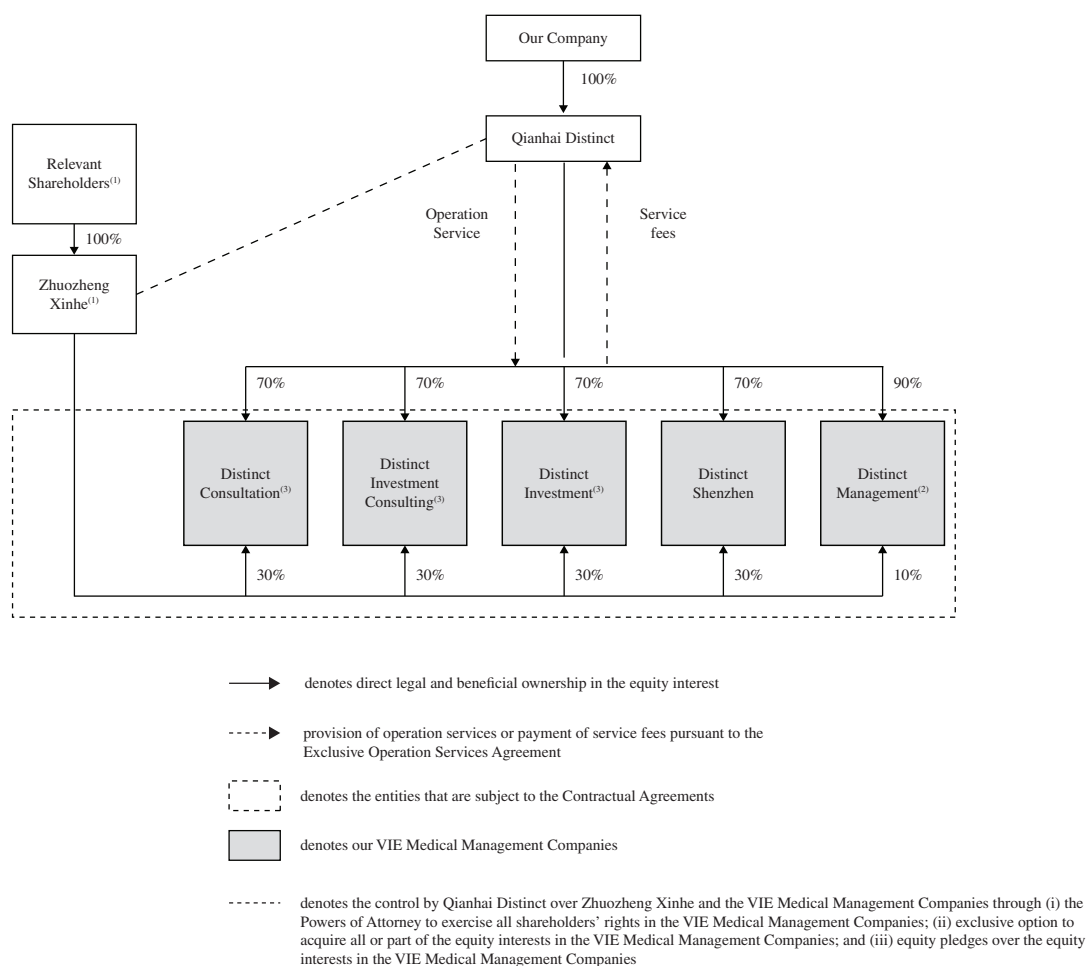
According to the Negative List, medical institutions such as our VIE Medical Institutions are under the “restricted” investment category (i.e. the Foreign Ownership Restrictions) and do not fall within the “prohibited” investment category under the 2021 Negative List, and the requirements stipulated in Article 6 of the 2021 Negative List, which apply to the “prohibited” investment category, are not applicable to us.

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures will regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities by adopting a filing-based regulatory regime. According to the Overseas Listing Trial Measures and a press conference held by the CSRC on February 17, 2023, the CSRC may require opinions from relevant regulatory authorities before completing the filing in respect of our prospectus. For details, see “Regulatory Overview — Regulations on Overseas Listing.”

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The Contractual Arrangements apply to the 30% equity interests held by Zhuozheng Xinhe in Distinct Consultation, Distinct Investment Consulting, Distinct Investment, and Distinct Shenzhen, and 10% equity interests in Distinct Management, respectively. Distinct Consultation, Distinct Investment Consulting, Distinct Investment, and Distinct Shenzhen are the holding companies of our VIE Medical Institutions (other than the Sichuan Institutions). Distinct Management is the holding company of the VIE Medical Institutions located in Sichuan. The following simplified diagram illustrates the flow of economic benefits from our VIE Medical Management Companies to our Group as stipulated under the Contractual Arrangements:



Notes:

- (1) The Relevant Shareholders are Mr. Zhou, Dr. Zhu and Ms. Qiu, who hold 33.5%, 33.5% and 33% equity interest in Zhuozheng Xinhe, respectively.
- (2) Distinct Management is the holding company of our VIE Medical Institutions located in Sichuan Province.
- (3) Distinct Consultation, Distinct Investment Consulting, Distinct Investment, and Distinct Shenzhen are the holding companies of our VIE Medical Institutions (other than the Sichuan Institutions).

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SUMMARY OF THE MATERIAL TERMS OF THE CONTRACTUAL ARRANGEMENTS

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

(1) Exclusive Operation Services Agreement

The Relevant Shareholders, Zhuozheng Xinhe and the VIE Medical Management Companies have entered into exclusive operation services agreement with Qianhai Distinct on May 10, 2024 (the “**Exclusive Operation Services Agreement**”), pursuant to which, Zhuozheng Xinhe and the VIE Medical Management Companies agreed to engage Qianhai Distinct as their exclusive provider of technical support, consulting services and other services in exchange for services fees.

Under the Exclusive Operation Services Agreement, the services to be provided include but are not limited to (i) business operation, financing and investment management, (ii) human resources management, (iii) market research, (iv) strategies for marketing and business expansion, (v) operation and marketing strategies formulation and monitoring, (vi) internal management, (vii) medical technology related consultation, medical resources sharing and medical professionals training, (viii) supplier management, (ix) medical service quality control and (x) other services relating to management and operation of healthcare institutions. Qianhai Distinct has proprietary rights to all the intellectual properties developed or created by itself from the performance of these services. During the term of the Exclusive Operation Services Agreement, Qianhai Distinct may use the intellectual property rights owned by Zhuozheng Xinhe and the VIE Medical Management Companies free of charge and without any conditions. The Zhuozheng Xinhe and the VIE Medical Management Companies may also use the intellectual property work created by Qianhai Distinct from the services performed by Qianhai Distinct in accordance with the Exclusive Operation Services Agreement.

Under the Exclusive Operation Services Agreement, the service fee shall be an amount equal to (i) 30% of the distributable net profit of each of Distinct Consultation, Distinct Investment Consulting, Distinct Investment, and Distinct Shenzhen, and (ii) 10% of the distributable net profit of Distinct Management of a given audited financial year, after deducting losses from the previous financial years (if any) and any statutory provident fund (if applicable) as obtainable by Zhuozheng Xinhe. Apart from the service fees to be paid by Zhuozheng Xinhe, Zhuozheng Xinhe and the VIE Medical Management Companies shall reimburse all reasonable costs, reimbursed payments and out-of-pocket expenses incurred by Qianhai Distinct in connection with the performance of the Exclusive Operation Services Agreement and provision of services. In the event of the liquidation of the VIE Medical Management Companies, Zhuozheng Xinhe shall pay (i) 30% of the remaining assets of each of Distinct Consultation, Distinct Investment Consulting, Distinct Investment, and Distinct Shenzhen, and (ii) 10% of the remaining assets of Distinct Management after the liquidation as compensation for the cessation of services due to the liquidation, and Zhuozheng Xinhe and the VIE Medical Management Companies consent that the aforesaid compensation shall be

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paid directly by the VIE Medical Management Companies or the liquidation team to Qianhai Distinct. In addition, the Relevant Shareholders shall be liable for or indemnify Qianhai Distinct any tax payment incurred by Qianhai Distinct in obtaining the remaining assets of the VIE Medical Management Companies.

In addition, in the absence of a prior written consent of Qianhai Distinct, during the term of the Exclusive Operation Services Agreement, the Relevant Shareholders, Zhuozheng Xinhe and the VIE Medical Management Companies shall not directly or indirectly accept the same or any similar services provided by any third party and shall not establish similar corporation relationships with any third party. Qianhai Distinct has the right to appoint any third party to provide any or all of the services, or to fulfil its obligations under the Exclusive Operation Services Agreement.

The Exclusive Operation Services Agreement took effect from May 10, 2024, and shall remain valid for three years from the respective dates of the Exclusive Operation Services Agreements and shall, subject to compliance with the Listing Rules, be automatically renewed for three years each time when its term ends, unless being terminated in accordance with the terms therein.

According to the Exclusive Operation Services Agreement, unless otherwise required by the applicable PRC laws and regulations, none of the parties to the agreement (except Qianhai Distinct) is entitled to unilaterally terminate the agreement. Furthermore, pursuant to the Exclusive Operation Services Agreement, it may only be terminated in the event that (i) Qianhai Distinct or its designated person directly holds all the equity interests in Zhuozheng Xinhe, and all of the Relevant Shareholders' equity interests in Zhuozheng Xinhe or all of the assets of Zhuozheng Xinhe attributable to the Relevant Shareholders are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, or (ii) Qianhai Distinct unilaterally terminates the agreement.

(2) Exclusive Option Agreements

On May 10, 2024, Qianhai Distinct entered into exclusive option agreements (the **"Exclusive Option Agreements"**) with (i) the Relevant Shareholders and Zhuozheng Xinhe (the **"Zhuozheng Xinhe Exclusive Option Agreement"**), and (ii) Zhuozheng Xinhe and the VIE Medical Management Companies (the **"VIE Medical Management Companies Exclusive Option Agreement"**), respectively.

Pursuant to the Exclusive Option Agreements, (i) each of the Relevant Shareholders irrevocably and unconditionally grants an exclusive option to Qianhai Distinct which entitles Qianhai Distinct to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interest in Zhuozheng Xinhe itself or through its designated person(s), (ii) Zhuozheng Xinhe irrevocably and unconditionally grants an exclusive option to Qianhai Distinct which entitles Qianhai Distinct to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of Zhuozheng Xinhe itself or through its designated person(s), (iii) each of Zhuozheng Xinhe and the VIE Medical

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Management Companies irrevocably and unconditionally grants an exclusive option to Qianhai Distinct which entitles Qianhai Distinct to elect to purchase at any time, when permitted by the then applicable PRC laws, all or any part of the equity interests in the VIE Entities owned by Zhuozheng Xinhe and the VIE Medical Management Companies itself or through its designated person(s), and (iv) the VIE Medical Management Companies irrevocably and unconditionally grant an exclusive option to Qianhai Distinct which entitles Qianhai Distinct to elect to purchase at any time, when permitted by the then applicable PRC laws, all or part of the assets of the VIE Medical Management Companies attributable to Zhuozheng Xinhe from the VIE Medical Management Companies itself or through its designated person(s). Qianhai Distinct may appoint designated person(s) in its sole discretion when exercising its option. The transfer price of the relevant equity interest and/or assets shall be the minimum purchase price permitted under PRC law, and each of the Relevant Shareholders, Zhuozheng Xinhe and the VIE Medical Management Companies will undertake that he/she/it will, subject to applicable PRC laws, return in full the consideration received in relation to such transfer of equity interest and/or assets to Qianhai Distinct.

The Relevant Shareholders and Zhuozheng Xinhe undertake to develop the business of the VIE Medical Management Companies, to ensure the legal compliance of the business operations of the VIE Medical Management Companies and not to take any action which may affect their asset value, goodwill and validity of business licenses. Furthermore, in the absence of prior written consent of Qianhai Distinct, (i) the Relevant Shareholders and Zhuozheng Xinhe shall not transfer or otherwise dispose of any option under the Exclusive Option Agreements, or create any encumbrances thereon; (ii) Zhuozheng Xinhe and the VIE Medical Management Companies shall not assist in transferring or otherwise disposing of any option under the Exclusive Option Agreements, or creating any encumbrances thereon; and (iii) the Relevant Shareholders and Zhuozheng Xinhe (as applicable) directly or indirectly (by itself or through the entrustment of any other natural person or legal person entity) carry out, own or acquire any business compete with or likely compete with the business of Qianhai Distinct or our Group.

In addition, the Relevant Shareholders, Zhuozheng Xinhe and the VIE Medical Management Companies undertake that, upon Qianhai Distinct issuing the notice to exercise the option in accordance with the Exclusive Option Agreements, they will implement necessary actions to affect the transfer and relinquish any pre-emptive right, if any. Each of the parties to the Exclusive Option Agreements confirms and agrees that (i) in the event of a dissolution or liquidation of Zhuozheng Xinhe and the VIE Medical Management Companies (as applicable) under the PRC laws, all the residual assets which are attributable to the Relevant Shareholders and Zhuozheng Xinhe (as applicable) shall be transferred to Qianhai Distinct or its designated person(s) at the minimum purchase price permitted under the then applicable PRC law, and each of the Relevant Shareholders, Zhuozheng Xinhe and the VIE Medical Management Companies undertakes that they will return in full the consideration received in relation to such transfer to Qianhai Distinct or its designated person(s), (ii) in the event of bankruptcy, reorganisation or merger of Zhuozheng Xinhe, death, incapacity, bankruptcy or divorce of the Relevant Shareholders or any other event which causes changes to the Relevant Shareholders' shareholding in Zhuozheng Xinhe and Zhuozheng Xinhe's shareholding in the

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VIE Medical Management Companies, (a) the successor of the Relevant Shareholders' equity interest in Zhuozheng Xinhe and the successor of Zhuozheng Xinhe's equity interest in the VIE Medical Management Companies shall be bound by the Contractual Arrangements, and (b) any disposal of shareholding in Zhuozheng Xinhe and the VIE Medical Management Companies shall be governed by the Contractual Arrangements unless Qianhai Distinct consents otherwise in writing.

The Exclusive Option Agreements took effect from May 10, 2024. Each of the Exclusive Option Agreements has an indefinite term and a termination provision which stipulates that unless otherwise required by the then applicable PRC laws and regulations, none of the parties to the agreements (except Qianhai Distinct) is entitled to unilaterally terminate the agreements.

Each of the Exclusive Option Agreements may only be terminated in the event that (i) with respect to the Zhuozheng Xinhe Exclusive Option Agreement, Qianhai Distinct or its designated person directly holds all the equity interests in Zhuozheng Xinhe, and all of the Relevant Shareholders' equity interests in Zhuozheng Xinhe or all of the assets of Zhuozheng Xinhe attributable to the Relevant Shareholders are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, (ii) with respect to the VIE Medical Management Companies Exclusive Option Agreement, Qianhai Distinct or its designated person directly holds all the equity interests in the VIE Medical Management Companies and all of Zhuozheng Xinhe's equity interests in the VIE Medical Management Companies or all of the assets of the VIE Medical Management Companies attributable to Zhuozheng Xinhe are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, or (iii) Qianhai Distinct unilaterally terminates the agreement.

(3) Shareholders' Rights Entrustment Agreements and the Powers of Attorney

On May 10, 2024, Qianhai Distinct entered into shareholders' rights entrustment agreements (the **"Shareholders' Rights Entrustment Agreements"**) with (i) the Relevant Shareholders and Zhuozheng Xinhe (the **"Zhuozheng Xinhe Shareholders' Rights Entrustment Agreement"**), and (ii) Zhuozheng Xinhe and the VIE Medical Management Companies (the **"VIE Medical Management Companies Shareholders' Rights Entrustment Agreement"**), respectively. Powers of attorney were executed by the Relevant Shareholders and Zhuozheng Xinhe (the **"Powers of Attorney"**) in accordance with the above-mentioned rights entrustments on the same date.

Pursuant to the Shareholders' Rights Entrustment Agreements and the Powers of Attorney, (i) the Relevant Shareholders irrevocably agree to authorise the Qianhai Distinct (and its successors or liquidators) or a natural person designated by Qianhai Distinct (the **"Attorney"**) to exercise all of its rights and powers as shareholders of Zhuozheng Xinhe, (ii) Zhuozheng Xinhe irrevocably agrees to authorise the Attorney to exercise all of its rights and powers as a shareholder of the VIE Medical Management Companies, including but not limited to, the rights to vote in a shareholders' meeting, sign minutes, and arrange all the filings required for the operations of Zhuozheng Xinhe and the VIE Medical Management Companies with the

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relevant companies registry. As Qianhai Distinct is a wholly-owned subsidiary of our Company, the terms of the Shareholders' Rights Entrustment Agreements and the Powers of Attorney will effectively give our Company control over all corporate decisions of the VIE Medical Management Companies, as well as 100% equity interests of Zhuozheng Xinhe and our VIE Medical Management Companies.

The Shareholders' Rights Entrustment Agreements took effect from May 10, 2024. Each of the Powers of Attorney has an indefinite term and a termination provision which stipulates that unless otherwise required by the then applicable PRC laws and regulations, none of the parties to the agreement (except Qianhai Distinct) is entitled to unilaterally terminate it.

Each of the Shareholders' Rights Entrustment Agreements may only be terminated in the event that (i) with respect to the Zhuozheng Xinhe Shareholders' Rights Entrustment Agreement, Qianhai Distinct or its designated person directly holds all the equity interests in Zhuozheng Xinhe, and all of the Relevant Shareholders' equity interests in Zhuozheng Xinhe or all of the assets of Zhuozheng Xinhe attributable to the Relevant Shareholders are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, (ii) with respect to the VIE Medical Management Companies Shareholders' Rights Entrustment Agreement, Qianhai Distinct or its designated person directly holds all the equity interests in the VIE Medical Management Companies and all of Zhuozheng Xinhe's equity interests in the VIE Medical Management Companies or all of the assets of the VIE Medical Management Companies attributable to Zhuozheng Xinhe are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, or (iii) Qianhai Distinct unilaterally terminates the agreement.

(4) Equity Pledge Agreements

On May 10, 2024, Qianhai Distinct entered into equity pledge agreements (the “**Equity Pledge Agreements**”) with (i) the Relevant Shareholders and Zhuozheng Xinhe (the “**Zhuozheng Xinhe Equity Pledge Agreement**”), and (ii) Zhuozheng Xinhe and the VIE Medical Management Companies (the “**VIE Medical Management Companies Equity Pledge Agreement**”), respectively. Pursuant to the Equity Pledge Agreements, (i) the Relevant Shareholders agree to pledge all of their respective equity interests in Zhuozheng Xinhe, and (ii) Zhuozheng Xinhe agrees to pledge all of its equity interests in the VIE Medical Management Companies, to Qianhai Distinct to secure the repayment of Loan Agreement and performance of all their obligations and the obligations of the VIE Medical Management Companies under the Contractual Arrangements.

If the Relevant Shareholders and Zhuozheng Xinhe receive any dividend or other income as declared by the VIE Medical Management Companies and Zhuozheng Xinhe during the term of the pledge, Qianhai Distinct is entitled to unconditionally receive all dividends or other income arising from the pledged equity interests, if any. In case of any breach of obligations by any of Zhuozheng Xinhe, the Relevant Shareholders and the VIE Medical Management

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Companies, Qianhai Distinct, upon issuing a written notice to the Relevant Shareholders or Zhuozheng Xinhe (as applicable), will be entitled to all remedies available in the Contractual Arrangements and PRC laws including but not limited to disposing of the pledged equity interests.

In addition, pursuant to the Equity Pledge Agreements, the Relevant Shareholders and Zhuozheng Xinhe undertake to Qianhai Distinct, among other things, not to transfer their pledged equity interests, not to create or allow any pledge or encumbrance thereon and undertake or permit any action or behaviour that may adversely affect the rights and interest of Qianhai Distinct without its prior written consent. Zhuozheng Xinhe and the VIE Medical Management Companies undertake to Qianhai Distinct, among other things, not to assist or consent to any transfer the pledged equity interests or to create or allow any pledge or encumbrance thereon without Qianhai Distinct's prior written consent.

The equity pledges in respect of Zhuozheng Xinhe and the VIE Medical Management Companies take effect upon the completion of registration with the relevant administration for market regulations and we have registered such equity pledges with the relevant authority in accordance with the relevant PRC laws and regulations.

The Equity Pledge Agreements took effect from May 10, 2024, while the equity pledges took effect on the date of completion of registration. Each of the Equity Pledge Agreements has an indefinite term and a termination provision which stipulates that unless otherwise required by the then applicable PRC laws and regulations, none of the parties to the agreement (except Qianhai Distinct) is entitled to unilaterally terminate it.

Each of the Equity Pledge Agreements may only be terminated in the event that (i) with respect to the Zhuozheng Xinhe Equity Pledge Agreement, Qianhai Distinct or its designated person directly holds all the equity interests in Zhuozheng Xinhe, and all of the Relevant Shareholders' equity interests in Zhuozheng Xinhe or all of the assets of Zhuozheng Xinhe attributable to the Relevant Shareholders are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, (ii) with respect to the VIE Medical Management Companies Equity Pledge Agreement, Qianhai Distinct or its designated person directly holds all the equity interests in the VIE Medical Management Companies and all of Zhuozheng Xinhe's equity interests in the VIE Medical Management Companies or all of the assets of the VIE Medical Management Companies attributable to Zhuozheng Xinhe are transferred to Qianhai Distinct or its designated person pursuant to the then applicable PRC laws and regulations, or (iii) Qianhai Distinct unilaterally terminates the agreement.

(5) Loan Agreement

On May 10, 2024, Zhuozheng Xinhe and Qianhai Distinct entered into a loan agreement (the "**Loan Agreement**"), pursuant to which Qianhai Distinct provided Zhuozheng Xinhe an interest-free loan to (i) subscribe for 30% registered share capital in each of Distinct Consultation, Distinct Investment Consulting and Distinct Investment, (ii) acquire 30% equity interests in Distinct Shenzhen and (iii) subscribe for 10% registered share capital in Distinct

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Management, for the purpose of completing the corporate structure under the Contractual Arrangements. Pursuant to the Loan Agreement, the term of the loan shall expire at the termination of the Contractual Arrangements. Further, Zhuozheng Xinhe shall repay the loan within 30 days at demand by Qianhai Distinct at any time during the term. If Qianhai Distinct or Zhuozheng Xinhe transfers its rights and obligations under the other documents of the Contractual Arrangements to any other party, its obligations under this Loan Agreement shall be transferred to such party accordingly.

(6) Spouse Undertakings

The spouse of each of the Relevant Shareholders has signed an undertaking (the “**Spouse Undertakings**”), pursuant to which he/she has unconditionally and irrevocably agreed to the execution of the Exclusive Operation Services Agreement, the Zhuozheng Xinhe Exclusive Option Agreement, the Zhuozheng Xinhe Shareholders’ Rights Entrustment Agreement and the Zhuozheng Xinhe Equity Pledge Agreement, and has no objection regarding the Contractual Arrangements. The undertakings are to the effect that (i) the respective interests of the Relevant Shareholders in Zhuozheng Xinhe (together with any other interests therein) do not fall within the scope of joint possession; and (ii) each of the spouses has no right to or control over such interests of the respective persons and will not have any claim on such interests.

Common terms of the Contractual Arrangements

Dispute resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, any party has the right to submit the relevant dispute to the Shenzhen International Arbitration Committee (深圳國際仲裁院) for arbitration, in accordance with the then effective arbitration rules.

The language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that the arbitral tribunal may award any remedies, including temporary and permanent injunctive relief (such as injunctive relief for commercial activities, or injunctive relief for forced transfer of assets), the actual fulfilment of contractual obligations, the remedies against Zhuozheng Xinhe and the VIE Medical Management Companies’ equity interests or assets or order the winding up of Zhuozheng Xinhe and the VIE Medical Management Companies; any party may apply to the courts of Hong Kong, the Cayman Islands (being the place of incorporation of our Company), the PRC and the places where the principal assets of Qianhai Distinct, Zhuozheng Xinhe or the VIE Medical Management Companies are located for interim remedies or injunctive relief.

However, our PRC Legal Adviser has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Zhuozheng Xinhe and the VIE

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Medical Management Companies pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognisable or enforceable in the PRC.

As a result of the above, in the event that Zhuozheng Xinhe, the VIE Medical Management Companies or the Relevant Shareholders breach any terms of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert fully effective control over our VIE Medical Management Companies and conduct our business could be materially and adversely affected. See the section headed “Risk Factors — Risks Relating to the Contractual Arrangements” in this prospectus for further details.

Succession

The provisions set out in the Contractual Arrangements are also binding on any successor(s) of the Relevant Shareholders as if such successors were a signing party to the Contractual Arrangements. As such, any breach by the successors would be deemed to be a breach of the Contractual Arrangements. Under the succession laws of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents. In the case of a breach, Qianhai Distinct can enforce its rights against the successor(s).

Conflicts of interests

Each of the VIE Medical Management Companies, the Relevant Shareholders and Zhuozheng Xinhe undertakes that, during the period that the Contractual Arrangements remain effective, he/she/it shall not take or omit to take any action which may lead to a conflict of interest with Qianhai Distinct or Qianhai Distinct’s direct or indirect shareholders. If there is any conflict of interest, Qianhai Distinct shall have the right to decide in its sole discretion on how to deal with such conflict of interest in accordance with the applicable PRC laws. The VIE Medical Management Companies, the Relevant Shareholders and Zhuozheng Xinhe will unconditionally follow the instructions of Qianhai Distinct to take any action to eliminate such conflict of interest.

Loss sharing

Under the relevant PRC laws and regulations, none of our Company or Qianhai Distinct is legally required to share the losses of, or provide financial support to Zhuozheng Xinhe and the VIE Medical Management Companies. Further, each of Zhuozheng Xinhe and the VIE Medical Management Companies is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. On the other hand, given that our Group conducts a substantial portion of its business operations in the PRC through the VIE Entities which hold/will hold the requisite PRC operational licenses and approvals, and that

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their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if the VIE Entities suffer losses.

Liquidation

Pursuant to the Equity Pledge Agreements, in the event of a mandatory liquidation required by the PRC laws, the shareholders of Zhuozheng Xinhe and the VIE Medical Management Companies shall, upon the request of Qianhai Distinct, give the proceeds they received from liquidation as a gift to Qianhai Distinct or its designated person(s) to the extent permitted by the then PRC laws. Further, pursuant to the VIE Medical Management Companies Shareholders' Rights Entrustment Agreement in the event of bankruptcy, liquidation, dissolution or termination of the VIE Medical Management Companies, each of Zhuozheng Xinhe and the VIE Medical Management Companies undertake that (i) all assets acquired by Zhuozheng Xinhe as a result of such bankruptcy, liquidation, dissolution or termination, including the equity interest of the VIE Medical Management Companies (as applicable), shall be transferred to Qianhai Distinct or its designated person(s) at nil consideration or at the lowest price permitted by the then PRC laws, or (ii) on the basis of protecting the interests of the direct or indirect shareholders and/or creditors of Qianhai Distinct, the liquidator being appointed at that time shall dispose of the assets of the VIE Medical Management Companies (including their equity interest) acquired by Zhuozheng Xinhe, and Zhuozheng Xinhe shall return to Qianhai Distinct the consideration received from the aforesaid transfer if the lowest price is applicable as the consideration for the aforesaid transfer.

Accordingly, in the event of a winding up of Zhuozheng Xinhe and the VIE Medical Management Companies, Qianhai Distinct is entitled to liquidation proceeds of Zhuozheng Xinhe and the VIE Medical Management Companies based on the Contractual Arrangements and the liquidator being appointed at that time, acting on the Contractual Arrangements, can seize the assets of the VIE Medical Management Companies for the benefit of our Company's creditors and the Shareholders.

Insurance

Our Company does not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Our confirmation

As of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through Zhuozheng Xinhe and the VIE Medical Management Companies under the Contractual Arrangements. Our Directors believe that each of the agreements under the Contractual Arrangements is enforceable under the PRC laws and regulations except that (i) the Shenzhen International Arbitration Committee (深圳國際仲裁院) has no power to grant injunctive relief, nor will it be able to order the winding up of Zhuozheng Xinhe and the VIE Medical Management

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Companies pursuant to the current PRC laws; (ii) interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognised or enforceable in the PRC; (iii) the exercise of the exclusive options by Qianhai Distinct in accordance with the Exclusive Option Agreements, shall be subject to the then effective PRC laws and regulations and relevant approval procedures (if applicable); (iv) there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations; and (v) the Equity Pledge Agreements are subject to registration requirements with the relevant administration for market regulation (the registration for which had been completed). Please refer to the paragraphs headed “Legality of the Contractual Arrangements” below for further details.

Legality of the Contractual Arrangements

Our PRC Legal Adviser conducted verbal consultations with officers of Guangdong Health Commission, Shenzhen IPB and Sichuan Health Commission in respect of the Contractual Arrangements entitling the Company to control the other 10% equity interest in Distinct Management and the other 30% equity interest in the VIE Medical Management Companies (other than Distinct Management). According to such verbal consultations, (i) no approval from the authority is required for the execution of agreements under the Contractual Arrangements; and (ii) the execution of agreements under the Contractual Arrangements does not fall into the current supervision of the aforementioned authorities concerning foreign investment activities. Our PRC Legal Adviser is of the view that Shenzhen IPB, Guangdong Health Commission are the competent authorities of the VIE Medical Management Companies holding VIE Medical Institutions and Sichuan Health Commission is the competent authority of medical institutions in Sichuan Province to give such confirmation.

Based on the above consultations, our PRC Legal Adviser, following completion of reasonable due diligence steps, is of the following legal opinion:

- the parties to each of the agreements under Contractual Arrangements have full civil and legal capacity to execute such agreements;
- each of the agreements under the Contractual Arrangements, does not violate the Civil Code of the PRC and other applicable PRC laws and regulations and constitutes legal, valid and binding obligations of the parties thereto except that (a) the Shenzhen International Arbitration Committee (深圳國際仲裁院) has no power to grant injunctive relief, nor will it be able to order the winding up of Zhuozheng Xinhe and the VIE Entities pursuant to the current PRC laws and the relevant arbitral award may not be enforced until the people’s court makes an order to confirm it; (b) interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands may not be recognised or enforceable in the PRC; and (c) the enforceability of Contractual Arrangements is subject to bankruptcy, insolvency, moratorium, reorganisation and similar laws

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affecting creditors' rights generally, the discretion of relevant government authorities in exercising their authority in connection with the interpretation and implementation and the application of relevant PRC laws and regulations, and general equity principles;

- each of the agreements under the Contractual Arrangements is binding on the parties thereto;
- none of the agreements under the Contractual Arrangements violates any provisions of the existing articles of association of each of Qianhai Distinct, Zhuozheng Xinhe and the VIE Entities; and
- the pledge of the equity interests under the Equity Pledge Agreements have taken effect upon registration with the competent government authorities.

We have been advised by our PRC Legal Adviser, however, that there are substantial uncertainties regarding the interpretation and application of current and future PRC laws and regulations. Accordingly, there can be no assurance that the PRC regulatory authorities will not take a view that is contrary to the above opinion of our PRC Legal Adviser. We have been further advised by our PRC Legal Adviser that if the PRC government finds that the Contractual Arrangements do not comply with PRC government restrictions on foreign investment in the Restricted Businesses, we could be subject to severe penalties, which could include:

- (a) revoking the business and operating licenses of Qianhai Distinct, Zhuozheng Xinhe, the VIE Entities;
- (b) restricting or prohibiting the Contractual Arrangements between Qianhai Distinct, Zhuozheng Xinhe and the VIE Entities;
- (c) imposing fines or other requirements with which our Company, Qianhai Distinct, Zhuozheng Xinhe, and the VIE Entities may find difficult or impossible to comply;
- (d) requiring us, Qianhai Distinct, Zhuozheng Xinhe, and the VIE Entities to restructure the relevant ownership structure or operations; and/or
- (e) restricting or prohibiting the use of any proceeds from the Global Offering to finance our business and operations in the PRC.

The imposition of any of these penalties could have a material adverse effect on our ability to conduct our business. Please refer to the paragraphs headed "Risk Factors — Risks Relating to the Contractual Arrangements" in this prospectus.

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Development in the PRC Legislation on foreign investment

Background of the FIL

On March 15, 2019, the 2nd meeting of the 13th Standing Committee of the National People's Congress approved the Foreign Investment Law of the People's Republic of China (中華人民共和國外商投資法) (the “**FIL**”) and has become effective on January, 2020. After the FIL comes into effect, the FIL replaced the law on Sino-Foreign Equity Joint Ventures (中外合資經營企業法), the law on Sino-Foreign Contractual Joint Ventures (中外合作經營企業法) and the law on Foreign-Capital Enterprises (外資企業法) to become the legal foundation for foreign investment in the PRC. On December 26, 2019, the State Council promulgated Regulation on the Implementation of the Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例) (the “**FIL Implementing Regulation**”), which came into effect on January 1, 2020. For details of the FIL, please refer to the paragraph headed “Regulatory Overview — Laws and Regulations Related to Foreign Investment in the PRC” in this prospectus.

The Potential Impact of the FIL on the Contractual Arrangements

Conducting operations through Contractual Arrangements has been adopted by many PRC-based companies, and has been adopted by our Company in the form of the Contractual Arrangements, to establish control of our VIE Entities and the VIE Medical Institutions, through which we operate our business in the PRC. The FIL stipulates four forms of investment as foreign investment, however, it does not explicitly stipulate the Contractual Arrangements as a form of foreign investment. Nor does it explicitly prohibit or restrict a foreign investor to rely on Contractual Arrangements to control the majority of its business that is subject to foreign investment restrictions or prohibitions in the PRC.

Notwithstanding the above, the FIL stipulates that foreign investment includes “Foreign Investors invest in China through many other methods under laws, administrative regulations or provisions prescribed by the State Council”. Although the FIL Implementing Regulation promulgated by the State Council as disclosed above does not expressly stipulate the Contractual Arrangements as a form of foreign investment, there are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard the Contractual Arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of the VIE Entities will not be materially and adversely affected in the future due to changes in the relevant PRC laws and regulations. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against us which may have a material adverse effect on the trading of our Shares. For further details, please refer to the paragraphs headed “Risk Factors — Risks Relating to Contractual Arrangements” in this prospectus. In any event, we will take reasonable steps in good faith to seek compliance with the FIL and FIL Implementing Regulation.

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Compliance with the Contractual Arrangements

Our Group will adopt the following measures to ensure the effective operation of our Group with the implementation and compliance of the Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) our Company will disclose the overall performance and compliance with the Contractual Arrangements in its annual reports and interim reports to update our Shareholders and potential investors; and
- (d) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and the legal compliance of Qianhai Distinct, Zhuozheng Xinhe and the VIE Entities to deal with specific issues or matters arising from the Contractual Arrangements.

Accounting aspects of the Contractual Arrangements

Under the Exclusive Operation Services Agreement, it was agreed that, in consideration of the services provided by Qianhai Distinct, Zhuozheng Xinhe will pay service fees to Qianhai Distinct. The annual service fees payable are determined by the distributable profits obtainable by Zhuozheng Xinhe from the VIE Entities for the current year after having made up for the losses of the previous year (if any) and withdrawn the statutory reserve fund (if applicable). Accordingly, through the Exclusive Operation Services Agreement, through Zhuozheng Xinhe, Qianhai Distinct has the ability, at its sole discretion, to extract substantially (i) 30% of the economic benefit of each of Distinct Consultation, Distinct Investment Consulting, Distinct Investment and Distinct Shenzhen derived from the VIE Medical Institutions (other than the Sichuan Institutions), and 10% of the economic benefit of Distinct Management derived from the Sichuan Institutions.

In addition, under the Exclusive Option Agreements, Qianhai Distinct has absolute contractual control over the distribution of dividends or any other amounts to the equity holders of Zhuozheng Xinhe and the VIE Entities as Qianhai Distinct's prior written consent is required before any distribution can be made. In the event that the Relevant Shareholders receive any profit distribution or dividend from Zhuozheng Xinhe and/or Zhuozheng Xinhe receive any profit distribution or dividend from the VIE Entities, the Relevant Shareholders and Zhuozheng Xinhe must immediately pay or transfer all of such amount (subject to the relevant tax payment being made under the relevant laws and regulations) to Qianhai Distinct.

As a result of the aforementioned Contractual Arrangements, our Company has obtained control of the VIE Entities through Qianhai Distinct and, at our Company's sole discretion, can receive substantially all of the economic interest returns generated by the VIE Entities.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following completion of the Global Offering:

Authorized Share Capital

Description of Shares	Number of Shares	Aggregate nominal value of Shares (USD)

Shares of par value of USD0.001 each . . .	100,318,700	100,318.70

Issued Share Capital

Assuming the Over-allotment Option is not exercised

Description of Shares	Number of Shares	Aggregate nominal value of Shares (USD)	Approximate percentage of total issued share capital (%)
Shares in issue as of the date of this prospectus (assuming all Preferred Shares are converted into Shares on a 1:1 basis)	59,634,350	59,634.35	92.62
Shares to be issued under the Global Offering	<u>4,750,000</u>	<u>4,750.00</u>	<u>7.38</u>
Total	<u><u>64,384,350</u></u>	<u><u>64,384.35</u></u>	<u><u>100.00</u></u>

SHARE CAPITAL

Assuming the Over-allotment Option is exercised in full

Description of Shares	Number of Shares	Aggregate nominal value of Shares (USD)	Approximate percentage of total issued share capital (%)
Shares in issue as of the date of this prospectus (assuming all Preferred Shares are converted into Shares on a 1:1 basis)	59,634,350	59,634.35	91.61
Shares to be issued under the Global Offering	<u>5,462,500</u>	<u>5,462.50</u>	<u>8.39</u>
Total	<u><u>65,096,850</u></u>	<u><u>65,096.85</u></u>	<u><u>100.00</u></u>

The above tables assume that the Global Offering becomes unconditional and the Shares are issued pursuant to the Global Offering, and do not take into account any Shares which may be issued or repurchased by our Company pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKING

The Offer Shares are Shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued and, in particular, will rank equally for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders: (i) increase its share capital; (ii) consolidate and divide its share capital into shares of larger amount; (iii) divide its shares into several classes; and (iv) cancel any Shares which have not been taken or agreed to be taken. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. For further details, please refer to the paragraph headed “Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Law — 2. Articles of Association — 2.5 Alteration of Capital” in this prospectus.

SHARE CAPITAL

RSU SCHEME

Our Company adopted the RSU Scheme. For further details, please refer to the paragraph headed “Appendix IV — Statutory and General Information — D. RSU Scheme” in this prospectus.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandates to issue and repurchase our Shares.

For further details of the general mandates, please refer to the paragraphs headed “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders” and “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 5. Repurchase of Our Own Securities” in this prospectus.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), the following persons will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/ Nature of Interest ⁽¹⁾	As of the Latest Practicable Date		Immediately following completion of the Global Offering ⁽²⁾	
		Number of Shares held	Approximate percentage of interest (%)	Number of Shares held	Approximate percentage of interest (%)
Mr. Wang	Interest in controlled corporation ⁽³⁾⁽⁵⁾⁽⁶⁾	13,150,000	22.05	17,181,282	26.69
	Interest held through voting powers entrusted by other person ⁽⁴⁾	2,640,250	4.43	2,640,250	4.10
Cheuk Sing Ho	Beneficial owner, Interest of a party to an agreement ⁽⁵⁾⁽⁶⁾	13,150,000	22.05	17,181,282	26.69
Mr. CAO Shaoshan	Beneficial owner, Interest of a party to an agreement ⁽⁵⁾	13,150,000	22.05	13,150,000	20.42
Nineteen Seventy-Seven	Beneficial owner, Interest of a party to an agreement ⁽⁵⁾	13,150,000	22.05	13,150,000	20.42
Mr. ZHANG Xiangdong	Interest in a controlled corporation; Interest of a party to an agreement ⁽⁵⁾	13,150,000	22.05	13,150,000	20.42
Futu Trustee Limited	Trustee ⁽⁷⁾	5,000,000	8.38	5,000,000	7.77
Waterwood DHC Project Ltd	Beneficial owner ⁽⁸⁾	7,500,000	12.58	7,500,000	11.65
Fude Resources International Investment Holding Company Limited	Interest in controlled corporation ⁽⁸⁾	7,500,000	12.58	7,500,000	11.65
Fund Resources Investment Holding Group Company Limited	Interest in controlled corporation ⁽⁸⁾	7,500,000	12.58	7,500,000	11.65

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Capacity/ Nature of Interest ⁽¹⁾	As of the Latest Practicable Date		Immediately following completion of the Global Offering ⁽²⁾	
		Number of Shares held	Approximate percentage of interest (%)	Number of Shares held	Approximate percentage of interest (%)
Fude Sino.	Interest in controlled corporation ⁽⁸⁾	8,489,810	14.24	8,489,810	13.19
Image Frame	Beneficial owner ⁽⁹⁾	11,566,052	19.39	11,566,052	17.96
Tencent	Interest in controlled corporation ⁽⁹⁾	11,566,052	19.39	11,566,052	17.96
H Capital	Beneficial owner ⁽¹⁰⁾	8,881,900	14.89	8,881,900	13.80
H Capital IV GP, L.P.	Interest in controlled corporation ⁽¹⁰⁾	8,881,900	14.89	8,881,900	13.80
H Capital IV GP, Ltd.	Interest in controlled corporation ⁽¹⁰⁾	8,881,900	14.89	8,881,900	13.80
Ms. CHEN Xiaohong	Interest in controlled corporation ⁽¹⁰⁾	8,881,900	14.89	8,881,900	13.80
Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合伙))	Interest in controlled corporation ⁽¹¹⁾	3,959,230	6.64	3,959,230	6.15
Shenzhen Tiantu Xingcheng Investment Management Co., Ltd. (深圳天圖興誠投資管理有限公司).	Interest in controlled corporation ⁽¹¹⁾	3,959,230	6.64	3,959,230	6.15
Tian Tu Capital Co., Ltd.	Interest in controlled corporation ⁽¹¹⁾	3,959,230	6.64	3,959,230	6.15

Notes:

- (1) All interests stated are long positions.
- (2) Assuming all Preferred Shares are converted into Ordinary Shares, on a 1:1 basis and that the Over-allotment Option is not exercised.
- (3) Mr. Wang exercises all of the voting rights of Cheuk Sing Ho in all matters with respect to the Company pursuant to the Cheuk Sing Ho Agreement. Accordingly, under the SFO, Mr. Wang is deemed to be interested in the equity interests held by Cheuk Sing Ho. See “History, Reorganization and Corporate Structure – Voting Agreements” for details.
- (4) Pursuant to trust deed of Distinct Trust I under the RSU Scheme, the trustee of Distinct Trust I which held 2,640,250 Shares in the Company shall exercise voting power attached to such Shares in accordance with Mr. Wang’s instruction. Accordingly, Mr. Wang is deemed to be interested in the equity in the Shares held by the trustee of Distinct Trust I.

SUBSTANTIAL SHAREHOLDERS

- (5) Cheuk Sing Ho, Mr. CAO Shaoshan, Mr. ZHANG Xiangdong and Nineteen Seventy-Seven entered into the Acting-in-Concert Agreement, pursuant to which the Concert Parties have confirmed that they had been acting in concert by aligning their votes and following Cheuk Sing Ho's directions when exercising their voting rights at the shareholders' meetings in our Group since they became interested in Company. As such, each of Cheuk Sing Ho, Mr. CAO Shaoshan, Mr. ZHANG Xiangdong and Nineteen Seventy-Seven are deemed to be interested in the Shares held by other parties. See "History, Reorganization and Corporate Structure – Voting Agreements" for details.
- (6) Pursuant to the Voting Proxy Agreements, the Proxy Shareholders agreed to appoint Cheuk Sing Ho, a company whose voting rights are controlled by Mr. Wang, as their attorney and proxy to exercise the voting rights attached to the Proxy Shares held by them at the general meeting of our Company. The relevant voting rights in concern under the voting proxy arrangements will be conferred to Cheuk Sing Ho upon completion of the Global Offering. As such, each of Mr. Wang and Cheuk Sing Ho is deemed to be interested in the Proxy Shares held by the Proxy Shareholders upon completion of the Global Offering. See "History, Reorganization and Corporate Structure — Voting Agreements" for details.
- (7) Futu Trustee Limited is the trustee of Distinct Trust I and Distinct Trust II, which hold Shares on behalf of participants of the RSU Scheme. Under the SFO, Futu Trustee Limited is deemed to be interested in the Shares held by corporations controlled by the trusts in which it is trustee, on an aggregated basis.
- (8) Waterwood DHC Project Ltd is wholly owned by Fude Resources International Investment Holding Company Limited, which is wholly-owned by Fund Resources Investment Holding Group Company Limited, which in turn is wholly-owned by Fude Sino. Waterwood Tactics Limited is wholly-owned by Beijing Mingqi Enterprise, whose limited partner owning 99.99% of the partnership interests is Ningbo Xinchuang Shuimu. The largest limited partner owning 98.99% of the partnership interests of Ningbo Xinchuang Shuimu is Beijing Yuegao Mingde. Beijing Yuegao Mingde's largest limited partner owning 99.96% of the partnership interests is Shenzhen Fude Qianhai Infrastructure Investment Holdings Co., Ltd., which is wholly-owned by Fude Sino. Fude Sino has no shareholder controlling one-third or more of the voting power at general meetings of Fude Sino, nor was Fude Sino or its directors accustomed to acting according to any person's directions.
- (9) Image Frame is a wholly-owned subsidiary of Tencent. As of the Latest Practicable Date, Image Frame held 11,566,052 Shares. As such, Tencent is deemed to be interested in the Shares held by Image Frame.
- (10) H Capital is a limited partnership, whose general partner of which is ultimately controlled by Ms. CHEN Xiaohong through her controlled corporations (as defined under the SFO), H Capital IV GP, Ltd. and H Capital IV GP, L.P. Under the SFO, each of Ms. CHEN Xiaohong and her controlled corporations through which Ms. CHEN Xiaohong controls H Capital is deemed to be interested in all of the interests in our Company held by H Capital.
- (11) As of the Latest Practicable Date, Beijing Tiantu Xingbei Investment Center (L.P.) (北京天圖興北投資中心(有限合夥)) ("Beijing Tiantu Xingbei") and Chengdu Tiantu Tiantou Dongfeng Equity Investment Fund Center (Limited Partnership) (成都天圖天投東風股權投資基金中心(有限合夥)) ("Chengdu Tiantu Tiantou") (Beijing Tiantu Xingbei and Chengdu Tiantu Tiantou collectively, the "Tiantu Entities") held 2,771,460 and 1,187,770 Series D Preferred Shares respectively. Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合夥)) is the general partner of both Tiantu Entities. The general partner of Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合夥)) is Shenzhen Tiantu Xingcheng Investment Management Co., Ltd. (深圳天圖興誠投資管理有限公司), which is wholly-owned by Tian Tu Capital Co., Ltd.. Tian Tu Capital Co., Ltd. is also the sole limited partner of Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合夥)). Tian Tu Capital Co., Ltd. is a PRC-incorporated company listed on the Hong Kong Stock Exchange (stock code: 1973).

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), without taking into account the Offer Shares that may be taken up under the Global Offering, have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**,” and collectively, the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**,” and collectively, the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 50 Shares) which may be purchased for an aggregate amount of US\$11.64 million (or approximately HK\$90.79 million, calculated based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion”) (inclusive of brokerage, AFRC transaction levy, SFC transaction levy, and Stock Exchange trading fee) (the “**Cornerstone Placing**”). The number of Offer Shares to be subscribed for by the Cornerstone Investors is subject to the determination of the final Offer Price.

Assuming an Offer Price of HK\$57.70 (being the low end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 1,557,600 Offer Shares, representing approximately 32.79% of the Offer Shares pursuant to the Global Offering and 2.42% of the Shares in issue immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

Assuming an Offer Price of HK\$62.15 (being the mid-point of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 1,446,100 Offer Shares, representing approximately 30.44% of the Offer Shares pursuant to the Global Offering and 2.25% of the Shares in issue immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

Assuming an Offer Price of HK\$66.60 (being the high end of the indicative Offer Price range set out in this prospectus), the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 1,349,500 Offer Shares, representing approximately 28.41% of the Offer Shares pursuant to the Global Offering and 2.10% of the Shares in issue immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised).

Our Company is of the view that, (i) the Cornerstone Placing will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market; and (ii) by leveraging on the Cornerstone Investors’ industry reputation and investment experience, the Cornerstone Placing will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Our Company became acquainted with each of the Cornerstone Investors through our Company’s business network or the Overall Coordinators.

CORNERSTONE INVESTORS

The Cornerstone Placing will form part of the International Offering, and, unless prior consent is obtained from the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue following the completion of the Global Offering and will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules.

Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors or their close associates will become a substantial Shareholder of our Company; (ii) none of the Cornerstone Investors or their close associates will have any Board representation in our Company; and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules.

To the best knowledge of our Company, save as Tencent (as defined below), being the holding company of Image Frame, our substantial Shareholder, and its indirect interests in Health Vision (as defined below), (i) each of the Cornerstone Investors and its ultimate beneficial owners is an independent third party; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting, or other disposition of Shares registered in its name or otherwise held by it; (iii) none of the subscription of the relevant Offer Shares by the Cornerstone Investors is directly or indirectly financed by our Company, the Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates; and (iv) each of the Cornerstone Investors is independent from each other and makes independent investment decisions.

As confirmed by each of the Cornerstone Investors, (i) their subscription under the Cornerstone Placing would be financed by their own internal resources and they have sufficient funds to settle the respective investment under the Cornerstone Placing; (ii) all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment; (iii) other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders; and (iv) there are no side agreements or arrangements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Listing other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price.

The total number of Offer Shares to be subscribed by the Cornerstone Investors pursuant to the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription

CORNERSTONE INVESTORS

under the Hong Kong Public Offering as described in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation.” The number of Offer Shares to be subscribed for by each Cornerstone Investor may be deducted on a *pro rata* basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Overall Coordinators (for themselves and on behalf of the Underwriters) to exercise the Over-allotment Option. Details of the actual number of Offer Shares to be allocated to each Cornerstone Investor will be disclosed in the allotment results announcement to be issued by our Company on or around January 12, 2026.

Pursuant to the Cornerstone Investment Agreements, the Overall Coordinators (for themselves and on behalf of the Underwriters) has the discretion to effect a delayed delivery of the Offer Shares to be subscribed for by Health Vision (as defined below) on a date later than the Listing Date, subject to the conditions contained therein. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. All Cornerstone Investors have agreed to nevertheless pay for the relevant Offer Shares that they have subscribed for before the Listing. As such, there will be no deferred settlement of the investment amount for the Offer Shares to be subscribed for by the Cornerstone Investors pursuant to the Cornerstone Investment Agreement.

The table below sets out details of the Cornerstone Placing:

Based on the Offer Price of HK\$57.70
(being the low end of the indicative Offer Price range)

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate percentage of the Offer Shares	Approximate percentage of the Shares in issue immediately following the completion of the Global Offering	Approximate percentage of the Offer Shares	Approximate percentage of the Shares in issue immediately following the completion of the Global Offering
			(%)	(%)	(%)	(%)
Health Vision	HK\$44,000,000	754,950	15.89	1.17	13.82	1.16
Kingmed Diagnostics . .	US\$3,000,000	401,350	8.45	0.62	7.35	0.62
Mininglamp Technology .	US\$2,000,000	267,550	5.63	0.42	4.90	0.41
Galaxy Dynasty	US\$1,000,000	133,750	2.82	0.21	2.45	0.21
Total	HK\$90,787,636	1,557,600	32.79	2.42	28.51	2.39

CORNERSTONE INVESTORS

Notes:

1. Inclusive of brokerage, AFRC transaction levy, SFC transaction levy, and Stock Exchange trading fee, and to be converted from/to Hong Kong dollars based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion.”
2. Rounded down to the nearest whole board lot of 50 Shares and calculated based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion.”

**Based on the Offer Price of HK\$62.15
(being the mid-point of the indicative Offer Price range)**

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate percentage of the Offer Shares	Approximate percentage of the Shares in issue immediately following the completion of the Global Offering	Approximate percentage of the Offer Shares	Approximate percentage of the Shares in issue immediately following the completion of the Global Offering
			(%)	(%)	(%)	(%)
Health Vision	HK\$44,000,000	700,850	14.75	1.09	12.83	1.08
Kingmed Diagnostics . .	US\$3,000,000	372,650	7.85	0.58	6.82	0.57
Mininglamp Technology .	US\$2,000,000	248,400	5.23	0.39	4.55	0.38
Galaxy Dynasty	US\$1,000,000	124,200	2.61	0.19	2.27	0.19
Total	HK\$90,787,636	1,446,100	30.44	2.25	26.47	2.22

Notes:

1. Inclusive of brokerage, AFRC transaction levy, SFC transaction levy, and Stock Exchange trading fee, and to be converted from/to Hong Kong dollars based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion.”
2. Rounded down to the nearest whole board lot of 50 Shares and calculated based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion.”

CORNERSTONE INVESTORS

Based on the Offer Price of HK\$66.60
(being the high end of the indicative Offer Price range)

Cornerstone Investor	Investment amount ⁽¹⁾	Number of Offer Shares ⁽²⁾	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
			Approximate percentage of the Offer Shares	Approximate percentage of the Shares in issue immediately following the completion of the Global Offering	Approximate percentage of the Offer Shares	Approximate percentage of the Shares in issue immediately following the completion of the Global Offering
			(%)	(%)	(%)	(%)
Health Vision	HK\$44,000,000	654,050	13.77	1.02	11.97	1.00
Kingmed Diagnostics . .	US\$3,000,000	347,750	7.32	0.54	6.37	0.53
Mininglamp Technology .	US\$2,000,000	231,800	4.88	0.36	4.24	0.36
Galaxy Dynasty	US\$1,000,000	115,900	2.44	0.18	2.12	0.18
Total	HK\$90,787,636	1,349,500	28.41	2.10	24.70	2.07

Notes:

1. Inclusive of brokerage, AFRC transaction levy, SFC transaction levy, and Stock Exchange trading fee, and to be converted from/to Hong Kong dollars based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion.”
2. Rounded down to the nearest whole board lot of 50 Shares and calculated based on the exchange rate set out in “Information about This Prospectus and the Global Offering — Exchange Rate Conversion.”

THE CORNERSTONE INVESTORS

The information about the Cornerstone Investors set out below was provided by the Cornerstone Investors in connection with the Cornerstone Placing.

Health Vision

Health Vision Hong Kong Limited (“**Health Vision**”) is a company incorporated in Hong Kong and is principally engaged in investment holding and exploring investment opportunities in the broader healthcare-related industries, including opportunities relating to the application of artificial intelligence technologies in the healthcare and medical sector. Health Vision is owned as to 35.23% by Weimob Global Limited (微盟環球有限公司) (“**Weimob Global**”), 35.23% by StarSpark Tech H.K. Limited (“**StarSpark**”) and 29.55% by Kuro Technology (Hong Kong) Co., Limited (“**Kuro Technology**”).

CORNERSTONE INVESTORS

Weimob Global is a wholly owned subsidiary of Weimob Inc., a cloud-based commerce and marketing solutions provider in China, which is listed on the Stock Exchange (stock code: 2013). StarSpark is ultimately owned by Shouhui Group Limited (手回集團有限公司), a company principally engaged in the provision of life and health insurance intermediary services and listed on the Stock Exchange (stock code: 2621). Kuro Technology is a company principally engaged in the development and operation of interactive entertainment content, including mobile and PC games. Kuro Technology is wholly owned by Guangzhou Kuro Technology Co., Ltd (廣州庫洛科技有限公司) (“**Guangzhou Kuro**”). Tencent Holdings Limited (“**Tencent**”), a company listed on the Stock Exchange (stock code: 700), is ultimately interested in approximately 51.4% of the equity interests in Guangzhou Kuro. Other shareholders of Guangzhou Kuro include Tianjin Zimu Technology Partnership (Limited Partnership) (天津自牧科技合夥企業(有限合夥)), holding approximately 41.78% equity interests, which is ultimately controlled by Liu Sheng, an Independent Third Party, and Guangzhou Kuro Save Humanity Game Partnership (Limited Partnership) (廣州庫洛拯救人類遊戲合夥企業(有限合夥)), holding approximately 6.81% equity interests.

Kingmed Diagnostics

KingMed Diagnostics (Hong Kong) Limited (金域檢驗(香港)有限公司) (“**Kingmed Diagnostics Hong Kong**”) is a company established in Hong Kong and wholly owned subsidiary of Guangzhou Kingmed Diagnostics Group Co., Ltd. (“**Kingmed Diagnostics**”). Kingmed Diagnostics is principally engaged in the provision of third-party medical laboratory testing and pathological diagnostic services and is listed on the Shanghai Stock Exchange (stock code: 603882). Kingmed Diagnostics is one of our five largest suppliers during the Track Record Period providing diagnostic services, including outsourced laboratory tests and examinations, to our Group.

Mininglamp Technology

Mininglamp Technology is a leading data intelligence application software company, and is listed on the Stock Exchange of Hong Kong Limited (stock code: 2718). Mininglamp Technology is one of the suppliers in AI applications of our Group.

Galaxy Dynasty

Galaxy Dynasty Limited (“**Galaxy Dynasty**”) is a company incorporated under the laws of the British Virgin Islands and is principally engaged in investment. Galaxy Dynasty is wholly owned by Mr. Xiaopeng He (何小鹏), the co-founder, executive director, chairman of the board and chief executive officer of XPeng Inc., a company listed on the Stock Exchange (stock code: 9868) and the New York Stock Exchange (stock code: XPEV). XPeng Inc. is principally engaged in the design, development, manufacture and marketing of smart electric vehicles in the PRC.

CORNERSTONE INVESTORS

CONDITIONS PRECEDENT

The obligations of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreements are subject to, among others, the following closing conditions:

- (a) the underwriting agreements for the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in these underwriting agreements, and neither of the aforesaid underwriting agreements having been terminated;
- (b) the Offer Price having been agreed upon between our Company and the Overall Coordinators (for themselves and on behalf of the Underwriters of the Global Offering);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals, including those in connection with the subscriptions by the Cornerstone Investors of the Shares under the Cornerstone Placing, and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the representations, warranties, undertakings, acknowledgements and confirmations of the Cornerstone Investors under the respective Cornerstone Investment Agreements are (as of the date of the Cornerstone Investment Agreements) and will be (as of the Listing Date or the delayed delivery date, as applicable) accurate, true and complete in all respects and not misleading or deceptive and that there is no material breach of any of the Cornerstone Investment Agreements on the part of the respective Cornerstone Investors.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that without the prior written consent of each of our Company, the Overall Coordinators and the Joint Sponsors, it will not, whether directly or indirectly, at any time during the period of six months from and including the Listing Date (the “**Lock-up Period**”), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investors, including the Lock-up Period restriction.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Through (i) the Acting-in-Concert Agreement, (ii) the Cheuk Sing Ho Agreement, and (iii) the trust deed of Distinct Trust I, Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited are able to exercise voting rights attached to 15,790,250 Shares, representing an aggregate of 26.48% voting rights in the Company as of the Latest Practicable Date, and an aggregate of 24.52% voting rights in the Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Pursuant to the Voting Proxy Agreements, Cheuk Sing Ho was conferred by the Proxy Shareholders to exercise their respective voting rights attached to 4,031,282 Proxy Shares held by them, representing approximately 6.26% of shareholding interest in our Company immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The relevant voting rights in concern under the Voting Proxy Agreements will be conferred to Cheuk Sing Ho upon completion of the Global Offering. See “History, Development and Corporate Structure — Voting Agreements” for details.

Therefore, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited, through (i) the Acting-in-Concert Agreement, (ii) the Cheuk Sing Ho Agreement, (iii) the trust deed of Distinct Trust I, and (iv) the Voting Proxy Agreements as mentioned above, will exercise the voting rights attached to 19,821,532 Shares in aggregate, representing approximately 30.79% of shareholding interest in our Company. Therefore, Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited will be our Controlling Shareholders after the Listing.

Please see the section headed “Substantial Shareholders” for details of the shareholding interest of our Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, none of the Controlling Shareholders and their respective close associates had any interest in any business that competes or is likely to compete, either directly or indirectly with our Group’s business, which would require disclosure under Rule 8.10 of the Listing Rules.

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board will consist of 11 Directors comprising two executive Directors, five non-executive Director and four independent non-executive Directors. For details, please see the section headed “Directors and Senior Management.”

Our Directors consider that our Board as a whole and members of the senior management are able to perform their roles in our Group independently and that our Group is capable of managing our business independently from the Controlling Shareholders and their close associates. We consider that the role of Mr. Wang as our Controlling Shareholder will not materially impact his ability to discharge his duties of skill, care and diligence to our Group for the following reasons:

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;
- (c) we have four independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholder which would support our independent management. Please see “— Corporate Governance Measures” in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role independently from our Controlling Shareholder.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

Our Group is operationally independent from the Controlling Shareholders. Our Group (through our subsidiaries and the VIE Entities) holds all material licenses and owns all relevant intellectual properties necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and an independent management team to operate our business.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance department responsible for discharging the treasury function. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders. As of the Latest Practicable Date, there were no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that we are financially independent from our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders.

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders:

1. our Company has established internal control mechanisms to identify connected transactions. Upon Listing, if our Company enters into connected transactions with our Controlling Shareholders or their associates, our Company will comply with the applicable Listing Rules;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

2. where a Shareholders' meeting is to be held for considering proposed transactions in which a Controlling Shareholders or their associates have any material interest, the relevant Controlling Shareholder shall not vote on the resolutions and shall not be counted in the quorum for the voting;
3. our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision making process and provide independent advice to our Shareholders. Our independent non-executive Directors, details of whom are set out in the section headed "Directors and Senior Management" individually and together possess the requisite knowledge and experience to perform their roles. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interest of our minority Shareholders;
4. where the advice from an independent professional, such as that from a financial advisor, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such an independent professional will be made at our Company's expenses; and
5. we have appointed Haitong International Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority shareholders' rights after the Listing.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors consists of 11 Directors, with two executive Directors, five non-executive Directors and four independent non-executive Directors. Our Board of Directors serves a term of three years and is responsible and has general powers for the management and conduct of our business.

The table below sets out certain information of our Directors.

Name	Age	Position(s)	Date of appointment as Director	Date of founding/joining our Group	Role and responsibilities	Relationship with other Directors or senior management
Mr. WANG Zhiyuan (王志遠). . .	45	Executive Director, founder, chairman of our Board and chief executive officer	February 13, 2014	April 20, 2012	Responsible for making key corporate decisions and overall management of our Group	None
Mr. SHI Yi (施翼). . . .	45	Executive Director, co-founder and executive vice president	August 16, 2023	April 20, 2012	Responsible for human resources management and daily operation of healthcare services of our Group	None
Mr. CAO Shaoshan (曹少山). . .	54	Non-executive Director	February 13, 2014	February 13, 2014	Responsible for providing professional opinion to our Board	None
Mr. ZHANG Xiangdong (張向東). . .	48	Non-executive Director	February 13, 2014	February 13, 2014	Responsible for providing professional opinion to our Board	None
Mr. WEI Guoxing (魏國興). . .	39	Non-executive Director	August 7, 2017	August 7, 2017	Responsible for providing professional opinion to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as Director	Date of founding/ joining our Group	Role and responsibilities	Relationship with other Directors or senior management
Ms. CHEN Xiaohong (陳小紅). . .	56	Non-executive Director	September 5, 2019	September 5, 2019	Responsible for providing professional opinion to our Board	None
Mr. HAO Rui (郝瑞)	43	Non-executive Director	August 13, 2021	August 13, 2021	Responsible for providing professional opinion to our Board	None
Ms. CHEN Rui (陳銳)	50	Independent Non-executive Director	April 22, 2024 (with effect from Listing Date)	Listing Date	Responsible for providing independent advice and judgment to our Board	None
Mr. WANG Yonggang (王詠剛). . .	50	Independent Non-executive Director	April 22, 2024 (with effect from Listing Date)	Listing Date	Responsible for providing independent advice and judgment to our Board	None
Mr. WANG Gaofei (王高飛). . .	47	Independent Non-executive Director	April 22, 2024 (with effect from Listing Date)	Listing Date	Responsible for providing independent advice and judgment to our Board	None
Dr. GAO Pingyang (高平陽) . .	46	Independent Non-executive Director	December 23, 2025 (with effect from Listing Date)	Listing Date	Responsible for providing independent advice and judgment to our Board	None

DIRECTORS AND SENIOR MANAGEMENT

The following sets forth the biographies of our Directors:

Executive Directors

Mr. WANG Zhiyuan (王志遠), aged 45, is our executive Director, founder, chairman of our Board and chief executive officer. He founded our Group as our chief executive officer in April 2012. He was appointed as our Director in February 2014, and was redesignated as an executive Director and further appointed as the chairman of our Board on April 22, 2024. He is responsible for making key corporate decisions and overall management of our Group. Mr. Wang currently holds positions as director, supervisor or general manager in 12 of our onshore subsidiaries.

Prior to founding our Group, Mr. Wang had extensive experience in the financial industry. From April 2004 to April 2011, he worked at and last served as a vice president of Citigroup Global Markets Asia Limited (花旗環球金融亞洲有限公司). From April 2011 to the first half of 2012, he worked at and last served as a vice president of JP Morgan Securities (Asia Pacific) Limited.

Mr. Wang obtained his bachelor's degree in information science with a minor in computer software from Peking University (北京大學) in Beijing in July 2001. He further obtained his master's degree in analysis, design and management of information systems from the London School of Economics and Political Science in England in November 2002.

Mr. SHI Yi (施翼), aged 45, is our executive Director, co-founder and executive vice president. He co-founded our Group as our executive vice-president in April 2012. He was appointed as our Director in August 2023, and was redesignated as an executive Director on April 22, 2024. He is responsible for human resources management and daily operation of healthcare services of our Group. Mr. Shi currently holds positions as director, supervisor or general manager in 28 of our onshore subsidiaries.

Mr. Shi has more than 19 years of experience in strategic planning, sales and marketing. From August 2002 to October 2005, he worked as a strategic planning analyst and sales and marketing manager at LG Electronics (China) Co., Ltd. (樂金電子(中國)有限公司), a company principally engaged in the provision of electronics, mobile communications and home appliances. From January 2010 to the first half of 2012, he worked as a senior strategic analysis manager and senior product manager at Tencent Technology (Shenzhen) Co., Ltd. (騰訊科技(深圳)有限公司), a company principally engaged in the development and operation of instant messaging and social platforms.

Mr. Shi obtained his bachelor's degree in international economics with a minor in computer software from Peking University (北京大學) in Beijing in July 2002.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Shi was a supervisor of Green Century (Beijing) Network Technology Co., Ltd. (綠動世紀(北京)網絡科技有限公司) (“**Green Century**”), which was incorporated in the PRC principally engaged in provision of information technology services and subsequently had its business license revoked in December 2011 due to failure to meet requirement for 2010 annual inspection pursuant to Article 4 of the Measures for the Annual Inspection of Enterprises (企業年度檢驗辦法) which requires each enterprise to submit annual inspection materials to competent authorities during the period from March 31 to June 30 each year. Mr. Shi confirmed that given that (i) he had ceased to be involved in the day-to-day management of Green Century prior to joining Tencent Technology (Shenzhen) Co., Ltd. in January 2010, which was more than 12 months preceding the revocation of Green Century’s business license in December 2011, and (ii) he was not in charge of the annual inspection duties of Green Century, there was no wrongful act on his part leading to the revocation of business license of Green Century nor has any claim been initiated against him in connection with such revocation.

Non-executive Directors

Mr. CAO Shaoshan (曹少山), aged 54, is our non-executive Director. He joined our Group as our Director in February 2014, and was redesignated as a non-executive Director on April 22, 2024. He is responsible for providing professional opinion to our Board. Mr. Cao is currently a director of Distinct Ruixiang.

Mr. Cao has more than 15 years of experience in capital markets. Prior to June 2009, he served as an executive director of China International Capital Corporation Limited (中國國際金融有限公司). Since July 2009, Mr. Cao has served as the founding partner and chairman of Orizon Capital Group Limited (河山國際資本集團有限公司), a company principally engaged in real estate private equity fund management and corporate management consultancy. Since December 2017, he has worked as a general manager at Beidou Guoxin Fund Management (Beijing) Co., Ltd. (北斗國信基金管理(北京)有限公司), a company principally engaged in venture capital fund management. Since July 2020, he has served as an independent non-executive director of Leader Education Limited (立德教育股份有限公司), a company listed on the Stock Exchange (stock code: 1449) and principally engaged in the provision of formal higher education services.

Mr. Cao obtained his bachelor’s degree in English language from the Beijing Foreign Studies University (北京外國語大學) (formerly known as the Beijing Foreign Languages Institute (北京外國語學院)) in Beijing in July 1993. He further obtained his master’s degree in business administration (MBA) from the University of Virginia Darden School of Business in Virginia in May 2000. He obtained his certified diploma in accounting and finance from The Association of Chartered Certified Accountants (特許公認會計師公會) in March 1997.

DIRECTORS AND SENIOR MANAGEMENT

Mr. ZHANG Xiangdong (張向東), aged 48, is our non-executive Director. He joined our Group as our Director in February 2014, and was redesignated as a non-executive Director on April 22, 2024. He is responsible for providing professional opinion to our Board. Mr. Zhang is currently a director of Distinct Ruixiang.

Mr. Zhang has more than 21 years of experience in management. In June 2003, he co-founded Sungy Mobile Ltd (廣州市久邦數碼科技有限公司), a company previously listed on the Nasdaq Stock Market (stock symbol: GOMO) and principally engaged in the provision of mobile internet products and services. He served as its president and director until October 2014. From September 2014 to May 2023, he served as the chief executive officer of Qibai (Beijing) Technology Development Co., Ltd. (柒佰(北京)科技發展有限公司), a company principally engaged in the design and sale of bicycles. Since April 2014, he has served as an independent non-executive director of Linekong Interactive Group Co., Ltd. (藍港互動集團有限公司), a company listed on the GEM of the Stock Exchange (stock code: 8267) and principally engaged in the development and publishing of internet content.

Mr. Zhang obtained his bachelor's degree in information management from Peking University (北京大學) in Beijing in July 1999.

Mr. WEI Guoxing (魏國興), aged 39, is our non-executive Director. He joined our Group as our Director in August 2017, and was redesignated as a non-executive Director on April 22, 2024. He is responsible for providing professional opinion to our Board. Mr. Wei is currently a director of Distinct Ruixiang.

Mr. Wei has more than 12 years of experience in private equity investment, venture capital and investment management. Since June 2012, he has worked at and is currently serving as a partner and member of the venture capital investment committee of Shenzhen Tiantu Capital Management Center (Limited Partnership) (深圳天圖資本管理中心(有限合夥)), a company principally engaged in private equity fund management and an indirect wholly-owned subsidiary of Tian Tu Capital Co., Ltd. (深圳市天圖投資管理股份有限公司), a company listed on the Stock Exchange (stock code: 1973). From December 2023 to March 2025, he has served as a non-executive director of Nayuki Holdings Limited (奈雪的茶控股有限公司), a company listed on the Stock Exchange (stock code: 2150) and principally engaged in the operation of a premium modern teahouse chain.

Mr. Wei obtained his bachelor's degrees in biology and economics from Peking University (北京大學) in Beijing in July 2009. He further obtained his master's degree in business management from Peking University in July 2012. He further obtained his master's degree in finance from the University of Hong Kong (香港大學) in Hong Kong in November 2012.

DIRECTORS AND SENIOR MANAGEMENT

Ms. CHEN Xiaohong (陳小紅), aged 56, is our non-executive Director. She joined our Group as our Director in September 2019, and was redesignated as a non-executive Director on April 22, 2024. She is responsible for providing professional opinion to our Board.

Ms. Chen has extensive experience in investment. Since March 2014, she has served as the founding and managing partner of H Capital, a company principally engaged in financial advice and investment management. Since August 2020, she has served as an independent director and then an independent non-executive director of KE Holdings Inc. (貝殼控股有限公司), a company listed on the Stock Exchange (stock code: 2423) and principally engaged in an integrated online and offline platform for housing transactions and services.

Ms. Chen obtained her bachelor's degree in history from Peking University (北京大學) in Beijing in July 1992. She further obtained her master's degree in library service from Rutgers, The State University of New Jersey in New Jersey in May 1994.

Mr. HAO Rui (郝瑞), aged 43, is our non-executive Director. He joined our Group as our Director in August 2021, and was redesignated as a non-executive Director on April 22, 2024. He is responsible for providing professional opinion to our Board.

Mr. Hao has more than 16 years of experience in investment. From September 2008 to November 2011, he worked as a strategy consultant at Accenture (China) Co., Ltd. Beijing Branch (埃森哲(中國)有限公司北京分公司), a consulting firm. Before April 2013, he worked as an associate at Jefferies Hong Kong Limited (富瑞金融集團香港有限公司), a company principally engaged in investment banking. From March 2018 to July 2019, he served as a director of Cheetah Mobile Inc. (北京獵豹移動科技股份有限公司), a mobile internet company listed on the New York Stock Exchange (stock symbol: CMCM) and an associated corporation of Kingsoft Corporation Limited, a company listed on the Stock Exchange (stock code: 3888). From May 2018 to February 2023, he served as a director of Better Life Commercial Chain Share Co., Ltd (步步高商業連鎖股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002251) and principally engaged in the provision of commodity retail services. From December 2018 to October 2020, he served as a director of MINISO Group Holding Limited (名創優品集團控股有限公司), a company listed on the Stock Exchange (stock code: 9896) and the New York Stock Exchange (stock symbol: MNSO) and principally engaged in the global retail of lifestyle products. From March 2022 to November 2023 prior to its listing, he has also served as a director of XtalPi Holdings Limited (晶泰控股有限公司) (formerly known as QuantumPharm Inc.) (stock code: 2228). Since April 2013, he has joined Tencent. He is currently the managing director of Tencent Investment, the investment department of Tencent Holdings Limited.

Mr. Hao obtained his master's degree in engineering from the Beijing University of Posts and Telecommunications (北京郵電大學) in Beijing in April 2008.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Ms. CHEN Rui (陳銳), aged 50, was appointed as our independent non-executive Director on April 22, 2024, with effect from the Listing Date. She is responsible for providing independent advice and judgment to our Board.

Ms. Chen has more than 16 years of experience in financial management, investment management and M&A consulting. From June 2003 to October 2005, she worked as an associate in the Asia investment banking department of Citigroup Global Markets Asia Limited (花旗環球金融亞洲有限公司). From November 2005 to July 2009, she worked at and last served as a vice president in the CF Asia — China Coverage (HK) division of Deutsche Bank (德意志銀行). From August 2009 to June 2011, she served as an executive director of Zhong De Securities Company Limited (中德證券有限責任公司), an investment bank. From August 2011 to December 2013, she worked at and last served as the managing director of ICBC International Holdings Limited (工銀國際控股有限公司), an investment bank. From January 2014 to February 2019, she served as the managing partner and a member of the investment decision committee of China Growth Capital Management (Beijing) Co., Ltd. (華創匯才投資管理(北京)有限公司), a venture capital firm, where she was primarily responsible for fund financing and annual reporting, post-investment management, human resources, and financial management.

Ms. Chen graduated in international finance from the Renmin University of China (中國人民大學) in Beijing in July 1997. She further obtained her master's degree in business administration (MBA) from the Texas A&M International University in Texas in December 2000.

Mr. WANG Yonggang (王詠剛), aged 50, was appointed as our independent non-executive Director on April 22, 2024, with effect from the Listing Date. He is responsible for providing independent advice and judgment to our Board.

Mr. Wang has more than 19 years of experience in software development and artificial intelligence. From March 2006 to September 2016, he worked as a staff software engineer at Google Information Technology (China) Co., Ltd. (谷歌信息技術(中國)有限公司), a company principally engaged in the provision of search engines and other software services. From September 2016 to October 2022, he served as the chief technology officer and executive dean of the AI Institute of Sinovention Works (Beijing) Enterprise Management Limited (創新工場(北京)企業管理股份有限公司), a company principally engaged in investment and incubation in high-tech fields. Since October 2022, he has served as the chief executive officer and chairman of the board of directors of Beijing SeedV Technology Co., Ltd. (北京芒種星球科技有限公司), a company principally engaged in the R&D of multi-modal AI models and animation and video applications.

Mr. Wang obtained his bachelor's degree in science and technology information from Peking University (北京大學) in Beijing in July 1998.

DIRECTORS AND SENIOR MANAGEMENT

Mr. WANG Gaofei (王高飛), aged 47, was appointed as our independent non-executive Director on April 22, 2024, with effect from the Listing Date. He is responsible for providing independent advice and judgment to our Board.

Mr. Wang has more than 24 years of experience in business management. From August 2000 to October 2004, he worked as a technology developer at Stone Richsight Information Technology Co., Ltd. (四通利方信息技術有限公司), a company principally engaged in the provision of technical services and Internet information services. From November 2004 to October 2008, he worked as a general manager in the SINA wireless division of Beijing New Media Technology Information Company (北京新潮訊捷信息技術有限公司), a company principally engaged in the provision of technical services. Since November 2008, he has held various positions in Weibo Corporation, a leading social media platform listed on the Stock Exchange (stock code: 9898) and the Nasdaq Stock Market (stock symbol: WB). He has served as its chief executive officer and a director since February 2014 and August 2020, respectively. Since June 2021, he has served as an independent director of DiDi Global Inc., a company previously listed on the New York Stock Exchange (stock symbol: DIDI) and delisted in June 2022.

Mr. Wang obtained his bachelor's degree in computer science and technology from Peking University (北京大學) in Beijing in July 2000. He further obtained his executive master's degree in business administration (EMBA) from Peking University in Beijing in July 2010.

Dr. GAO Pingyang (高平陽), aged 46, was appointed as our independent non-executive Director on December 23, 2025, with effect from the Listing Date. He is responsible for providing independent advice and judgment to our Board.

Dr. Gao has more than 17 years of experience in teaching. From July 2008 to June 2020, he worked as an assistant professor and then an associate professor at the University of Chicago Booth School of Business. Since June 2020, he has worked as a professor and later associate dean at the Business School of the University of Hong Kong (香港大學). Since November 2023, he has served as an independent non-executive director of Zhongyuan Bank Co., Ltd. (中原銀行股份有限公司), a city commercial bank listed on the Stock Exchange (stock code: 1216). He has served as an independent non-executive director of Bloks Group Limited, a company listed on the Stock Exchange (stock code: 325), since December 2024. Since February 2025, he has served as an independent non-executive director of The People's Insurance Company (Group) of China Limited, which is listed on the Stock Exchange (stock code: 1339). During his tenure as an independent non-executive director of these listed companies, Dr. Gao has been responsible for reviewing financial statements and accounting policies, overseeing external and internal audit work and internal controls, making recommendations on the appointment and replacement of external auditors, and reviewing and approving annual and interim financial statements through regular board and committee deliberations. Through these responsibilities, Dr. Gao has gained substantial practical

DIRECTORS AND SENIOR MANAGEMENT

knowledge and extensive experience in supervising financial reporting, internal controls and other accounting-related matters of listed issuers, and has acquired the accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules.

Dr. Gao obtained his bachelor's degree in accounting from the Renmin University of China (中國人民大學) in Beijing in July 2002. He further obtained his master's degree in finance from Peking University (北京大學) in Beijing in June 2004. He further obtained his doctor's degree in accounting from Yale University in the United States in December 2008.

General

Our Directors have confirmed that:

- (1) each of our Directors (with the exception of Dr. GAO Pingyang) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on April 22, 2024, and understood his/her obligations as a director of a listed issuer; Dr. Gao obtained the same legal advice on July 11, 2024, and has similarly understood his obligations as a director of a listed issuer;
- (2) save as disclosed in the paragraph headed “Appendix IV — Statutory and General Information — C. Further Information about Our Directors — 2. Particulars of Directors’ Service Contracts and Appointment Letters” in this prospectus, none of our Directors has any existing or proposed service contract with our Group other than contracts expiring or determinable by the relevant member of our Group within one year without payment of compensation (other than statutory compensation);
- (3) save as disclosed in the paragraph headed “Appendix IV — Statutory and General Information — C. Further Information about Our Directors — 1. Disclosure of Interests” in this prospectus and above, each of our Directors has no interest in the Shares within the meaning of Part XV of the SFO;
- (4) save as disclosed in the paragraphs headed “Directors and Senior Management — Board of Directors”, each of our Directors does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;
- (5) save as disclosed in the paragraphs headed “Directors and Senior Management — Board of Directors” and “Appendix IV — Statutory and General Information — C. Further Information about Our Directors — 1. Disclosure of Interests”, other than being a Director of our Group, none of our Directors has any relationship with any other Directors, senior management or substantial shareholders of our Group; and
- (6) none of our Directors completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

DIRECTORS AND SENIOR MANAGEMENT

Each of our independent non-executive Directors has confirmed:

- (1) his/her independence after taking into consideration each of the factors referred to under Rules 3.13(1) to 3.13(8) of the Listing Rules;
- (2) that he/she does not have any past or present financial or other interest in the business of our Company or our subsidiaries, or any connection with any core connected person of our Company; and
- (3) that there are no other factors which may affect his/her independence at the time of his/her appointment as our independent non-executive Director.

Except as disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries:

- (1) there is no other matter with respect to the appointment of our Directors that needs to be brought to the attention to the Shareholders as of the Latest Practicable Date; and
- (2) there is no other information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as of the Latest Practicable Date.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management and operation of our business. The table below sets out certain information in respect of the senior management of our Group.

Name	Age	Position(s)	Date of appointment as senior management	Date of founding/joining our Group	Role and responsibilities	Relationship with Directors or other senior management
Mr. WANG Zhiyuan (王志遠)	45	Executive Director, founder, chairman of our Board and chief executive officer	April 20, 2012	April 20, 2012	Responsible for making key corporate decisions and overall management of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as senior management	Date of founding/joining our Group	Role and responsibilities	Relationship with Directors or other senior management
Mr. SHI Yi (施翼)	45	Executive Director, co-founder and executive vice president	April 20, 2012	April 20, 2012	Responsible for human resources management and daily operation of healthcare services of our Group	None
Mr. ZHOU Fang (周方)	48	Co-founder and the chief public affairs officer	August 15, 2015	August 15, 2015	Responsible for overseeing operational compliance and government-related and public affairs of our Group	None
Dr. ZHU Yan (朱岩)	44	Co-founder and executive vice president	November 2, 2012	November 2, 2012	Responsible for daily operation of healthcare services of our Group	None
Dr. LI Tao (李陶)	44	Chief medical officer	January 1, 2021	November 2, 2012	Responsible for the development of medical professionals and overseeing medical quality and patient safety in our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as senior management	Date of founding/ joining our Group	Role and responsibilities	Relationship with Directors or other senior management
Mr. ZHAO Tianbin (趙天斌). . .	43	Chief technology officer	October 19, 2020	October 19, 2020	Responsible for the development and implementation of information and data technology in our Group	None
Ms. QIU Yanliu (丘艷柳)	39	Financial controller	January 1, 2020	July 17, 2017	Responsible for overseeing financial reporting and financial management of our Group	None

The following sets forth the biographies of our senior management:

Mr. WANG Zhiyuan (王志遠) is our executive Director, founder, chairman of our Board and chief executive officer. Please refer to his biography under “— Board of Directors — Executive Directors” in this section.

Mr. SHI Yi (施翼) is our executive Director, co-founder and executive vice president. Please refer to his biography under “— Board of Directors — Executive Directors” in this section.

Mr. ZHOU Fang (周方), aged 48, joined our Group as our co-founder and the chief public affairs officer in August 2015. He is responsible for overseeing operational compliance and government-related and public affairs of our Group. Mr. Zhou currently holds positions as director, supervisor or general manager in 17 of our onshore subsidiaries.

Mr. Zhou has more than 25 years of experience in media, government and business management-related work. From July 1999 to January 2007, he worked at and last served as the deputy head of the business news center of the Guangzhou Daily Group (廣州日報報業集團), a newspaper media company. From February 2007 to April 2011, he served as the deputy director of the news and information department, and then a secretary at the Secretariat of the General Affairs Office of Guangzhou Municipal People’s Government (廣州市人民政府辦公廳秘書處). From April 2011 to March 2015, he served as the dean and legal representative of the

DIRECTORS AND SENIOR MANAGEMENT

Guangzhou Urban Planning & Design Survey Research Institute (廣州市城市規劃勘測設計研究院), a research institute principally engaged in urban planning, architectural design, surveying and mapping, municipal engineering design and construction management.

Mr. Zhou obtained his bachelor's degree in Chinese linguistics from Peking University (北京大學) in Beijing in July 1999.

Dr. ZHU Yan (朱岩), aged 44, joined our Group as our co-founder and executive vice president in November 2012. He is responsible for daily operation of healthcare services of our Group. Dr. Zhu currently holds positions as director, supervisor or general manager in seven of our onshore subsidiaries.

Dr. Zhu has more than 21 years of experience in the medical field. From August 2003 to July 2012, he worked at Peking Union Medical College Hospital (北京協和醫院).

Dr. Zhu obtained his bachelor's degree in clinical medicine from the Cheeloo College of Medicine, Shandong University (山東大學齊魯醫學院) (formerly known as the Shandong University School of Medicine (山東大學醫學院)) in Shandong in June 2003. He further obtained his master's degree in internal medicine from Peking Union Medical College (北京協和醫學院) in Beijing in July 2012.

Dr. LI Tao (李陶), aged 44, joined our Group in November 2012 and was appointed as our chief medical officer in January 2021. He is responsible for the development of medical professionals and overseeing medical quality and patient safety in our Group.

Dr. Li has extensive experience in the medical field. Prior to joining our Group, he worked as a medical adviser at Merck Serono Ltd. (默克雪蘭諾有限公司), a company principally engaged in the R&D of pharmaceuticals.

Dr. Li obtained his bachelor's degree in basic health science from the Peking University Health Science Center (北京大學醫學部) in Beijing in July 2005. He further obtained his master's degree in oncology from the Peking Union Medical College (北京協和醫學院) in Beijing in July 2008.

Mr. ZHAO Tianbin (趙天斌), aged 43, joined our Group as our chief technology officer in October 2020. He is responsible for the development and implementation of information and data technology in our Group.

Mr. Zhao has extensive experience in software development and project management. Prior to March 2012, he worked at SeaChange International Inc., a company listed on the Nasdaq Stock Market (stock symbol: SEAC) and principally engaged in the provision of software and hardware services. From May 2012 to February 2018, he successively worked as a technical program manager at A2Z Development Center, Inc. (a subsidiary of Amazon.com, Inc., a company listed on the Nasdaq Stock Market (stock symbol: AMZN) and principally engaged in the provision of software services), and then worked at Aceso Interactive Inc, a

DIRECTORS AND SENIOR MANAGEMENT

company principally engaged in software and hardware for medical services. From March 2018 to August 2020, he worked at and last served as the chief technology officer of 11 Health & Technologies Inc., a company principally engaged in smart medical devices and digital medical services.

Mr. Zhao obtained his bachelor's degree in computer science from Zhejiang University (浙江大學) in Zhejiang in June 2004.

Ms. QIU Yanliu (丘艷柳), aged 39, joined our Group as our deputy financial controller in July 2017, and was promoted to the position of financial controller in January 2020. She was appointed as our joint company secretary on April 22, 2024 and retired from this position on March 4, 2025. She is responsible for overseeing financial reporting and financial management of our Group. Ms. Qiu currently holds positions as director, supervisor or general manager in five of our onshore subsidiaries.

Ms. Qiu has more than 13 years of experience in accounting. From October 2011 to June 2017, she worked as a manager at Ernst & Young Hua Ming Certified Public Accountants' Firm (Special General Partnership) Shenzhen Branch (安永華明會計師事務所(特殊普通合夥)深圳分所), an accounting firm.

Ms. Qiu obtained both her bachelor's degree and master's degree in economics majoring in finance from the South China University of Technology (華南理工大學) in Guangzhou in July 2008 and June 2011, respectively. She has been certified as a certified public accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since February 2018.

General

Save as disclosed in the paragraphs headed "Directors and Senior Management — Senior Management", each of our senior management members has confirmed that:

- (1) he/she does not hold any other positions in our Group as of the Latest Practicable Date;
- (2) other than being a Director and/or a member of our Group's senior management and a selected participant of the RSU Scheme, he/she does not have any other relationship with any Directors, other members of senior management or substantial shareholders of our Group as of the Latest Practicable Date;
- (3) he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and

DIRECTORS AND SENIOR MANAGEMENT

- (4) he/she has not completed his/her respective education programs as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. LIU Yixuan (劉亦軒), aged 33, joined our Group as Investor Relation Director in June 2024. She was appointed as our joint company secretary in March 2025. She is responsible for investor relation management of our Group.

Prior to joining our Group in June 2024, she worked at investment banking division of China International Capital Corporation Limited (中國國際金融股份有限公司) from July 2018 to May 2024, specializing in the medical and pharmaceutical sectors. Her last position was vice president of the investment banking division.

Ms. Liu obtained her bachelor's degree in Economics from Fudan University in Shanghai in July 2015. She further obtained her master's degree in Finance and Economics from the dual degree programme offered by Peking University and The Chinese University of Hong Kong in Beijing and Hong Kong in July 2018. She became a chartered financial analyst (CFA) charterholder in August 2021.

Ms. WONG Wing Yee (黃詠儀) was appointed as a joint company secretary of our Company on April 22, 2024. She is currently serving as an assistant manager of corporate services of Vistra Corporate Services (HK) Limited. She is responsible for providing company secretarial services to listed companies and private companies.

Ms. Wong has over seven years of experience in the corporate services industry. Prior to joining Vistra Corporate Services (HK) Limited in September 2022, she worked as a secretary at an international corporate services provider.

Ms. Wong obtained her bachelor's degree in Chinese from Lingnan University (嶺南大學) in Hong Kong in November 2015. She has been an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) in Hong Kong and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom since June 2022.

BOARD COMMITTEES

We have established the following committees on our Board: an audit committee, a remuneration committee and a nomination committee. The committees operate in accordance with the terms of reference established by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

Our Company has established an audit committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”). The audit committee consists of Dr. GAO Pingyang (高平陽), Ms. CHEN Rui (陳銳) and Mr. CAO Shaoshan (曹少山), with Dr. GAO Pingyang (高平陽) serving as the chairperson. Dr. GAO Pingyang (高平陽) holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process, and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Company has established a remuneration committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The remuneration committee consists of Mr. ZHANG Xiangdong (張向東), Dr. GAO Pingyang (高平陽) and Mr. WANG Yonggang (王詠剛), with Mr. ZHANG Xiangdong (張向東) serving as the chairperson. The primary duties of the remuneration committee include, but are not limited to, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time; and (iv) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

Our Company has established a Nomination Committee (effective from the Listing Date) with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of Mr. WANG Zhiyuan (王志遠), Mr. WANG Gaofei (王高飛) and Ms. CHEN Rui (陳銳), with Mr. WANG Zhiyuan (王志遠) serving as the chairperson. The primary functions of the Nomination Committee include, but are not limited to, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

DIRECTORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE

Code Provision C.2.1 of part 2 of the Corporate Governance Code

Under paragraph C.2.1 of part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Wang is the chairman of our Board and chief executive officer of our Company. With extensive experience in the financial industry, Mr. Wang is in charge of making key corporate decisions and overall management of our Group. Despite the fact that the roles of the chairman of our Board and chief executive officer of our Company are both performed by Mr. Wang, which constitutes a deviation from paragraph C.2.1 of part 2 of the Corporate Governance Code, our Board considers that vesting the roles of both the chairman of our Board and chief executive officer all in Mr. Wang has the benefit of ensuring consistent leadership and more effective and efficient overall strategic planning of our Company. The balance of power and authority is ensured by the operation of our Board and our senior management, each of which comprises experienced and diverse individuals. Our Board currently comprises two executive Directors, five non-executive Directors and four independent non-executive Directors. Therefore, our Board possesses a strong independence element in its composition. Save as disclosed in this paragraph, our Company intends to comply with all code provisions under the Corporate Governance Code after the Listing.

Board Diversity

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to the Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a range of diversity perspectives with reference to our Company’s business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mix of knowledge and skills, including but not limited to finance, investment, software development, artificial intelligence, sales and marketing, and teaching. They obtained degrees in various majors, including but not limited to business administration, economics, finance, computer science, engineering, biology, and history. Furthermore, our Board has a relatively wide range of ages, ranging from 39 years old to 56 years old, and consists of nine male members and two female members. Our Board is of the view that our Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of the Board, reviewing the Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing the Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will (i) disclose the biographical details of each Director; and (ii) report on the implementation of the Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, our Group will take opportunities to increase the proportion

DIRECTORS AND SENIOR MANAGEMENT

of female members of the Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices. Our Group also intends to promote gender diversity when recruiting staff at the mid to senior level so that our Company will have a pipeline of female senior management and potential successors to the Board. We believe that such merit-based selection process with reference to our Board Diversity Policy and the nature of our business will be in the best interests of our Group and our Shareholders as a whole.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Our non-executive Directors may, from time to time, make minority investments or hold non-executive board positions in entities that operate in the broader industries in which our business segment also operate. As the relevant non-executive Director(s) have no executive or shareholding control over any of these entities, and these entities have separate businesses with separate management and shareholder bases that control their entities, we are therefore of the view that the non-executive board positions disclosed above or other minority investments will not result in any material conflict of interest.

RSU SCHEME

We have adopted the RSU Scheme, details and principal terms of which are set out in the paragraph headed “Appendix IV — Statutory and General Information — D. RSU Scheme” in this prospectus.

COMPENSATION OF DIRECTORS AND MANAGEMENT

Our Directors receive compensation in the form of salaries, wages, bonuses, pension costs, share-based compensation expenses, housing benefits and other employee benefits. Our Directors’ remuneration is determined with reference to the relevant Director’s experience and qualifications, level of responsibility, performance and the time devoted to our business, and the prevailing market conditions.

The aggregate amounts of remuneration which were paid to our Directors (including salaries, wages, bonuses, pension costs, share-based compensation expenses, housing benefits and other employee benefits) for the three financial years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 were approximately RMB1.94 million, RMB4.29 million and RMB6.53 million and RMB2.21 million, respectively.

It is estimated that the aggregate amount of remuneration payable to our Directors (including salaries, wages, bonuses, pension costs, housing benefits and other employee benefits) for the financial year ending December 31, 2025 will be approximately RMB3.25 million under arrangements in force as of the date of this prospectus.

DIRECTORS AND SENIOR MANAGEMENT

For the three financial years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, there were one, two, two and one Directors among the five highest paid individuals, respectively. The aggregate amounts of remuneration which were paid by our Group to the five highest paid individuals (excluding Directors) for the three financial years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 were RMB7.46 million, RMB8.02 million, RMB12.58 million and RMB5.14 million, respectively.

During the Track Record Period, (i) no remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining our Group; (ii) no compensation was paid to, or receivable by, our Directors or past Directors or the five highest paid individuals for the loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group; and (iii) none of our Directors waived or agreed to waive any emoluments.

Except as disclosed above, no other payment has been paid, or is payable, by our Group to our Directors or the five highest paid individuals of our Group during the Track Record Period.

For additional information on Directors' remuneration during the Track Record Period as well as information on the five highest paid individuals, please refer to note 7 and 34 of the Accountant's Report as set out in Appendix I to this prospectus.

COMPLIANCE ADVISER

We have appointed Haitong International Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, our compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules, is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

The terms of the appointment shall commence on the Listing Date and end on the date which we distribute our annual report of our financial results for first full the financial year commencing after the Listing Date.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS AND PROSPECTS

For a detailed description of our future plans, please refer to the paragraphs headed “Business — Our Business Strategies” in this prospectus.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$219.1 million, after deducting underwriting commissions, fees and estimated expenses payable by us in connection with the Global Offering, and assuming the Over-Allotment Option being not exercised and an Offer Price of HK\$62.15 per Share, which is the mid-point of the indicative Offer Price range stated in this prospectus.

Assuming an Offer Price at the mid-point of the Offering Price range, we currently intend to apply these net proceeds for the following purposes:

- 35%, or approximately HK\$76.7 million, for deploying advanced AI technologies to innovate healthcare delivery and operational efficiency through developing a specialized talent pool for healthcare AI applications, strategic collaborations with leading technology institutions and companies and external procurement, along with improvements to our own information technology systems by our in-house information and data technology department. Specifically, (a) we plan to use AI technologies to further increase the level of automation in appointment scheduling, billing, and insurance claim processing to substantially reduce manual administrative workload. We expect this measure to reduce the average manual processing time by approximately 50%; (b) we also expect to apply AI to classify and analyze patient complaints and safety incidents, improving the responsiveness and productivity of our quality control teams; (c) We plan to launch a patient flow forecasting system that analyzes historical data to predict patient demand, enabling optimal allocation of human resources; and (d) regarding our health counseling services, we plan to integrate AI technologies to assist doctors and nurses in preparing documentations, such as medical records, thereby enabling doctors and nurses to focus more on service quality and patient interactions. We expect such measure could reduce the time spent by doctors and nurses on clinical documentation per patient visit by approximately 15%. Please see “Business — Information Technology Systems” for more details;
- 15.5%, or approximately HK\$34.0 million, for deploying advanced AI technologies in our healthcare service business operations, with HK\$9.8 million, HK\$9.5 million and HK\$14.6 million to be utilized in 2026, 2027 and 2028, respectively, including: (i) developing a specialized talent pool with around 27 members for healthcare AI applications. The talent pool will primarily comprise: three product and project managers with an annual compensation package ranging from RMB300 thousand to RMB800 thousand, three architecture and algorithm engineers with an annual compensation package ranging from RMB700 thousand to RMB1,200 thousand, nine data

FUTURE PLANS AND USE OF PROCEEDS

engineers with an annual compensation package ranging from RMB200 thousand to RMB500 thousand, eight software engineers with an annual compensation package ranging from RMB200 thousand to RMB500 thousand, and four medical knowledge and quality managers with an annual compensation package ranging from RMB300 thousand to RMB700 thousand, with team members sourced both from existing staff and new hires. In addition, our talent pool will be supported by our medical professional team and several external experts (through collaborations or other means) to efficiently advance the deployment of advanced AI technologies; and (ii) collaborating strategically with leading technology institutions and companies, such as Hong Kong University of Science and Technology (Guangzhou), in many respects, including patient flow forecasting and staffing optimization, AI-assisted health counseling services and operational process optimization, please see “Business — Information Technology Systems” for more details;

- 19.5%, or approximately HK\$42.7 million, for improvements to our own information technology systems by our in-house information and data technology department, with HK\$16.8 million, HK\$11.5 million and HK\$14.4 million to be utilized in 2026, 2027 and 2028, respectively, mainly including (i) investments in our HMS, SCRM and office softwares, including payments to third-party service providers in relation to the upgrade of these systems and payments for the procurement of cloud resources; and (ii) investments in our DMS and Distinct Data Platform, including staff costs and payments for the procurement of cloud resources and development tools. We believe these efforts will enhance the performance of our systems and the accuracy and precision of our data processing, thereby better supporting our business operations and expansion.
- 30%, or approximately HK\$65.7 million, for upgrading our existing healthcare service institutions and establishing new healthcare service institutions in order to deepen our penetration and access a wider population of target patients, including (i) 20%, or approximately HK\$43.8 million, for relocating one of our existing healthcare service institutions in Shenzhen. We expect to incur total investment of RMB70.8 million (or HK\$78.9 million) for such relocation, which mainly comprises renovation, rental and equipment costs, with HK\$60.0 million and HK\$18.9 million, respectively, to be incurred in 2026 and 2027. We plan to fund the remaining portion by our internal resources; and (ii) 10%, or approximately HK\$21.9 million, for opening new healthcare service institutions in Hangzhou and Shanghai. We expect to incur total investment of RMB61.6 million (or HK\$68.6 million) for such new openings, which mainly comprises renovation, rental and equipment costs, with HK\$25.0 million, HK\$37.0 million and HK\$6.7 million, respectively, to be incurred in 2026, 2027 and 2028. We plan to fund the remaining portion by our internal resources. As of the Latest Practicable Date, we were at the preliminary planning stage for opening new healthcare service institutions in both Shanghai and Hangzhou. Please see “Business — Our Future Expansion — Expansion of Healthcare Service Institution Network — Organic Growth” for more details;

FUTURE PLANS AND USE OF PROCEEDS

- 25%, or approximately HK\$54.8 million, for acquiring healthcare service institutions in Tier-One Cities and New Tier-One Cities that have demonstrated a good track record of performance when appropriate opportunities arise. According to Frost & Sullivan, there are more than 1,000 private healthcare service institutions in China, which meet all selection criteria currently envisaged by us and could be the targets of potential acquisitions for us. As of the Latest Practicable Date, save as disclosed in “History, Reorganization and Corporate Structure — Acquisition of Wuhan Dragon World,” we had not entered into any letters of intent or agreements with respect to acquisitions and had not identified any definite acquisition targets. Please see “Business — Our Future Expansion — Expansion of Healthcare Service Institution Network — Strategic Acquisitions” for more details;
- 10%, or approximately HK\$21.9 million for working capital and other general corporate purposes.

If the Offer Price is set at HK\$66.60 per Share, which is the high end of the indicative Offer Price range, and assuming the Over-allotment Option is not exercised, the net proceeds from the Global Offering will increase by approximately HK\$20.3 million. If the Offer Price is set at HK\$57.70 per Share, which is the low end of the indicative Offer Price range, and assuming the Over-allotment Option is not exercised, the net proceeds from the Global Offering will decrease by approximately HK\$20.3 million. The above allocation of the net proceeds from the Global Offering will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the indicative Offer Price range stated in this prospectus.

The additional net proceeds that we would receive if the Over-allotment Option were exercised in full would be (i) HK\$45.6 million (assuming an Offer Price of HK\$66.60 per Offer Share, being the high-end of the indicative Offer Price range stated in this prospectus), (ii) HK\$42.5 million (assuming an Offer Price of HK\$62.15 per Offer Share, being the mid-end of the indicative Offer Price range stated in this prospectus) and (iii) HK\$39.5 million (assuming an Offer Price of HK\$57.70 per Offer Share, being the low-end of the indicative Offer Price range stated in this prospectus). Additional net proceeds received due to the exercise of any Over-allotment Option will be used for the above purposes accordingly on a pro rata basis in the event that the Over-allotment Option is exercised.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the net proceeds in short-term interest-bearing accounts at licensed commercial banks or authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions).

In the event of any material change in our use of net proceeds of the Global Offering from the purposes described above or in our allocation of the net proceeds among the purposes described above, a formal announcement will be made.

UNDERWRITING

HONG KONG UNDERWRITERS

Haitong International Securities Company Limited
SPDB International Capital Limited
CMB International Capital Limited
China Galaxy International Securities (Hong Kong) Co., Limited
CCB International Capital Limited
ICBC International Securities Limited
China Renaissance Securities (Hong Kong) Limited
Zhongtai International Securities Limited
Futu Securities International (Hong Kong) Limited
XCap Partners Limited
Funde Securities Limited
Tiger Brokers (HK) Global Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on **Wednesday, February 4, 2026**, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 475,000 Hong Kong Offer Shares and the International Offering of initially 4,275,000 International Offer Shares, subject, in each case, to reallocation on the basis as described in “Structure of the Global Offering” as well as to the Over-allotment Option (in the case of the International Offering).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering the Hong Kong Offer Shares for subscription by the public in Hong Kong on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the Global Offering (including the Shares in issue and any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange, and such approval and permission not

UNDERWRITING

subsequently having been withdrawn or revoked prior to the commencement of dealings in the Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. If at any time prior to 8:00 a.m. on the day that trading in the Shares commences on the Stock Exchange:

- (a) there develops, occurs, exists or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent authority in or affecting Hong Kong, Cayman Islands, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore, Malaysia, the British Virgin Islands, or other jurisdictions relevant to the Group or the Global Offering (each a “**Relevant Jurisdiction**” and collectively, the “**Relevant Jurisdictions**”); or
 - (ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation, equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including,

UNDERWRITING

without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

- (iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or
- (iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or
- (v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or
- (vi) other than with the prior written consent of the Joint Sponsors and the Joint Sponsor-OCs, the issue or requirement to issue by the Company of a supplement or amendment to the Prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or
- (vii) the commencement by any authority or other regulatory or political body or organization of any public action or investigation against a member of the Group or a director or a senior management member of any member of the Group or announcing an intention to take any such action; or

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- (viii) the imposition of economic or comprehensive sanctions or export controls in whatever form, directly or indirectly, on any member of the Group or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or
- (ix) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or
- (x) any change or development involving a prospective change or amendment in or affecting taxation or exchange controls, currency exchange rates or foreign investment regulations (including, without limitation, a change of the United States dollars, the Hong Kong dollars or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollars is linked to that of the United States dollars or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control in any Relevant Jurisdiction or adversely affecting an investment in the Offer Shares; or
- (xi) any non-compliance of the Prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or
- (xii) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in the Prospectus; or
- (xiii) any contravention by any member of the Group or any Director of the Listing Rules or applicable Laws; or
- (xiv) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in the Prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Joint Sponsor-OCs (for themselves and on behalf of the Overall Coordinators and the Hong Kong Underwriters):

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- (1) has or will or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole;
 - (2) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or
 - (3) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of Hong Kong Underwriting Agreement, the Hong Kong Public Offering or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offering and/or the Global Offering to proceed, or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the offering documents; or
 - (4) has or will or may have the effect of making any part of Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (b) there has come to the notice of the Joint Sponsors and the Joint Sponsor-OCs (for themselves and on behalf of the Joint Overall Coordinators and the Hong Kong Underwriters) that:
- (i) any statement contained in any of the offering documents, the CSRC filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the “**Global Offering Documents**”) was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or
 - (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Prospectus, constitute a material omission or misstatement in any Global Offering Document; or

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- (iii) either there has been a breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Controlling Shareholders in Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the indemnifying parties pursuant to the indemnities in Hong Kong Underwriting Agreement; or
- (v) any breach of any of the obligations or undertakings imposed upon the Company or any member of the Controlling Shareholders or any cornerstone investor (as applicable) to Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements (including any supplement or amendment thereto); or
- (vi) there is any change or development involving a prospective change, constituting or having a material adverse effect; or
- (vii) the Chairman of the Board, any Director (other than the proposed independent non-executive Directors) or any member of senior management of the Company named in the Prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (viii) any Director (other than the proposed independent non-executive Directors) or any member of senior management of the Company named in the Prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (ix) the Company withdraws the Prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or
- (x) the approval by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or
- (xi) any person (other than any of the Joint Sponsors) has withdrawn its consent to the issue of the Prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

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- (xii) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xiii) any person (other than the Joint Sponsors and the Joint Sponsor-OCs) has withdrawn or sought to withdraw its consent to being named in any of the offering documents or to the issue of any of the offering documents; or
- (xiv) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (xv) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Joint Sponsor-OCs, the issue or requirement to issue by the Company of a supplement or amendment to the CSRC filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC Rules or any other applicable Laws; or
- (xvi) that (i) a material portion of the orders placed or confirmed in the book-building process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, as a result of the payment of the relevant investment amount not being received or settled in the stipulated time and manner or otherwise,

then, in each case, the Joint Sponsors and the Joint Sponsor-OCs (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to the Company, terminate Hong Kong Underwriting Agreement with immediate effect.

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Undertakings to the Stock Exchange Pursuant to the Listing Rules

Undertakings by Our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that it will not issue any further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including pursuant to the Over-allotment Option) or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and our Company that, except in compliance with the requirements of the Listing Rules, he/it will not and will procure that the relevant registered holder(s) will not, either directly or indirectly:

- (a) in the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities of our Company in respect of which he/it is shown by this prospectus to be the beneficial owner; or
- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the securities referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a “controlling shareholder” (as defined in the Listing Rules) of our Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and our Company that, within the period commencing on the date by reference to which disclosure of his/its shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will and will procure that the relevant registered holder(s) will:

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- (i) when he/it pledges or charges any securities of our Company beneficially owned by him/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules for a bona fide commercial loan, immediately inform our Company of such pledge or charge together with the number of the securities so pledged or charged; and
- (ii) when he/it receives indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged securities will be disposed of, immediately inform our Company of such indications.

Upon being informed of matters referred to in paragraph (i) or (ii) above by any of the Controlling Shareholders, our Company will inform the Stock Exchange and make an announcement in accordance with the Listing Rules as soon as possible.

Undertakings Pursuant to the Hong Kong Underwriting Agreement

Undertakings by Our Company and the Controlling Shareholders in Respect of Our Company

Our Company has undertaken to each of the Joint Sponsors, the Joint Sponsor-OCs, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, except for the offer, allotment and issue of the Offer Shares pursuant to the Global Offering (including pursuant to the exercise of the Over-allotment Option), our Company will not, and will procure each other member of our Group not to, without the prior written consent of the Joint Sponsors and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date falling six months after the Listing Date (the “**First Six-Month Period**”):

- (a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or any interest in any

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of the foregoing), or deposit any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, with a depository in connection with the issue of depository receipts;

- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or other securities of our Company or any shares or other securities of such other member of our Group, as applicable, or any interest in any of the foregoing);
- (c) enter into any transaction, with the same economic effect as any of the transactions specified in paragraph (a) or (b) above; or
- (d) offer to or agree to or announce or publicly disclose any intention to effect any of the transactions specified in paragraph (a), (b) or (c) above,

in each case, whether any of the transactions specified in paragraph (a), (b) or (c) above is to be settled by delivery of Shares or other securities of our Company or shares or other securities of such other member of our Group, as applicable, or in cash or otherwise (whether or not the issue of such Shares or other shares or securities or such transaction will be completed within the First Six-Month Period).

Until the expiry of the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), in the event that our Company enters into any of the transactions specified in paragraph (a), (b) or (c) above or offers to or agrees to or announces or publicly discloses any intention to effect any such transaction, our Company shall immediately inform the Joint Sponsors and the Joint Sponsor-Overall Coordinators in writing, and take all reasonable steps to ensure that it will not, and no other act of our Company will, create a disorderly or false market in the Shares or other securities of our Company.

Each of the Controlling Shareholders has undertaken to each of the Joint Sponsors, the Joint Sponsor-OCs, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries to procure our Company to comply with the above undertakings.

Our Company has undertaken to each of the Joint Sponsors, the Joint Sponsor-OCs, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that it will, and each of the Controlling Shareholders has undertaken to each of the Joint Sponsors, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint

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Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries to procure that our Company will, comply with the minimum public float requirements as allowed by the Stock Exchange (the “**Minimum Public Float Requirement**”). Each of our Company and the Controlling Shareholders has also undertaken to each of the Joint Sponsors, the Joint Sponsor-OCs, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that it/he will not, and each of the Controlling Shareholders has further undertaken to each of the Joint Sponsors, the Joint Sponsor-OCs, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries to procure that our Company will not, effect any purchase of Shares, or agree to do so, which may reduce the holdings of Shares held by the public (as defined in Rule 8.24 of the Listing Rules) below the Minimum Public Float Requirement on or before the date falling one year after the Listing Date without first having obtained the prior written consent of the Joint Sponsors and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters).

Undertakings by the Controlling Shareholders in Respect of Themselves

Each of the Controlling Shareholders has undertaken to each of our Company, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, without the prior written consent of the Joint Sponsors and the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

- (a) it/he will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for it/him and the companies controlled by it/him will not, at any time during the First Six Month Period:
 - (i) sell, offer to sell, accept subscription for, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts; or

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- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or any such other securities, as applicable or any interest in any of the foregoing); or
- (iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (i) or (ii) above; or
- (iv) offer to or agree to or announce any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in paragraph (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise, and whether or not the transactions will be completed within the First Six Month Period; and

- (b) it/he will not, during the Second Six Month Period, enter into any of the transactions specified in paragraph (a)(i), (ii) or (iii) above or offer to or agree to contract to or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or encumbrance pursuant to such transaction, any Controlling Shareholder will cease to be a Controlling Shareholder of our Company or a member of a group of the Controlling Shareholders of our Company or would together with the other Controlling Shareholders cease to be “Controlling Shareholders” of our Company; and
- (c) until the expiry of the Second Six Month Period, in the event that it enters into any of the transactions specified in paragraph (a)(i), (ii) or (iii) or offer to or agrees to or contract to or publicly announce any intention to effect any such transaction, it/he will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market in the securities of our Company.

The foregoing restrictions shall not prevent the Controlling Shareholders from (i) purchasing additional Shares or other securities of our Company and disposing of such additional Shares or securities of our Company in accordance with the Listing Rules, provided that any such purchase or disposal does not contravene the foregoing lock-up arrangements with the Controlling Shareholders or the compliance by our Company with the Minimum Public Float Requirement, and (ii) using the Shares or other securities of our Company or any interest therein beneficially owned by them as security (including a charge or a pledge) in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, provided that:

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- (a) the relevant Controlling Shareholder will immediately inform our Company and the Joint Sponsor-Overall Coordinators in writing of such pledge or charge together with the number of Shares or other securities of our Company so pledged or charged if and when it/he or the relevant registered holder(s) pledges or charges any Shares or other securities of our Company beneficially owned by it/him; and
- (b) when the relevant Controlling Shareholder receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares or other securities of our Company will be disposed of, it/he will immediately inform our Company and the Joint Sponsor-Overall Coordinators of such indications.

Our Company has undertaken to the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that upon receiving such information in writing from the Controlling Shareholders, it will, as soon as practicable and if required pursuant to the Listing Rules, the SFO and/or any other applicable Law, notify the Stock Exchange and/or other relevant Authorities, and make a public disclosure in relation to such information by way of an announcement.

Lock-Up Undertakings

Controlling Shareholders and Proxy Shareholders

Shares held by our Controlling Shareholders, namely, Mr. Wang, Cheuk Sing Ho, the Concert Parties and Distinct Partners I Limited, which amounted to 15,790,250 Shares, are subject to a lock-up arrangement pursuant to Rule 10.07 of the Listing Rules. In addition, the 11,283,000 Shares held by Cheuk Sing Ho are subject to a lock-up arrangement for the period of 30 months commencing from the Listing Date and the 1,867,000 Shares held by Mr. CAO Shaoshan (曹少山) and Nineteen Seventy-Seven are subject to a lock-up arrangement for the period of 12 months commencing from the Listing Date.

All Proxy Shareholders has agreed to a lock-up arrangement with respect to the Proxy Shares, which amounted to 4,031,282 Shares, for the period of 12 months commencing from the Listing Date.

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The total of 5,000,000 Shares held by Distinct Partners I Limited and Distinct Partners II Limited aggregately are subject to a lock-up arrangement for the period of 18 months commencing from the Listing Date.

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Other Existing Shareholders

Save for the lock-up arrangements above, and except for the (A) 1,750,000 Shares held by Tiantu Xingbei Investment Center (Limited Partnership) (北京天圖興北投資中心(有限合夥)), (B) 750,000 Shares held by Chengdu Tiantu Dongfeng Equity Investment Fund Center (Limited Partnership) (成都天圖天投東風股權投資基金中心(有限合夥)), (C) 1,080,000 Shares held by MPC II, L.P. and 120,000 Shares held by MPC II-A, L.P., and (D) the total of 492,200 Shares held by Deripi Limited, Buchkana Holdings Limited and Flarensi Holdings Limited aggregately, which are not subject to any lock-up upon the Listing, the other Shares held by the existing Shareholders are subject to a lock-up arrangement of six months commencing from the Listing Date.

Cornerstone Investors

Each of the Cornerstone Investors has agreed to a lock-up arrangement of six months commencing from the Listing Date. For details, please refer to the section headed “Cornerstone Investors — Restrictions on the Cornerstone Investors.”

Hong Kong Underwriters’ Interests in Our Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of our Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of our Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company and the Controlling Shareholders will enter into the International Underwriting Agreement with the Joint Sponsors, the Joint Sponsor-Overall Coordinators and the International Underwriters and the Capital Market Intermediaries on or about the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares being offered under the International Offering.

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It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. See “Structure of the Global Offering — The International Offering.”

Over-allotment Option

Our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, being **Thursday, March 5, 2026**, pursuant to which our Company may be required to issue up to an aggregate of 712,500 additional Shares, representing not more than 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. See “Structure of the Global Offering — Over-allotment Option.”

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission of 3.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the Over-allotment Option) (the “**Fixed Fees**”). Our Company may, at its discretion, pay to one or more Underwriter(s) and Capital Market Intermediary(ies) an additional discretionary fee of up to 1.0% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the Over-allotment Option) (the “**Discretionary Fees**”). Assuming the Discretionary Fees are paid in full, the ratio of the Fixed Fees to the Discretionary Fees will be approximately 75 : 25.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, our Company will pay an underwriting commission at the rate applicable to the International Offering to the relevant International Underwriters (and not the Hong Kong Underwriters).

The aggregate underwriting commissions and fees payable to the Underwriters and the Capital Market Intermediaries, together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and other expenses payable by our Company in relation to the Global Offering are estimated to be approximately HK\$70.5 million (assuming an Offer Price of HK\$62.15 per Share, being the mid-point of the indicative Offer Price range, the full payment of the Discretionary Fees and the exercise of the Over-allotment Option in full).

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Indemnity

Each of our Company and the Controlling Shareholders has agreed to jointly and severally indemnify the Joint Sponsors, the Joint Sponsor-OCs, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters, the Capital Market Intermediaries and each of them for certain losses which they may suffer or incur, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement or any breach by any of our Company and the Controlling Shareholders of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Offering (together, the “**Syndicate Members**”) and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Group and/or persons and entities with relationships with our Group and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group’s loans and other debts.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

UNDERWRITING

In relation to issues by the Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in “Structure of the Global Offering — Stabilization.” Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

- (a) the Syndicate Members (other than the Stabilization Manager or its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and
- (b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Group and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

INDEPENDENCE OF THE JOINT SPONSORS

As of the Latest Practicable Date, Haitong International Capital Limited and SPDB International Capital Limited satisfied the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Haitong International Securities Company Limited and SPDB International Capital Limited are the Joint Sponsor-Overall Coordinators of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus.

4,750,000 Offer Shares will initially be made available (subject to the Over-allotment Option) under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 475,000 Shares (subject to reallocation) in Hong Kong as described in “— The Hong Kong Public Offering” below; and
- (b) the International Offering of initially 4,275,000 Shares (subject to reallocation and the Over-allotment Option) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described in “— The International Offering” below.

Investors may either:

- (i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or
- (ii) apply for or indicate an interest for International Offer Shares under the International Offering,

but may not do both.

The Offer Shares will represent approximately 7.38% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). If the Over-allotment Option is exercised in full, the Offer Shares (including Shares to be issued pursuant to the full exercise of the Over-allotment Option) will represent approximately 8.39% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Shares pursuant to the Over-allotment Option.

References in this prospectus to applications, application monies or the procedures for applications relate solely to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 475,000 Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing 10% of the Offer Shares initially available under the Global Offering. The Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering, will represent approximately 0.74% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to professional and institutional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in “— Conditions of the Global Offering” below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools (with any odd lots being allocated to pool A): pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5 million (excluding brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to valid applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5 million (excluding brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

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Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the “price” for Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 237,500 Hong Kong Offer Shares is liable to be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Joint Sponsor-Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Joint Sponsor-Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Joint Sponsor-Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Sponsor-Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 237,500 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of the Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 712,500 Offer Shares, representing 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price shall be fixed at the low end of the indicative Offer Price range (i.e., HK\$57.70 per Offer Share) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offering, and no over-allocation of Shares to the Hong Kong Public Offering.

STRUCTURE OF THE GLOBAL OFFERING

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering, which is expected to be published on Thursday, February 5, 2026. Where the International Offer Shares are undersubscribed, if the Hong Kong Offer Shares are also undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this Prospectus and the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he/she/it has been or will be placed or allocated International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering may be required to pay, on application (subject to application channels), the maximum Offer Price of HK\$66.60 per Share plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, amounting to a total of HK\$3,363.58 for one board lot of 50 Shares. If the Offer Price, as finally determined in the manner described in “— Pricing and Allocation” below, is less than the maximum Offer Price of HK\$66.60 per Share, appropriate refund payments (including brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to the relevant successful applicants (subject to application channels), without interest. Further details are set out in “How to Apply for Hong Kong Offer Shares.”

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

Subject to reallocation and the Over-allotment Option, the International Offering will consist of an offering of initially 4,275,000 Shares, representing 90% of the Offer Shares initially available under the Global Offering. The Offer Shares initially offered under the

STRUCTURE OF THE GLOBAL OFFERING

International Offering, subject to any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering, will represent approximately 6.64% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

The International Offering will include selective marketing of Offer Shares to professional and institutional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in “— Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and the Shareholders as a whole.

The Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Sponsor-Overall Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of reallocation as described in “— The Hong Kong Public Offering — Reallocation” above and/or the exercise of the Over-allotment Option in whole or in part.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day

STRUCTURE OF THE GLOBAL OFFERING

for lodging applications under the Hong Kong Public Offering, being **Thursday, March 5, 2026**, to require our Company to issue up to an aggregate of 712,500 additional Shares, representing not more than 15% of the Offer Shares initially available under the Global Offering, at the Offer Price to, among other things, cover over-allocations in the International Offering, if any.

If the Over-allotment Option is exercised in full, the additional Shares to be issued pursuant thereto will represent approximately 1.09% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Shares pursuant to the Over-allotment Option. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilization Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilization Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilization Manager (or its affiliates or any person acting for it) and in what the Stabilization Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days after the last day for lodging applications under the Hong Kong Public Offering.

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (c) purchasing or subscribing for or agreeing to purchase or subscribe for the Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing or agreeing to purchase any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (e) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

STRUCTURE OF THE GLOBAL OFFERING

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilization Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the Shares;
- (b) there is no certainty as to the extent to which and the time or period for which the Stabilization Manager (or its affiliates or any person acting for it) will maintain such a long position;
- (c) liquidation of any such long position by the Stabilization Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the Shares;
- (d) no stabilizing action can be taken to support the price of the Shares for longer than the stabilization period, which will begin on the Listing Date and is expected to expire on **Thursday, March 5, 2026**, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;
- (e) the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- (f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilization Manager (or its affiliates or any person acting for it) may cover such over-allocations by exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilization Manager (or its affiliates or any person acting for it) in the secondary market at prices that do not exceed the Offer Price, or through the delayed delivery arrangement or by a combination of these methods.

STRUCTURE OF THE GLOBAL OFFERING

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about **Wednesday, February 4, 2026**, by agreement between the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK\$66.60 per Share and is expected to be not less than HK\$57.70 per Share, unless otherwise announced by our Company no later than the morning of the last day for lodging applications under the Hong Kong Public Offering, as further explained below.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, our Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.distinctclinic.com, respectively, an announcement to cancel the Global Offering. The Company will then relaunch the offer at the revised number of Offer Shares and/or the revised Offer Price with a supplemental or new prospectus as required under Rule 11.13 of the Listing Rules, and complete the requisite settlement processes on the FINI platform afresh. The Global Offering must first be canceled and subsequently relaunched on the FINI platform pursuant to the supplemental or new prospectus. The supplemental or new prospectus shall include at least the following: updated (a) indicative Offer Price range and market capitalization; (b) listing timetable and underwriting obligations; (c) price/earnings multiple (if applicable), unaudited pro forma and adjusted net tangible assets; and (d) use of proceeds and working capital adequacy confirmation based on revised estimated proceeds. In the event of a reduction in the number of Offer Shares, the Joint Sponsor-Overall Coordinators may also at their discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering. In the absence of any such supplemental or new prospectus so

STRUCTURE OF THE GLOBAL OFFERING

published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon by the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company, will under no circumstances be set outside the indicative Offer Price range as stated in this prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering.

If there is any change to the offer size due to change in the number of Offer Shares initially offered under the Global Offering (other than pursuant to the exercise of the Over-allotment Option and/or the reallocation mechanism as disclosed in this prospectus), or if the Offer Price falls outside the indicative Offer Price range as stated in this prospectus, or if our Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offering and issue a supplemental or new prospectus.

The final Offer Price, the level of applications in the Hong Kong Public Offering, the level of indications of interest in the International Offering and the basis of allocation of the Hong Kong Offer Shares are expected to be announced on **Thursday, February 5, 2026** on the website of the Stock Exchange at www.hkexnews.hk and our website at www.distinctclinic.com.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement. Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or about the Price Determination Date. These underwriting arrangements, including the Underwriting Agreements, are summarized in “Underwriting.”

STRUCTURE OF THE GLOBAL OFFERING

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Global Offering (including any additional Shares that may be issued pursuant to the exercise of the Over-allotment Option) on the Main Board of the Stock Exchange, and such approval and permission not subsequently having been withdrawn or revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (b) the Offer Price having been agreed between the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company;
- (c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- (d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Joint Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company by 12:00 noon on **Wednesday, February 4, 2026**, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.distinctclinic.com on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in “How to Apply for Hong Kong Offer Shares — D.

STRUCTURE OF THE GLOBAL OFFERING

Dispatch/Collection of Share Certificates and Refund of Application Monies.” In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

The Share certificates for the Offer Shares will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be **Friday, February 6, 2026** (Hong Kong time), provided that the Global Offering has become unconditional in all respects and the right of termination described in “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination” has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or prior to the Share certificates becoming valid evidence of title do so entirely at their own risk.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on **Friday, February 6, 2026**, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on **Friday, February 6, 2026**.

The Shares will be traded in board lots of 50 Shares each and the stock code of the Shares will be 2677.

HOW TO APPLY FOR HONG KONG OFFER SHARES

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under “HKEXnews > New Listings > New Listing Information” and our website at www.distinctclinic.com.

The contents of this prospectus are identical to the Prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address (*for the **HK eIPO White Form** service only*); and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying:

- are an existing Shareholder or a Director;
- are a close associate of any of the above;
- are a core connected person (as defined in the Listing Rules) of the Company or will become a core connected person of the Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for any International Offer Shares or otherwise participated in the International Offering.

HOW TO APPLY FOR HONG KONG OFFER SHARES

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Thursday, January 29, 2026 and end at 12:00 noon on Tuesday, February 3, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
HK eIPO White Form service	www.hkeipo.hk	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Thursday, January 29, 2026 to 11:30 a.m. on Tuesday, February 3, 2026 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, February 3, 2026 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instructions.	Applicants who would <u>not</u> like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The **HK eIPO White Form** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions, and you are advised not to wait until the last day for applications to apply for Hong Kong Offer Shares.

For those applying through the **HK eIPO White Form** service, once you complete payment in respect of any application instruction given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the application instructions are given, you shall be deemed to have declared that only one set of application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **HK eIPO White Form** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **HK eIPO White Form** service, you are deemed to have authorized the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

By instructing your broker or custodian to apply for Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through the **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instruction given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

HOW TO APPLY FOR HONG KONG OFFER SHARES

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)⁽²⁾ as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. Hong Kong identity card ("HKID"); or ii. National identification document; or iii. Passport • Identity document number	• Full name(s)⁽²⁾ as shown on your identity document • Identity document's issuing country or jurisdiction • Identity document type, with order of priority: i. Legal Entity Identifier ("LEI") registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document • Identity document number

Notes:

- (1) If you are applying through the **HK eIPO White Form** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
- (2) The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both English and Chinese names, both English and Chinese names must be used. Otherwise, either English or Chinese name will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application for Hong Kong Offer Shares. Similarly, for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
- (3) If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each of the joint beneficial owners. If you do not include this information, the application will be treated as being made for your benefit.
- (6) If an application is made by an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through the **HKSCC EIPO** channel and making an application under a power of attorney, the Joint Overall Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 50 Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . : Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK\$66.60 per Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%.

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

HOW TO APPLY FOR HONG KONG OFFER SHARES

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application, in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee by debiting the relevant nominee bank account at the designated bank for your broker or custodian.

No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment	No. of Hong Kong Offer Shares applied for	Maximum amount payable ⁽²⁾ on application/ successful allotment
	HK\$		HK\$		HK\$		HK\$
50	3,363.58	600	40,363.00	4,000	269,086.64	40,000	2,690,866.45
100	6,727.17	700	47,090.16	4,500	302,722.47	50,000	3,363,583.06
150	10,090.74	800	53,817.33	5,000	336,358.30	60,000	4,036,299.65
200	13,454.33	900	60,544.50	6,000	403,629.97	70,000	4,709,016.26
250	16,817.91	1,000	67,271.66	7,000	470,901.63	80,000	5,381,732.88
300	20,181.50	1,500	100,907.49	8,000	538,173.29	90,000	6,054,449.49
350	23,545.08	2,000	134,543.33	9,000	605,444.95	100,000	6,727,166.10
400	26,908.67	2,500	168,179.16	10,000	672,716.61	150,000	10,090,749.16
450	30,272.24	3,000	201,814.98	20,000	1,345,433.22	237,500 ⁽¹⁾	15,977,019.49
500	33,635.83	3,500	235,450.81	30,000	2,018,149.84		

Notes:

- (1) The maximum number of Hong Kong Offer Shares you may apply for, which is 50% of the Offer Shares initially available for subscription under the Hong Kong Public Offering.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee. If your application is successful, the brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) or to the **HK eIPO White Form** Service Provider (for applications made through the application channel of the **HK eIPO White Form** service) while the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy will be paid to the SFC, the Stock Exchange and the AFRC, respectively.

HOW TO APPLY FOR HONG KONG OFFER SHARES

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under “— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply” above. If you are suspected of submitting or causing to be submitted more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **HK eIPO White Form** service, (ii) the **HKSCC EIPO** channel or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **HK eIPO White Form** service or the **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any International Offer Shares.

The Hong Kong Share Registrar would record all applications into its system and identify suspected multiple applications with identical names and identification document numbers according to the Best Practice Note on Treatment of Multiple/Suspected Multiple Applications (“**Best Practice Note**”) issued by the Federation of Share Registrars Limited.

Since applications are subject to personal information collection statements, identification document numbers displayed are redacted.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **HK eIPO White Form** service or the **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

- (i) undertake to execute all relevant documents and instruct and authorize us and/or the Joint Overall Coordinators (or their agents or nominees), as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant’s stock account on your behalf;
- (ii) confirm that you have read and understood the terms and conditions and application procedures set out in this prospectus and the designated website of the **HK eIPO White Form** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on the Hong Kong Public Offering set out in this prospectus and they do not apply to you or the person(s) for whose benefit you have made the application;
- (v) confirm that you have read this prospectus and any supplement to it, and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made), and will not rely on any other information or representations;
- (vi) agree that we, the Joint Sponsors, the Joint Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, our and their respective directors, officers, employees, partners, agents, advisors and other parties involved in the Global Offering (the “**Relevant Persons**”), the Hong Kong Share Registrar, the **HK eIPO White Form** Service Provider and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares nor participated in the International Offering;
- (viii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes specified under “— G. Personal Data” below;
- (ix) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (x) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in “— B. Publication of Results” below;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xi) confirm that you are aware of the situations specified in “— C. Circumstances in Which You Will Not Be Allocated Hong Kong Offer Shares” below;
- (xii) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xiii) agree and warrant that you have complied with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Cayman Companies Act, the Memorandum and Articles of Association, and laws of any place outside Hong Kong that apply to your application, and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;
- (xiv) represent, warrant and undertake that (a) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (b) you and the person(s) for whose benefit you have made the application are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xv) confirm that (a) your application or HKSCC Nominees’ application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;
- (xvi) warrant that the information you have provided is true and accurate;
- (xvii) confirm that you understand that we and the Joint Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you, and that you may be prosecuted for making a false declaration;
- (xviii) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xix) authorize us to place your name(s) or the name of HKSCC Nominees on our register of members as the holder(s) of any Hong Kong Offer Shares allocated to you and such other registers as may be required under the Memorandum and Articles of Association, and we and/or our agents to send any Share certificate(s) and/or any **HK eIPO White Form** e-Auto Refund payment instructions and/or any refund check(s) to you or the first-named applicant for joint application to the address specified in your application instructions by ordinary post at your own risk, unless you are eligible to collect the Share certificate(s) and/or refund check(s) in person;
- (xx) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xxi) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving application instructions to HKSCC directly or indirectly or through the application channel of the **HK eIPO White Form** service or by you or by anyone as your agent or by any other person; and
- (xxii) (if you are making the application as an agent for the benefit of another person) warrant that (a) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving application instructions to HKSCC and the **HK eIPO White Form** Service Provider and (b) you have due authority to give application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through the HK eIPO White Form service or HKSCC EIPO channel:	
Website From the “Allotment Results” page at www.hkeipo.hk/IPOResult (or www.tricor.com.hk/ipo/result) with a “search by ID” function.	24 hours, from 11:00 p.m. on Thursday, February 5, 2026 to 12:00 midnight on Wednesday, February 11, 2026 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

Platform	Date/Time
The full list of (i) wholly or partially successful applicants using the HK eIPO White Form service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed at www.hkeipo.hk/IPOResult or www.tricor.com.hk/ipo/result.	
The Stock Exchange's website at www.hkexnews.hk and our website at www.distinctclinic.com, which will provide links to the above-mentioned websites of the Hong Kong Share Registrar.	By 11:00 p.m. on Thursday, February 5, 2026 (Hong Kong time).
Telephone . . +852 3691 8488 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar.	Between 9:00 a.m. and 6:00 p.m. from Friday, February 6, 2026 to Wednesday, February 11, 2026 (Hong Kong time) on a business day.

For those applying through the **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on **Wednesday, February 4, 2026** (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on **Wednesday, February 4, 2026** (Hong Kong time) on a 24-hour basis, and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of the Hong Kong Offer Shares on the Stock Exchange's website at www.hkexnews.hk and our website at www.distinctclinic.com by no later than 11:00 p.m. on **Thursday, February 5, 2026** (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Joint Overall Coordinators, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to “— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited” above on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated; or
- the Company or the Joint Overall Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations.

HOW TO APPLY FOR HONG KONG OFFER SHARES

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their designated bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their designated bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its designated bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its designated bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DISPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

The Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be **Friday, February 6, 2026** (Hong Kong time), provided that the Global Offering has become unconditional in all respects and the right of termination described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or prior to the Share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

HOW TO APPLY FOR HONG KONG OFFER SHARES

The following sets out the relevant procedures and time:

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
Dispatch/collection of Share certificate		
For application of equal or over 200,000 Hong Kong Offer Shares . . .	Collection in person from the Hong Kong Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account.
	Time: from 9:00 a.m. to 1:00 p.m. on Friday, February 6, 2026 (Hong Kong time).	No action by you is required.
	If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.	
	Note: If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	

HOW TO APPLY FOR HONG KONG OFFER SHARES

	<u>HK eIPO White Form service</u>	<u>HKSCC EIPO channel</u>
For application of less than 200,000 Hong Kong Offer Shares . . .	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Date: Thursday, February 5, 2026	
Refund mechanism for surplus application monies paid by you		
Date	Friday, February 6, 2026	Subject to the arrangement between you and your broker or custodian
Responsible party	Hong Kong Share Registrar	Your broker or custodian
Application monies paid through single bank account	HK eIPO White Form e-Auto Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund check(s) will be dispatched to the address specified in your application instructions by ordinary post at your own risk.	

Except in the event of any Severe Weather Signals (as defined below) in force in Hong Kong in the morning on **Thursday, February 5, 2026** rendering it impossible for the relevant Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the Hong Kong Share Registrar to arrange for delivery of the supporting documents and Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to “— E. Severe Weather Arrangements” in this section.

HOW TO APPLY FOR HONG KONG OFFER SHARES

E. SEVERE WEATHER ARRANGEMENTS

The application lists will not open or close on **Tuesday, February 3, 2026** if there is/are:

- a tropical cyclone warning signal number 8 or above;
- a “black” rainstorm warning signal; and/or
- Extreme Conditions

(collectively, “**Severe Weather Signals**”)

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on **Tuesday, February 3, 2026** (Hong Kong time).

Instead they will open at 11:45 a.m. and/or close at 12:00 noon on the next business day which does not have **Severe Weather Signals** in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon (Hong Kong time).

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in “Expected Timetable,” an announcement will be made and published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.distinctclinic.com of the revised timetable.

If a **Severe Weather Signal** is hoisted on **Thursday, February 5, 2026**, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the Share certificates to the CCASS Depository’s service counter so that they would be available for trading on **Friday, February 6, 2026**.

If a **Severe Weather Signal** is hoisted on **Thursday, February 5, 2026**, for application of less than 200,000 Hong Kong Offer Shares, the despatch of physical Share certificate(s) will be made by ordinary post when the post office re-opens after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of **Thursday, February 5, 2026** or on **Friday, February 6, 2026**).

If a **Severe Weather Signal** is hoisted on **Friday, February 6, 2026**, for application of 200,000 Hong Kong Offer Shares or more, physical Share certificate(s) will be available for collection in person at the Hong Kong Share Registrar’s office after the **Severe Weather Signal** is lowered or cancelled (e.g. in the afternoon of **Friday, February 6, 2026** or on **Monday, February 9, 2026**).

Prospective investors should be aware that if they choose to receive physical Share certificates issued in their own name, there may be a delay in receiving the Share certificates.

HOW TO APPLY FOR HONG KONG OFFER SHARES

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisors for details of those settlement arrangements as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. Such personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the Collection of Your Personal Data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

HOW TO APPLY FOR HONG KONG OFFER SHARES

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the dispatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed and/or stored (by whatever means) for the following purposes:

- processing your application and refund check and **HK eIPO White Form** e-Auto Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the Company's register of members;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to applicants for and holders of the Shares and/or regulators and/or any other purposes to which applicants for and holders of the Shares may from time to time agree.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Transfer of Personal Data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving bank and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operations;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purposes of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of Personal Data

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants for and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and Correction of Personal Data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company, at the Company's registered address disclosed in "Corporate Information" or as notified from time to time, for the attention of the joint company secretaries, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF DISTINCT HEALTHCARE HOLDINGS LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED AND SPDB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Distinct Healthcare Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-102, which comprises the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and August 31, 2025, the company statements of financial position as at December 31, 2022, 2023 and 2024 and August 31, 2025, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-102 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated January 29, 2026 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2022, 2023 and 2024 and August 31, 2025 and the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and August 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation sets out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the eight months ended August 31, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board ("IAASB"). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on

our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 39 to the Historical Financial Information which states that no dividends have been paid by Distinct Healthcare Holdings Limited in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

January 29, 2026

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (“IAASB”) (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended December 31,			Eight months ended August 31,	
	Note	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Revenue	5	473,184	690,435	958,578	614,804	695,667
Cost of revenue	6	(429,204)	(556,933)	(732,575)	(462,388)	(528,396)
Gross profit		43,980	133,502	226,003	152,416	167,271
Selling expenses	6	(12,927)	(8,199)	(15,956)	(9,853)	(12,713)
Administrative expenses	6	(183,334)	(191,872)	(264,452)	(176,698)	(139,669)
Net impairment losses on financial assets		(99)	(220)	(1,282)	(605)	(1,488)
Other income	8	4,730	457	1,282	964	1,061
Other gains/(losses) – net	9	10,064	(601)	7,528	3,882	(1,732)
Operating (loss)/profit		(137,586)	(66,933)	(46,877)	(29,894)	12,730
Finance income	10	1,168	10,148	8,619	6,402	1,721
Finance costs	10	(15,543)	(16,044)	(16,642)	(11,188)	(8,743)
Finance costs – net	10	(14,375)	(5,896)	(8,023)	(4,786)	(7,022)
Fair value (loss)/gain of convertible redeemable preference shares	27	(87,371)	(289,365)	128,797	80,036	77,321
Fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date	34	–	–	5,990	5,990	–
Share of results of associates		–	–	(143)	(143)	–
(Loss)/profit before income tax		(239,332)	(362,194)	79,744	51,203	83,029
Income tax benefit	11	17,810	8,949	483	960	182
(Loss)/profit for the year/period		(221,522)	(353,245)	80,227	52,163	83,211
Attributable to:						
– Owners of the Company		(215,496)	(350,669)	83,805	53,556	85,452
– Non-controlling interests		(6,026)	(2,576)	(3,578)	(1,393)	(2,241)
(Losses)/earnings per share for (loss)/profit attributable to owners of the Company (expressed in RMB per share)						
– Basic (losses)/earnings per share	12	(15.45)	(25.14)	6.01	3.84	6.13
– Diluted (losses)/earnings per share	12	(15.45)	(25.14)	(0.83)	(0.49)	0.15

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Note	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
(Loss)/profit for the year/period	(221,522)	(353,245)	80,227	52,163	83,211
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss					
Currency translation differences.	(70,778)	(17,742)	(17,718)	(5,061)	13,715
Fair value change of convertible redeemable preference shares due to own credit risk	(21,833)	15,593	(61,822)	(61,429)	(19,808)
Items that may be subsequently reclassified to profit or loss					
Currency translation differences.	(63,746)	(10,462)	(15,630)	(3,145)	11,697
	(156,357)	(12,611)	(95,170)	(69,635)	5,604
Total comprehensive (loss)/income for the year/period	(377,879)	(365,856)	(14,943)	(17,472)	88,815
Attributable to:					
– Owners of the Company . . .	(371,758)	(363,271)	(11,365)	(16,079)	91,056
– Non-controlling interests . .	(6,121)	(2,585)	(3,578)	(1,393)	(2,241)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,			As at August 31,
	Note	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Property, plant and equipment	13	173,011	187,941	205,584	188,099
Right-of-use assets	14	284,793	274,921	302,612	288,357
Intangible assets	15	2,754	2,292	135,977	138,008
Prepayments, deposits and other receivables .	19	83,261	26,926	30,429	27,526
Deferred income tax assets	11	32,454	42,654	45,591	51,298
Term deposits with initial term of over three months	20	—	10,223	10,553	—
Total non-current assets .		576,273	544,957	730,746	693,288
Current assets					
Financial assets at fair value through profit or loss	16	324,966	196,565	162,862	334,791
Inventories	17	19,965	23,046	31,947	34,665
Trade receivables	18	19,407	36,982	52,154	59,097
Prepayments, deposits and other receivables .	19	13,496	11,213	28,595	24,724
Term deposits with initial term of over three months	20	—	107,585	11,049	10,219
Cash and cash equivalents	20	146,335	198,327	307,970	158,498
Total current assets		524,169	573,718	594,577	621,994
Total assets		1,100,442	1,118,675	1,325,323	1,315,282
Equity					
Equity attributable to owners of the Company					
Share capital	23	85	85	85	85
Reserves	26	22,104	18,758	(96,717)	(91,113)
Accumulated losses	25	(1,434,484)	(1,785,153)	(1,701,348)	(1,615,896)
		(1,412,295)	(1,766,310)	(1,797,980)	(1,706,924)
Non-controlling interests .		7,569	4,981	38,555	36,314
Total deficit		(1,404,726)	(1,761,329)	(1,759,425)	(1,670,610)

APPENDIX I
ACCOUNTANT'S REPORT

		As at December 31,			As at August 31,
	<i>Note</i>	2022	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Liabilities					
Non-current liabilities					
Contract liabilities	31	1,956	2,211	1,762	4,404
Lease liabilities	14	239,994	239,895	257,791	258,521
Deferred income	32	—	—	9,410	18,820
Deferred income tax liabilities	11	910	1,639	6	4
Total non-current liabilities		242,860	243,745	268,969	281,749
Current liabilities					
Trade payables	28	7,024	5,583	9,705	10,097
Accruals and other payables	29	106,145	131,537	180,571	135,915
Loan from a non- controlling shareholder of a subsidiary	30	4,902	10,695	—	—
Contract liabilities	31	55,572	88,954	130,552	153,783
Current income tax liabilities		—	—	2,379	7,520
Lease liabilities	14	61,861	62,245	81,478	71,547
Convertible redeemable preference shares	27	2,026,804	2,337,245	2,411,094	2,325,281
Total current liabilities . .		2,262,308	2,636,259	2,815,779	2,704,143
Net current liabilities. . .		(1,738,139)	(2,062,541)	(2,221,202)	(2,082,149)
Total liabilities		2,505,168	2,880,004	3,084,748	2,985,892
Total deficit and liabilities		1,100,442	1,118,675	1,325,323	1,315,282

COMPANY STATEMENTS OF FINANCIAL POSITION

		As at December 31,			As at August 31,
	Note	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Investments in subsidiaries	22	154,413	165,599	312,127	309,467
Prepayments, deposits and other receivables .	19	1,121,777	1,137,399	1,156,328	1,144,359
Total non-current assets .		1,276,190	1,302,998	1,468,455	1,453,826
Current assets					
Cash and cash equivalents		71	561	2,912	308
Prepayments, deposits and other receivables .	19	—	943	2,926	3,201
Total current assets		71	1,504	5,838	3,509
Total assets		1,276,261	1,304,502	1,474,293	1,457,335
Equity					
Equity attributable to owners of the Company					
Share capital	23	85	85	85	85
Reserves	26	161,987	170,943	131,412	123,988
Accumulated losses	25	(918,353)	(1,222,047)	(1,112,422)	(1,039,369)
Total deficit		(756,281)	(1,051,019)	(980,925)	(915,296)
Liabilities					
Current liabilities					
Accruals and other payables	29	5,738	18,276	44,124	47,350
Convertible redeemable preference shares	27	2,026,804	2,337,245	2,411,094	2,325,281
Total current liabilities . .		2,032,542	2,355,521	2,455,218	2,372,631
Total liabilities		2,032,542	2,355,521	2,455,218	2,372,631
Total deficit and liabilities		1,276,261	1,304,502	1,474,293	1,457,335

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Note	Attributable to owner of the Company			Non-controlling interests	Total equity
	Share capital	Reserves	Accumulated Losses		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1,					
2022	85	167,224	(1,218,988)	(1,010)	(1,052,689)
Comprehensive loss:					
– Loss for the year.	–	–	(215,496)	(6,026)	(221,522)
Other comprehensive					
income:					
– Currency translation					
differences.	26	– (134,429)	–	(95)	(134,524)
– Fair value change on					
convertible redeemable					
preference shares due					
to own credit risk	27	– (21,833)	–	–	(21,833)
Total comprehensive loss .	–	(156,262)	(215,496)	(6,121)	(377,879)
Total transactions with					
owners in their capacity					
as owners:					
Share-based compensation					
expenses	7	– 11,142	–	–	11,142
Contribution from a					
non-controlling					
shareholder		–	–	14,700	14,700
		– 11,142	–	14,700	25,842
Balance at December 31,					
2022	85	22,104	(1,434,484)	7,569	(1,404,726)

		Attributable to owner of the Company				
	Note	Share capital	Reserves	Accumulated Losses	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1,						
2023		85	22,104	(1,434,484)	7,569	(1,404,726)
Comprehensive loss:						
– Loss for the year.		–	–	(350,669)	(2,576)	(353,245)
Other comprehensive						
income:						
– Currency translation						
differences.	26	–	(28,195)	–	(9)	(28,204)
– Fair value change on						
convertible redeemable						
preference shares due						
to own credit risk	27	–	15,593	–	–	15,593
Total comprehensive loss		–	(12,602)	(350,669)	(2,585)	(365,856)
Total transactions with						
owners in their capacity						
as owners:						
Share-based compensation						
expenses	7	–	9,256	–	–	9,256
Disposal of a subsidiary		–	–	–	(3)	(3)
		–	9,256	–	(3)	9,253
Balance at December 31,						
2023		85	18,758	(1,785,153)	4,981	(1,761,329)

Note	Attributable to owner of the Company			Non-controlling interests	Total equity
	Share capital	Reserves	Accumulated Losses		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1,					
2024	85	18,758	(1,785,153)	4,981	(1,761,329)
Comprehensive loss:					
– Profit/(loss) for the year	–	–	83,805	(3,578)	80,227
Other comprehensive income:					
– Currency translation differences	26	– (33,348)	–	–	(33,348)
– Fair value change on convertible redeemable preference shares due to own credit risk	27	– (61,822)	–	–	(61,822)
Total comprehensive loss .	–	(95,170)	83,805	(3,578)	(14,943)
Total transactions with owners in their capacity as owners:					
Share-based					
compensation expenses .	7	– 38,362	–	–	38,362
Acquisition of subsidiaries	34	– –	–	64,862	64,862
Transactions with non-controlling interests	35	– (58,667)	–	(27,710)	(86,377)
		– (20,305)	–	37,152	16,847
Balance at December 31,					
2024	85	(96,717)	(1,701,348)	38,555	(1,759,425)

Note	Attributable to owner of the Company			Non-controlling interests	Total equity
	Share capital	Reserves	Accumulated Losses		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1,					
2024	85	18,758	(1,785,153)	4,981	(1,761,329)
Comprehensive loss:					
– Profit/(loss) for the period.	–	–	53,556	(1,393)	52,163
Other comprehensive income:					
– Currency translation differences.	26	–	(8,206)	–	(8,206)
– Fair value change on convertible redeemable preference shares due to own credit risk	27	–	(61,429)	–	(61,429)
Total comprehensive loss .	–	(69,635)	53,556	(1,393)	(17,472)
Total transactions with owners in their capacity as owners:					
Share-based					
compensation expenses. . . .	7	–	38,362	–	38,362
Acquisition of subsidiaries	34	–	–	64,862	64,862
Transactions with non-controlling interests	35	–	(25,854)	(14,146)	(40,000)
		–	12,508	50,716	63,224
Balance at August 31,					
2024 (Unaudited)	85	(38,369)	(1,731,597)	54,304	(1,715,577)

		Attributable to owner of the Company				
	Note	Share capital	Reserves	Accumulated Losses	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1,						
2025		85	(96,717)	(1,701,348)	38,555	(1,759,425)
Comprehensive loss:						
– Profit/(loss) for the period.		–	–	85,452	(2,241)	83,211
Other comprehensive						
income:						
– Currency translation differences.	26	–	25,412	–	–	25,412
– Fair value change on convertible redeemable preference shares due to own credit risk	27	–	(19,808)	–	–	(19,808)
Total comprehensive loss .		–	5,604	85,452	(2,241)	88,815
Balance at August 31,						
2025		85	(91,113)	(1,615,896)	36,314	(1,670,610)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended December 31,			Eight months ended August 31,	
	Note	2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Cash flows from operating activities						
Cash generated from operations .	33	5,708	115,244	164,829	84,310	111,333
Interest received		1,168	8,581	7,017	5,945	1,502
Income taxes paid		(15)	(60)	(508)	(507)	(386)
Net cash generated from operating activities		<u>6,861</u>	<u>123,765</u>	<u>171,338</u>	<u>89,748</u>	<u>112,449</u>
Cash flows from investing activities						
Purchases of property, plant and equipment		(86,761)	(66,365)	(57,969)	(36,694)	(25,942)
Purchases of intangible assets . .		(3,477)	(1,714)	(1,480)	(254)	(2,952)
Placement of term deposits with initial term of over three months		—	(325,180)	—	—	—
Withdrawal of term deposits with initial term of over three months		—	208,939	109,404	109,404	11,066
Payments for financial assets at fair value through profit or loss		(1,908,140)	(825,092)	(967,360)	(569,071)	(765,660)
Proceeds from disposal of financial assets at fair value through profit or loss		1,789,325	963,058	1,005,519	553,990	594,534
Refund from prepayment for lease	19(e)	—	44,877	—	—	—
Repayment of amounts due from a non-controlling shareholder of a subsidiary	19(d)	—	—	—	—	9,500
Investment in associates	34	—	—	(90,000)	(90,000)	—
Acquisition of subsidiaries, net of cash acquired	34	<u>—</u>	<u>—</u>	<u>87,868</u>	<u>87,868</u>	<u>—</u>
Net cash (used in)/generated from investing activities . . .		(209,053)	(1,477)	85,982	55,243	(179,454)

		Year ended December 31,			Eight months ended August 31,	
		2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Cash flows from financing activities						
Capital contribution from a non-controlling shareholder . .		14,700	–	–	–	–
Loan from a non-controlling shareholder of a subsidiary . .	30	4,900	5,470	–	–	–
Repayment of loan from a non-controlling shareholder of a subsidiary	30	–	–	(11,005)	–	–
Payment of listing expenses . . .	19	–	(943)	(1,983)	(1,207)	(275)
Principal elements of lease payments		(56,442)	(61,236)	(61,556)	(38,434)	(43,775)
Interests paid for leases liabilities		(15,541)	(15,721)	(16,332)	(10,928)	(8,743)
Payments for acquisition of additional shares of subsidiaries	35	–	–	(59,377)	(40,000)	(27,000)
Net cash used in financing activities		<u>(52,383)</u>	<u>(72,430)</u>	<u>(150,253)</u>	<u>(90,569)</u>	<u>(79,793)</u>
Net (decrease)/increase in cash and cash equivalents		(254,575)	49,858	107,067	54,422	(146,798)
Cash and cash equivalents at the beginning of the year/period .		383,288	146,335	198,327	198,327	307,970
Exchange gains/(losses) on cash and cash equivalents		<u>17,622</u>	<u>2,134</u>	<u>2,576</u>	<u>2,236</u>	<u>(2,674)</u>
Cash and cash equivalents at the end of the year/period . .	20	<u>146,335</u>	<u>198,327</u>	<u>307,970</u>	<u>254,985</u>	<u>158,498</u>

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, ORGANIZATION AND SUBSIDIARIES

1.1 General information

The Company was incorporated in the Cayman Islands on February 13, 2014 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands.

The Group was principally engaged in provision of healthcare services through healthcare service institutions and tele-healthcare service platform (the "Listing Business") mainly in the People's Republic of China (the "PRC").

These Historical Financial Information are presented in RMB and all amounts are rounded to the nearest thousand of RMB (RMB'000), unless otherwise stated.

1.2 Reorganization

In anticipation of the proposed listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited (the "Listing"), the Group underwent a reorganization (the "Reorganization") within the Group which principally involved the following:

Prior to the Reorganization, all the healthcare institutions of the Group were wholly owned by four medical management companies, namely Shenzhen Zhuozheng Medical Consulting Co., Ltd. (深圳卓正醫療諮詢有限公司, "Distinct Consultation"), Shenzhen Distinct Medical Investment Consulting Limited (深圳卓正醫療投資諮詢有限公司, "Distinct Investment Consulting"), Shenzhen Zhuozheng Medical Investment Co., Ltd. (深圳卓正醫療投資有限公司, "Distinct Investment") and Shenzhen Distinct Hospital Management Co., Ltd. (深圳卓正醫院管理諮詢有限公司, "Distinct Shenzhen") (collectively, the "Medical Management Companies"). Among all the four Medical Management Companies, other than Distinct Shenzhen which was owned by the Company and an independent third parties Shenzhen Qianhai Humansa Health Management Consulting Co., Ltd. (深圳市前海仁山優社健康管理諮詢有限公司, "Humansa (Qianhai)") as to 51% and 49%, respectively, the remaining three Medical Management Companies were wholly owned by the Company. Other than such healthcare institutions, there were certain other subsidiaries held by those Medical Management Companies not subject to the foreign ownership restriction pursuant to applicable laws and regulations in the PRC (the "Non-restricted Subsidiaries").

(a) Acquisition of 30% equity interests in the four Medical Management Companies

On April 25, 2024, Shenzhen Zhuozheng Xinhe Investment Co., Ltd. (深圳卓正信和投資有限公司, "Zhuozheng Xinhe"), a company owned by Mr. Zhou Fang, Dr. Zhu Yan and Ms. Qiu Yanliu (the "Relevant Shareholders") as to 33.5%, 33.5% and 33%, respectively, subscribed for additional 30% registered share capital for each of Distinct Consultation, Distinct Investment Consulting and Distinct Investment at a price equal to the subscribed registered capital. Upon the subscription, Zhuozheng Xinhe owned 30% equity interest in each of Distinct Consultation, Distinct Investment Consulting and Distinct Investment, while Shenzhen Qianhai Zhuozheng Medical Investment Consulting Co., Ltd. (深圳市前海卓正醫療投資諮詢有限公司, "Qianhai Distinct"), the wholly-owned subsidiary of the Group, owned the remaining 70% equity interest in each of the three Medical Management Companies.

On May 4, 2024, Zhuozheng Xinhe acquired 30% equity interests in Distinct Shenzhen from Qianhai Distinct at the consideration of RMB9 million. Upon such transfer, Distinct Shenzhen was owned by Zhuozheng Xinhe, Qianhai Distinct and Humansa (Qianhai) as to 30%, 21% and 49%, respectively. On October 3, 2024, Qianhai Distinct acquired 49% equity interest in Distinct Shenzhen from Humansa (Qianhai) at the consideration of RMB16.4 million. Upon such transfer, Distinct Shenzhen becomes a wholly owned subsidiary of the Group.

- (b) Establishment of new medical management company and acquisition of the Group's healthcare institutions located in Sichuan (the "Sichuan Institutions")

As regulatory restriction on the foreign ownership imposed on Sichuan Institutions is different from those on the Group's healthcare institutions located in the provinces other than Sichuan, on April 26, 2024, Qianhai Distinct and Zhuozheng Xinhe established Shenzhen Zhuozheng Hospital Management Co., Ltd. (深圳卓正醫院管理有限公司, "Distinct Management") as the medical management company for Sichuan Institutions and owned Distinct Management as to 90% and 10%, respectively.

On May 10, 2024, the Distinct Management acquired entire equity interests in Sichuan Institutions, namely, Chengdu High-tech Zhuojian Outpatient Department Co., Ltd. (成都高新卓健門診部有限公司, "Chengdu High-tech Distinct") and Chengdu Qingyang Zhuokang Outpatient Department Co., Ltd. (成都青羊卓康門診部有限公司, "Chengdu Qingyang Distinct") from Distinct Investment, at the consideration of RMB15 million and RMB100,000, respectively.

- (c) Execution of Contractual Arrangements

Upon the completion of the above steps, on May 10, 2024, the Relevant Shareholders of Zhuozheng Xinhe, Zhuozheng Xinhe, and Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen, Distinct Management (collectively, the "VIE Medical Management Companies") and Qianhai Distinct entered into a series of contractual arrangements (the "Contractual Arrangements").

As a result of the Contractual Arrangements, the Group is considered to control Zhuozheng Xinhe as it has rights to exercise power over Zhuozheng Xinhe, have exposure, or rights, to receive variable returns from its involvement with Zhuozheng Xinhe, and have the ability to affect those returns through its power over Zhuozheng Xinhe. Consequently, the Company regarded Zhuozheng Xinhe as controlled entity and consolidated the financial position and results of operations of Zhuozheng Xinhe in the consolidated financial statements of the Group. Hence, the Zhuozheng Xinhe, the VIE Medical Management Companies (except for owned 51% of Distinct Shenzhen before October 3, 2024) are wholly owned subsidiaries of the Group. For further details of the Contractual Arrangements, please refer to Note 2.3.

- (d) Transfer of Non-restricted Subsidiary

Prior to the Reorganization, Shenzhen Zhuotai Rescue Transportation Limited (深圳卓泰醫療救援轉運有限公司, "Zhuotai Transportation"), a Non-restricted Subsidiary, was wholly owned by Distinct Investment Consulting.

On April 26, 2024, Qianhai Distinct, through its wholly owned subsidiary, Shenzhen Zhuozheng Digital Intelligence Technology Co., Ltd. (深圳卓正數智科技有限公司, the "Distinct Digital Tech"), acquired entire equity interest in Zhuotai Transportation from Distinct Investment Consulting.

1.3 Subsidiaries

Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Directly owned:									
Distinct HealthCare (Hong Kong) Limited* (卓正醫療(香港)有限公司, “Distinct HK”). . .	Hong Kong/ April 24, 2012	Hong Kong dollars (“HKD”)47,000/ HKD47,000	100%	100%	100%	100%	100%	Investment holding	(ii)
Distinct Healthcare Singapore Pte. Ltd.*	Singapore/ November 9, 2021	Singapore dollars (“SGD”)1,000,000/ SGD1,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Distinct Medical Assistance Limited (formerly known as H Pudding Co., Limited) . . .	Hong Kong/ May 24, 2021	HKD1/HKD1	NA	NA	100%	100%	100%	Healthcare services	(i)

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Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Indirectly owned:									
Distinct Chiron Company Limited* (卓正楷和有限公司)	Hong Kong/ January 26, 2016	HKD10,000/ HKD10,000	65%	NA	NA	NA	NA	Healthcare services	(i)/(v)
Shenzhen Zhuozheng Ruixiang Management Consulting Co., Ltd.* (深圳卓正瑞祥管理諮詢有限公司, “Distinct Ruixiang”)	The PRC/April 22, 2014	United States dollars (“USD”)100,000,000/ USD100,000,000	100%	100%	100%	100%	100%	Investment holding	(ii)
Qianhai Distinct*	The PRC/ October 22, 2015	RMB30,000,000/ RMB30,000,000	100%	100%	100%	100%	100%	Investment holding	(i)
Distinct Investment Consulting*	The PRC/April 12, 2012	RMB72,857,143/ RMB51,000,000	100%	100%	100%	100%	100%	Investment holding	(i)
Distinct Investment*	The PRC/ January 14, 2016	RMB14,285,715/ RMB10,000,000	100%	100%	100%	100%	100%	Investment holding	(i)
Distinct Consultation*	The PRC/ November 24, 2017	RMB71,428,572/ RMB50,000,000	100%	100%	100%	100%	100%	Investment holding	(i)
Suzhou Distinct Investment Limited* (蘇州卓正投資有限公司)	The PRC/ February 2, 2018	RMB10,000,000/ RMB4,200,000	100%	100%	NA	NA	NA	Investment holding	(i)/(iv)
Shenzhen Zhuoan Clinic* (深圳卓安診所)	The PRC/June 30, 2016	RMB3,000,000/ RMB3,000,000	100%	NA	NA	NA	NA	Healthcare services	(i)/(v)
Shenzhen Zhuozheng Outpatient Department* (深圳卓正門診部)	The PRC/May 13, 2015	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Shenzhen Zhuojian Outpatient Department* (深圳卓健門診部)	The PRC/ August 14, 2015	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Shenzhen Zhuokang Outpatient Department* (深圳卓康門診部)	The PRC/March 6, 2014	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Shenzhen Zhuoxiang Dental Outpatient Department* (深圳卓祥口腔門診部)	The PRC/ January 10, 2018	RMB2,000,000/ Nil	100%	NA	NA	NA	NA	Dental services	(i)/(v)
Shenzhen Zhuorui Clinic* (深圳卓睿診所)	The PRC/ December 26, 2018	RMB2,000,000/ RMB2,000,000	NA	NA	NA	NA	NA	Healthcare services	(i)/(vi)

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Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Guangzhou Zhuozheng Duhui Outpatient Department Limited* (廣州卓正都匯門診部有限公司)	The PRC/ August 18, 2016	RMB2,000,000/ RMB2,000,000	100%	NA	NA	NA	NA	Healthcare services	(i)/(v)
Guangzhou Zhuorui Outpatient Department Co., Ltd.* (廣州卓瑞門診部有限公司)	The PRC/July 19, 2014	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Guangzhou Zhuoxiang Outpatient Department Co., Ltd.* (廣州卓祥醫療門診部有限公司)	The PRC/January 4, 2017	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Foshan Nanhai Zhuozheng General Specialty Outpatient Department Co., Ltd.* (佛山南海卓正普通專科門診部有限公司)	The PRC/ January 15, 2019	RMB2,000,000/ RMB2,000,000	100%	100%	100%	NA	NA	Healthcare services	(i)/(iii)
Beijing Zhuokang Clinic Co., Ltd.* (北京卓康診所有限公司)	The PRC/April 9, 2016	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Beijing Distinct Clinic Co., Ltd.* (北京卓正診所有限公司)	The PRC/June 19, 2017	RMB2,000,000/ RMB2,000,000	100%	100%	100%	NA	NA	Healthcare services	(i)/(iii)
Shanghai Zhuoxiang Pediatric Outpatient Department Co., Ltd.* (上海卓祥兒科門診部有限公司)	The PRC/ September 20, 2018	RMB3,000,000/ RMB3,000,000	100%	100%	NA	NA	NA	Healthcare services	(i)/(iv)
Ningbo Yinzhou Zhuojian Western Medicine Clinic Limited* (寧波鄞州卓健西醫診所有限公司)	The PRC/ May 3, 2018	RMB3,000,000/Nil	100%	NA	NA	NA	NA	Healthcare services	(i)/(v)
Suzhou Industrial Park Zhuozheng Ruikang Dental Clinic Limited* (蘇州工業園區卓正瑞康口腔診所有限公司)	The PRC/ April 4, 2018	RMB3,000,000/ RMB100,000	100%	NA	NA	NA	NA	Dental services	(i)/(v)
Suzhou Industrial Park Zhuozheng Ruixiang Clinic Limited* (蘇州工業園區卓正瑞祥診所有限公司)	The PRC/ April 4, 2018	RMB2,000,000/ RMB100,000	100%	NA	NA	NA	NA	Healthcare services	(i)/(v)

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Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Chongqing Zhuojian Outpatient Department Co., Ltd.* (重慶卓健門診部有限公司)	The PRC/ December 12, 2018	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Wuhan Zhuokang Comprehensive Outpatient Department Limited* (武漢卓康綜合門診部有限公司)	The PRC/June 28, 2019	RMB10,000,000/ RMB7,980,000	100%	NA	NA	NA	NA	Healthcare services	(i)/(v)
Hangzhou Zhuokang Comprehensive Outpatient Department Co., Ltd.* (杭州卓康綜合門診部有限公司)	The PRC/March 9, 2020	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Chengdu High-tech Distinct*	The PRC/August 2, 2016	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Chengdu Qingyang Distinct*	The PRC/October 23, 2017	RMB100,000/ RMB100,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Changsha Zhuojian Outpatient Department Co., Ltd.* (長沙卓健門診部有限公司)	The PRC/November 2, 2017	RMB200,000/ RMB200,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Shanghai Zhuoyuan Outpatient Department Co., Ltd.* (上海卓原門診部有限公司)	The PRC/October 21, 2020	RMB5,000,000/ RMB5,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Wuhan Zhuojian Comprehensive Outpatient Department Co., Ltd.* (武漢卓健綜合門診部有限公司)	The PRC/ December 7, 2020	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Changsha Ruiqing Medical Cosmetology Clinic Co., Ltd.* (長沙睿清醫療美容診所有限公司)	The PRC/July 13, 2020	RMB1,000,000/ RMB1,000,000	100%	100%	100%	100%	100%	Aesthetic medical services	(i)
Zhuotai Transportation*	The PRC/January 8, 2020	RMB5,000,000/ RMB5,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Distinct Digital Tech*	The PRC/ December 25, 2019	RMB5,000,000/ RMB5,000,000	100%	100%	100%	100%	100%	E-business services	(i)

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Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Shenzhen Zhuomouqing Ophthalmology Clinic* (深圳卓眸清眼科診所)	The PRC/ October 15, 2021	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Ophthalmology services	(i)
Suzhou Industrial Park Distinct Ruian Outpatient Department Co., Ltd.* (蘇州工業園區卓正睿安門診部有限公司)	The PRC/ August 6, 2021	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Shanghai Distinct Rui Outpatient Department Co., Ltd.* (上海卓正睿門診部有限公司)	The PRC/ November 23, 2021	RMB5,000,000/ RMB5,000,000	100%	100%	100%	100%	100%	Healthcare services	(i)
Suzhou Industrial Park Distinct Ruiqing Medical Cosmetology Clinic Co., Ltd.* (蘇州工業園區卓正睿清醫療美容診所有限公司)	The PRC/ August 6, 2021	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Aesthetic medical services	(i)
Changsha Zhuorui Outpatient Co., Ltd.* (長沙市卓睿門診有限公司)	The PRC/ February 25, 2021	RMB2,000,000/ RMB2,000,000	100%	100%	NA	NA	NA	Healthcare services	(i)/(iv)
Shenzhen Zhuorui Kang Clinic* (深圳卓睿康診所)	The PRC/ November 22, 2021	RMB500,000/ Nil	100%	NA	NA	NA	NA	Healthcare services	(i)/(v)
Shenzhen Zhuoan'an Pediatric Clinic* (深圳卓安安兒科診所)	The PRC/ June 6, 2022	RMB2,000,000/ RMB2,000,000	100%	100%	100%	100%	100%	Pediatric medical services	(i)
Changsha Zhuozheng Dental Hospital Co., Ltd.* (長沙卓正口腔醫院有限公司)	The PRC/ January 30, 2022	RMB5,000,000/ Nil	NA	NA	NA	NA	NA	Healthcare services	(i)/(vi)
Distinct Shenzhen	The PRC/ April 15, 2022	RMB30,000,000/ RMB30,000,000	51%	51%	100%	100%	100%	Hospital management	(ii)
Guangzhou Distinct Hospital Co., Ltd.* (廣州卓正醫院有限公司) (formerly known as Guangzhou Distinct Humansa Hospital Co., Ltd.* (廣州卓正優社醫院有限公司))	The PRC/May 11, 2022	RMB30,000,000/ RMB30,000,000	51%	51%	100%	100%	100%	Healthcare services	(i)
Zhuozheng Xinhe*	The PRC/ April 23, 2024	RMB1,000,000/Nil	NA	NA	100%	100%	100%	Hospital management	(i)

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Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Distinct Management* . . .	The PRC/ April 26, 2024	RMB1,000,000/Nil	NA	NA	100%	100%	100%	Hospital management	(i)
Foshan Nanhai Zhuozheng Comprehensive Clinic Co., Ltd.* (佛山南海卓正綜合門診有限公司) . . .	The PRC/March 21, 2024	RMB2,000,000/ RMB2,000,000	NA	NA	100%	100%	100%	Healthcare services	(i)
Beijing Zhuorui Outpatient Department Co., Ltd.* (北京卓睿門診部有限公司)	The PRC/April 25, 2024	RMB3,000,000/ RMB3,000,000	NA	NA	100%	100%	100%	Healthcare services	(i)
Wuhan Shenlong Tianxia Medical Management Co., Ltd.* (武漢神龍天下醫療管理有限公司) .	The PRC/March 14, 2014	RMB4,163,622/ RMB4,163,622	NA	NA	70%	70%	70%	Hospital management	(i)
Wuhan Xingchen Smart Medical Technology Co., Ltd.* (武漢星辰智慧醫療科技有限公司)	The PRC/August 5, 2015	RMB10,000,000/ RMB10,000,000	NA	NA	70%	70%	70%	Hospital management	(i)
Wuhan Pleiades Children's Hospital Co., Ltd.* (武漢北斗星兒童醫院有限公司)	The PRC/March 10, 2017	RMB10,000,000/ RMB10,000,000	NA	NA	70%	70%	70%	Healthcare services	(i)
Wuhan Pleiades Wuguang Comprehensive Outpatient Department Co., Ltd.* (武漢北斗星武漢廣綜合門診有限公司)	The PRC/July 24, 2019	RMB3,000,000/ RMB3,000,000	NA	NA	70%	70%	NA	Healthcare services	(i)/(vii)
Wuhan Pleiades Guanshan Comprehensive Clinic Co., Ltd.* (武漢北斗星關山綜合門診有限公司) . .	The PRC/May 19, 2023	RMB2,000,000/ RMB2,000,000	NA	NA	70%	70%	70%	Healthcare services	(i)
Distinct Healthcare Malaysia Sdn. Bhd. .	Malaysia/ December 23, 2024	Malaysian Ringgit ("MYR")500,000/ MYR500,000	NA	NA	100%	100%	100%	Healthcare services	(i)
Shenzhen Zhuozheng Future Technology Co., Ltd.* (深圳卓正未來科技有限公司)	The PRC/May 28, 2025	RMB20,000,000/ RMB20,000,000	NA	NA	NA	100%	100%	Investment holding	(i)

APPENDIX I

ACCOUNTANT'S REPORT

Company name	Country/place and date of incorporation/ establishment	Registered/ Issued and paid-up capital	Effective interest held by the Group				As of date of report	Principal activities	Note
			As at December 31,			As at August 31,			
			2022	2023	2024	2025			
Shenzhen Zhuozheng Light Cone Technology Co., Ltd.* (深圳卓正光錐科技有限公司) . . .	The PRC/June 6, 2025	RMB10,000,000/ RMB10,000,000	NA	NA	NA	100%	100%	Technology development	(i)
Harbin Zhuotai Internal Medicine Clinic Co., Ltd.* (哈爾濱卓泰內科診所有限公司)	The PRC/June 12, 2025	RMB1,000,000/ RMB1,000,000	NA	NA	NA	100%	100%	Healthcare services	(i)

(i) These entities were not subject to statutory audit requirements under the relevant rules and regulations in the jurisdiction of incorporation.

(ii) The statutory auditors of these companies for the Track Record Period were as follows:

(a) The statutory auditor of Distinct HK is PricewaterhouseCoopers, for the years ended December 31, 2022 and 2023 and Russell Bedford James Ngai CPA Limited for the year ended December 31, 2024, respectively.

(b) The statutory auditor of Distinct Ruixiang is Guangdong Yuheng Certificated Public Accountants LLP in the PRC, during the year ended December 31, 2022.

(c) The statutory auditor of Distinct Shenzhen is PricewaterhouseCoopers Zhong Tian LLP for the year ended December 31, 2022 and 2023.

(iii) During the eight months ended 31 August 2025, Foshan Nanhai Zhuozheng General Specialty Outpatient Department Co., Ltd. and Beijing Distinct Clinic Co., Ltd. were liquidated and deregistered.

(iv) During the year ended 31 December 2024, Suzhou Distinct Investment Limited, Shanghai Zhuoxiang Pediatric Outpatient Department Co., Ltd. and Changsha Zhuorui Outpatient Co., Ltd. were liquidated and deregistered.

(v) During the year ended December 31, 2023, Distinct Chiron Company Limited, Shenzhen Zhuoan Clinic, Shenzhen Zhuoxiang Dental Outpatient Department, Guangzhou Zhuozheng Duhui Outpatient Department Limited, Ningbo Yinzhou Zhuojian Western Medicine Clinic Limited, Suzhou Industrial Park Zhuozheng Ruikang Dental Clinic Limited, Suzhou Industrial Park Zhuozheng Ruixiang Clinic Limited, Wuhan Zhuokang Comprehensive Outpatient Department Limited and Shenzhen Zhuorui Kang Clinic were liquidated and deregistered.

(vi) During the year ended December 31, 2022, Shenzhen Zhuorui Clinic and Changsha Zhuozheng Dental Hospital Co., Ltd. were liquidated and deregistered.

(vii) Wuhan Pleiades Wuguang Comprehensive Outpatient Department Co., Ltd. was liquidated and deregistered in September 2025.

* The English names of the subsidiaries represent management's best efforts in translating their Chinese names as they do not have official English names.

2 BASIS OF PREPARATION

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to throughout the Track Record Period, unless otherwise stated.

2.1 Compliance with IFRS

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (the “IFRS Accounting Standards”).

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to Historical Financial Information are disclosed in Note 4.

2.2 Historical cost convention

The Historical Financial Information has been prepared under historical cost convention except for certain financial assets and liabilities measured at fair value.

2.3 Contractual arrangements

The VIE Entities of the Group are VIE Medical Management Companies and the entities that the Group control certain percentages of their shareholding through the VIE Medical Management Companies (the “VIE Medical Institutions”).

On May 10, 2024, the Relevant Shareholders of Zhuozheng Xinhe, Zhuozheng Xinhe, the VIE Medical Management Companies and Qianhai Distinct, entered into the Contractual Arrangements, pursuant to which the Group is able to:

- (i) Receive 10% of the economic interest returns generated by the Sichuan Institutions under Distinct Management, 30% of the economic interest returns generated by the VIE Medical Institutions under each of Distinct Consultation, Distinct Investment Consulting, Distinct Investment and Distinct Shenzhen, and substantially all of the economic interest returns generated by Zhuozheng Xinhe in consideration for the technical support, consulting services and other services provided by Qianhai Distinct;
- (ii) Obtain an irrevocable, unconditional and exclusive right to purchase all or any part of the equity interests in and/or assets of Zhuozheng Xinhe held and VIE Medical Management Companies attributable to Zhuozheng Xinhe of a transfer price which shall be equivalent to the minimum purchase price permitted under the PRC laws at any time. The Relevant Shareholders of Zhuozheng Xinhe, Zhuozheng Xinhe and the VIE Medical Management Companies agreed to return all the consideration received in relation to such transfer of equity interests and/or assets, as the case maybe, to Qianhai Distinct or its designated person. Qianhai Distinct or its designated person may exercise such options at any time until it has acquired all equity interests of Zhuozheng Xinhe, and all of the Relevant Shareholders’ equity interests in Zhuozheng Xinhe or all of the assets of Zhuozheng Xinhe attributable to the Relevant Shareholders, all the equity interests in the VIE Medical Management Companies and all of Zhuozheng Xinhe’s equity interests in the VIE Medical Management Companies or all of the assets of the VIE Medical Management Companies attributable to Zhuozheng Xinhe are transferred to Qianhai Distinct or its designated person;
- (iii) Exercise the equity holders’ voting rights of Zhuozheng Xinhe and the VIE Entities;
- (iv) Obtain a pledge over all of Relevant Shareholders equity interest in Zhuozheng Xinhe and all equity interest in the VIE Medical Management Companies owned by Zhuozheng Xinhe to Qianhai Distinct as a security to the secure the performance of all their obligations and the obligations of Zhuozheng Xinhe and the VIE Medical Management Companies and repayment of outstanding debts under the Contractual Arrangements; and,

- (v) A loan provided from Qianhai Distinct to subscribe for registered share capital or acquire equity interests in each of Zhuozheng Xinhe and the VIE Medical Management Companies under the Contractual Arrangements with term of the loan shall expire at the termination of the Contractual Arrangements and repayment on demand by Qianhai Distinct at any time during the term.

Accordingly, the Group effective control over and to consolidate all economic benefits arising from Zhuozheng Xinhe and the VIE Entities through Qianhai Distinct (except for 51% of the economic interest returns generated by Distinct Shenzhen and its wholly owned subsidiary before October 3, 2024).

2.4 Going concern

The Group's current liabilities exceeded its current assets by RMB2.08 billion and had net liabilities of RMB1.67 billion as of August 31, 2025, which is primarily because the convertible redeemable preference shares of RMB2.33 billion are classified as current liabilities in considering their conversion features that are convertible by the holders at any time, details of which are set out in Note 27. Upon successful Initial Public Offering (the "IPO") of the Company, the redemption rights and conversion rights will be lapsed and the redeemable shares would be converted into ordinary shares and reclassified from the liability to the equity. Pursuant to the amended and restated shareholders agreement of the Company dated March 17, 2025 and a shareholder resolution dated January 12, 2026, one of the redemption event of the convertible redeemable preference shares was updated to the occurrence of the Company's failure to consummate a qualified IPO prior to March 31, 2027 and as a result, the convertible redeemable preference shares will not have cash flow impact to the Group for at least the next twelve months from August 31, 2025. In preparing the Historical Financial Information, the directors have taken into account the projected cash flow covering a period of not less than 12 months from August 31, 2025 and the Group expects to have sufficient working capital for its present requirements for at least the next twelve months from August 31, 2025. Based on the above considerations, the directors of the Company are of the opinion that the Group will continue as a going concern and have prepared the financial statements on a going concern basis.

2.5 New and amended standards and interpretations adopted by the Group

All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning from January 1, 2025 are consistently applied by the Group for the Track Record Period.

2.6 New standards and interpretations not yet been adopted

The following new standards, amendments to existing standards and interpretations to existing standards that have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Annual Improvements to IFRS Accounting Standards – Volume 11	IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Consolidated financial statements and investments in associates and joint venture	To be determined

Except for new IFRS 18 mentioned below, the Group is commencing an assessment of the impact of these new or amended standards and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the Group, no material impact on the financial performance and position of the Group in the current or future reporting period and on foreseeable future transactions is expected when they become effective.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 Statement of Cash Flows are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18 will impact the presentation of financial statements, and is not expected to have significant impact on the financial performance and position of the Group.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group and approved by the Board of Directors.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entities. The Group's primary subsidiaries operate mainly in the PRC with majority of the transactions settled in RMB. The Group may experience gains or losses as a result of any foreign currency exchange rate fluctuations in connection with monetary assets and liabilities denominated in currencies other than the respective functional currencies of the Group's entities. As at December 31, 2022, 2023 and 2024 and August 31, 2025, the main foreign currency assets held by the Group are USD. This exposes the Group to foreign exchange risk. The Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The following are the carrying amount of the Group's USD denominated monetary assets at the respective dates held by the relevant group entities of functional currency in RMB:

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
Assets				
Cash and cash equivalents	22,891	177,350	59,674	9
Financial assets at fair value through profit or loss ("FVPL")	174,518	—	—	—
	<u>197,409</u>	<u>177,350</u>	<u>59,674</u>	<u>9</u>

As at December 31, 2022, 2023 and 2024 and August 31, 2025, if USD had strengthened/weakened by 5% against RMB with all other variables held constant the pre-tax loss would have been approximately RMB9,870,000, RMB8,868,000 and RMB2,984,000 and RMB1,000 lower/higher for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025.

(ii) *Cash flow and fair value interest rate risk*

As of December 31, 2022, 2023 and 2024 and August 31, 2025, the Group does not hold any long-term interest-bearing assets or borrowings, so there is no significant cash flow and fair value interest rate risk.

Other than interest-bearing cash and cash equivalents, the Group has no other significant interest bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates of cash and cash equivalents are not expected to change significantly.

(b) *Credit risk*

Credit risk mainly arises from bank balance, trade receivables and deposits and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

(i) *Risk management*

Credit risk is managed on a group basis.

To manage risk arising from bank balances, the Group mainly transacts with state-owned or reputable financial institutions in Chinese Mainland and reputable overseas financial institutions. There has been no recent history of default in relation to those financial institutions.

For trade receivable, the Group, being a provider of healthcare services mainly to patients, has a highly diversified customer base without any single customer contributing material revenue. Certain patients will claim their medical billing from commercial insurance companies, third-party administrators who assist commercial insurance companies in realizing review process and direct billing settlement. The credit term granted to those insurance companies, third-party administrators and organizations is generally one month. The Group has policy in place to ensure the treatments and medicines prescribed and provided to such insured patients are in line with respective insurance companies, third-party administrators and organizations' policies and within reimbursement limits, provided fulfilling all ethics and moral responsibilities as healthcare provider. The Group also has controls to closely monitor the patients' billing and claim status to minimize the credit risk.

For deposits and other receivables, management makes periodic individual assessments on the recoverability of deposits and other receivables based on historical settlement records and past experiences, as well as forward-looking factors.

(ii) *Impairment policies*

The Group formulates the credit losses of financial assets using expected credit loss (“ECL”) models according to IFRS 9 requirements. Net impairment losses on financial assets are presented within operating profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Bank balances

Bank balances are subject to the impairment requirements of IFRS 9, the identified impairment losses were immaterial as at December 31, 2022, 2023 and 2024 and August 31, 2025.

Trade receivables

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables.

To measure the ECL, trade receivables have been grouped based on their shared credit risk characteristics. The expected loss rates are based on the payment profiles of sales over a specific period before each year end date and the corresponding historical credit losses experienced within the periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Products (“GDP”) in which it provides its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The loss allowance for trade receivables as at December 31, 2022, 2023 and 2024 and August 31, 2025 was determined on a collective basis as follows:

December 31, 2022	Up to 60 days	61 days to 1 year	1 to 2 years	Over 2 years	Total
Expected loss rate	0.02%	0.07%	32.39%	100.00%	0.42%
Gross carrying amount (RMB'000) . .	12,182	7,185	71	51	19,489
Loss allowance (RMB'000)	3	5	23	51	82
December 31, 2023	Up to 60 days	61 days to 1 year	1 to 2 years	Over 2 years	Total
Expected loss rate	0.04%	0.11%	45.49%	100.00%	0.51%
Gross carrying amount (RMB'000) . .	25,515	11,339	277	41	37,172
Loss allowance (RMB'000)	11	12	126	41	190
December 31, 2024	Up to 60 days	61 days to 1 year	1 to 2 years	Over 2 years	Total
Expected loss rate	0.11%	0.32%	53.10%	100.00%	1.96%
Gross carrying amount (RMB'000) . .	32,743	18,781	1,548	123	53,195
Loss allowance (RMB'000)	36	60	822	123	1,041
August 31, 2025	Up to 60 days	61 days to 1 year	1 to 2 years	Over 2 years	Total
Expected loss rate	0.14%	0.50%	45.53%	100.00%	3.99%
Gross carrying amount (RMB'000) . .	35,994	20,845	4,428	285	61,552
Loss allowance (RMB'000)	49	105	2,016	285	2,455

The loss allowances for trade receivables as at December 31, 2022, 2023 and 2024 and August 31, 2025 reconcile to the opening loss allowance are disclosed in Note 18(b).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Deposits and other receivables

The Group uses the ECL model to determine the expected loss provision for deposits and other receivables. A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group definition of category	Basis for recognition of ECL provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Underperforming . .	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (stage 2)
Non-performing . . .	Interest and/or principal repayments are more than 90 days past due	Lifetime expected losses (stage 3)
Write-off	Interest and/or principal repayments are more than 3 years past due or there is no reasonable expectation of recovery	Asset is written off

Deposits and other receivables include rental and other deposits, staff advances, amounts due from related parties, amounts due from a non-controlling shareholder of a subsidiary and others. The Group accounts for their credit risk by appropriately providing for ECL on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of debtors, and adjusts for forward-looking macroeconomic data affecting the ability of the customers to settle the receivables. The Group has identified the GDP in which it provides its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group provided for credit losses against deposits and other receivables as follows:

Deposits and other receivables as at December 31, 2022	Expected credit loss rate	Basis for recognition of expected credit loss provision	Gross amount (stage 1)	Impairment provision	Carrying amount (net of impairment provision)
			<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental and other deposit	1.0%	12 months expected losses	29,770	(303)	29,467
Staff advances	0.6%	12 months expected losses	3,171	(20)	3,151
Others	0.9%	12 months expected losses	683	(6)	677
Amounts due from related party	0.0%	12 months expected losses	47	—*	47
			<u>33,671</u>	<u>(329)</u>	<u>33,342</u>

Deposits and other receivables as at December 31, 2023	Expected credit loss rate	Basis for recognition of expected credit loss provision	Gross amount (stage 1)	Impairment provision	Carrying amount (net of impairment provision)
			<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental and other deposit	1.0%	12 months expected losses	23,137	(227)	22,910
Staff advances	0.7%	12 months expected losses	2,335	(17)	2,318
Others	0.8%	12 months expected losses	120	(1)	119
Amounts due from related party	0.0%	12 months expected losses	48	—*	48
			<u>25,640</u>	<u>(245)</u>	<u>25,395</u>

Deposits and other receivables as at December 31, 2024	Expected credit loss rate	Basis for recognition of expected credit loss provision	Gross amount (stage 1)	Impairment provision	Carrying amount (net of impairment provision)
			<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental and other deposit	0.9%	12 months expected losses	28,627	(265)	28,362
Amounts due from a non-controlling shareholder of a subsidiary	0.9%	12 months expected losses	9,500	(83)	9,417
Staff advances	0.8%	12 months expected losses	2,996	(24)	2,972
Others	0.9%	12 months expected losses	542	(5)	537
			<u>41,665</u>	<u>(377)</u>	<u>41,288</u>

Deposits and other receivables as at August 31, 2025	Expected credit loss rate	Basis for recognition of expected credit loss provision	Gross amount (stage 1)	Impairment provision	Carrying amount (net of impairment provision)
			<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental and other deposit	0.9%	12 months expected losses	28,526	(268)	28,258
Staff advances	0.8%	12 months expected losses	3,466	(29)	3,437
Others	1.3%	12 months expected losses	320	(4)	316
			<u>32,312</u>	<u>(301)</u>	<u>32,011</u>

* The balance represents an amount less than RMB1,000.

Movements in the provision/(reversal) for impairment of deposits and other receivables as follows:

	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1	281	329	245
Provision/(reversal) for impairment	<u>48</u>	<u>(84)</u>	<u>132</u>
At December 31	<u>329</u>	<u>245</u>	<u>377</u>
		2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	
At January 1		245	377
Provision/(reversal) for impairment		<u>115</u>	<u>(76)</u>
At August 31		<u>360</u>	<u>301</u>

Deposits and other receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where deposits and other receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(c) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted contractual cash flows	Carrying amount Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2022						
Trade payables	7,024	—	—	—	7,024	7,024
Accruals and other payables (i)	46,703	—	—	—	46,703	46,703
Loan from a non-controlling shareholder	5,047	—	—	—	5,047	4,902
Lease liabilities	65,134	65,287	141,586	77,518	349,525	301,855
Convertible redeemable preference shares . . .	—	2,232,418	—	—	2,232,418	2,026,804
Total	<u>123,908</u>	<u>2,297,705</u>	<u>141,586</u>	<u>77,518</u>	<u>2,640,717</u>	<u>2,387,288</u>

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted contractual cash flows	Carrying amount Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2023						
Trade payables	5,583	—	—	—	5,583	5,583
Accruals and other payables (i)	44,514	—	—	—	44,514	44,514
Loan from a non-controlling shareholder	10,997	—	—	—	10,997	10,695
Lease liabilities	64,880	71,285	135,452	75,987	347,604	302,140
Convertible redeemable preference shares . . .	2,251,362	—	—	—	2,251,362	2,337,245
Total	<u>2,377,336</u>	<u>71,285</u>	<u>135,452</u>	<u>75,987</u>	<u>2,660,060</u>	<u>2,700,177</u>

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted contractual cash flows	Carrying amount Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2024						
Trade payables	9,705	–	–	–	9,705	9,705
Accruals and other payables (i)	77,552	–	–	–	77,552	77,552
Lease liabilities	83,819	71,565	150,273	79,377	385,034	339,269
Convertible redeemable preference shares . . .	–	2,856,341	–	–	2,856,341	2,411,094
Total	<u>171,076</u>	<u>2,927,906</u>	<u>150,273</u>	<u>79,377</u>	<u>3,328,632</u>	<u>2,837,620</u>

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total undiscounted contractual cash flows	Carrying amount Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At August 31, 2025						
Trade payables	10,097	–	–	–	10,097	10,097
Accruals and other payables (i)	50,227	–	–	–	50,227	50,227
Lease liabilities	83,612	75,989	153,075	54,128	366,804	330,068
Convertible redeemable preference shares . . .	–	3,145,320	–	–	3,145,320	2,325,281
Total	<u>143,936</u>	<u>3,221,309</u>	<u>153,075</u>	<u>54,128</u>	<u>3,572,448</u>	<u>2,715,673</u>

(i) For the purpose of liquidity risk analysis, employee benefits and other taxes payable are excluded.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low. As a result, capital risk is not significant for the Group and measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

3.3 Fair value estimation

3.3.1 Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The table below analyzes the Group's financial instruments carried at fair value as at December 31, 2022, 2023 and 2024 and August 31, 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of each of the reporting periods. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's financial assets and financial liabilities that were measured at fair value at December 31, 2022:

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets				
Financial assets at fair value through profit or loss:				
– Investments in bank financial products	–	–	324,966	324,966
	=	=	=	=
Liabilities				
Convertible redeemable preference shares	–	–	2,026,804	2,026,804
	=	=	=	=

The following table presents the Group's financial assets and financial liabilities that were measured at fair value at December 31, 2023:

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets				
Financial assets at fair value through profit or loss:				
– Investments in bank financial products	–	–	190,675	190,675
– Investments in a listed equity security	5,890	–	–	5,890
	<u>5,890</u>	<u>–</u>	<u>190,675</u>	<u>196,565</u>
	=	=	=	=
Liabilities				
Convertible redeemable preference shares	–	–	2,337,245	2,337,245
	<u>–</u>	<u>–</u>	<u>2,337,245</u>	<u>2,337,245</u>
	=	=	=	=

The following table presents the Group's financial assets and financial liabilities that were measured at fair value at December 31, 2024:

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets				
Financial assets at fair value through profit or loss:				
– Investments in bank financial products	–	–	159,838	159,838
– Investments in a listed equity security	3,024	–	–	3,024
	<u>3,024</u>	<u>–</u>	<u>159,838</u>	<u>162,862</u>
Liabilities				
Convertible redeemable preference shares	–	–	2,411,094	2,411,094
	<u>–</u>	<u>–</u>	<u>2,411,094</u>	<u>2,411,094</u>

The following table presents the Group's financial assets and financial liabilities that were measured at fair value at August 31, 2025:

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assets				
Financial assets at fair value through profit or loss:				
– Investments in bank financial products	–	–	329,000	329,000
– Investments in listed equity securities	5,791	–	–	5,791
	<u>5,791</u>	<u>–</u>	<u>329,000</u>	<u>334,791</u>
Liabilities				
Convertible redeemable preference shares	–	–	2,325,281	2,325,281
	<u>–</u>	<u>–</u>	<u>2,325,281</u>	<u>2,325,281</u>

There was no transfer of fair value hierarchy levels for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025.

There were no changes to valuation techniques for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025.

Therefore, they were measured at FVPL. None of these investments were past due. Changes in fair values of bank financial products were analyzed at the end of each reporting period by the Group's management. The Group used discounted cash flows approach to determine the fair value of the bank financial products. The relevant fair value gains/(losses) were minimal because of short term maturity. From the perspective of cash management and risk control, the Group diversified its investment portfolio and mainly purchased low-risk products from reputable financial institutions and preferred those products with high-liquidity.

The significant unobservable inputs used in level 3 fair value measurements at the investments in bank financial products are expected return rate. The higher the expected return rate, the higher the fair value. As at December 31, 2022, 2023 and 2024 and August 31, 2025, the expected annual return rate of the investments in bank financial products is from 4.00% to 4.62%, from 2.55% to 5.00%, from 1.75% to 4.75% and from 1.55% to 4.40%, respectively.

If the expected rate of return had decreased/increased by 100 basis points with all other variables held constant, the fair value of investments in bank financial products measured at FVPL would have decreased/increased by approximately RMB252,000, RMB876,000 and RMB164,000 and RMB57,000 as at December 31, 2022, 2023 and 2024 and August 31, 2025, respectively.

The carrying amounts of the Group's financial assets including cash and cash equivalents, term deposits with initial term of over three months, trade receivables and deposits and other receivables and the Group's financial liabilities, including trade payables, other payables, loan from a non-controlling shareholder of a subsidiary and lease liabilities approximated their fair value due to their short maturities or that the contract interest rates (if applicable) are generally close to the market interest rates.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgements in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Fair value of convertible redeemable preference shares

The convertible redeemable preference shares issued by the Company are not traded in an active market is determined by using valuation techniques. The Group has engaged an independent valuer to select a variety of methods including use of the discounted cash flow method to determine the underlying equity value of the Company and adopted the equity allocation model and make assumptions including discount rate, risk-free interest rate, lack of marketability discount, volatility and credit risk associated with the instruments at the end of each reporting period, which are subject to uncertainty and might materially differ from the actual results. Changes in these assumptions and estimates could materially affect the respective fair value of these financial liabilities.

(b) Recognition of share-based compensation expenses

As mentioned in Note 24 the Group has granted share options to its employees. The Company has engaged an independent valuer to determine the total fair value of the share options granted to employees, which is to be expensed over the vesting period. Significant estimates on assumptions, such as the underlying equity value, risk-free interest rate, expected volatility and dividend yield, are required to be made by the Company in applying the option pricing model.

(c) Impairment of non-financial assets

Property, plant and equipment, intangible assets and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. The recoverable amounts of the cash-generating units ("CGU") have been determined based on the higher of value-in-use calculations and fair value less costs of disposal.

Management judgement is required in the area of the impairment of the CGU particularly in assessing: (i) whether an event has occurred that may indicate that the relevant value of the CGU may not be recoverable; (ii) whether the carrying value of the CGU can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continuing use of the CGU; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate and growth rate used in the calculation of the present value of the estimated cash flows as appropriate as well as the lease agreement could be renewed at comparable rental rates available on the market when the leases expire.

Changes in relevant assumptions adopted by the Group to determine impairment may have material impact on the estimated recoverable amount used in the impairment test, and cause impairment in these non-financial assets of the Group.

(d) Deferred income taxes

Deferred income tax assets are mainly recognized for temporary differences to the extent it is probable that future taxable profits will be available against which deductible temporary differences and the unused tax losses can be utilized, based on all available evidence. Recognition primarily involves judgement regarding the future financial performance of the particular legal entity or tax in which the deferred income tax asset has been recognized. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred income tax assets will ultimately be realized, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilized. The carrying amount of deferred income tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the carry forward tax losses, the asset balance will be reduced and the difference charged to the consolidated statement of profit or loss.

(e) Contractual Arrangements

The Group conducts a substantial portion of the business through the VIE Entities in the PRC. The Group have 70%, 70%, 70%, 70% and 90% equity ownership interests in Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen and Distinct Management, respectively. Due to regulatory restrictions on the foreign ownership in the Group's healthcare institutions in the PRC, Contractual Arrangements were signed. The Directors assessed whether or not the Group has control over Zhuozheng Xinhe and the VIE Entities, have exposure, or rights, to receive variable returns from its involvement with Zhuozheng Xinhe and the VIE Entities and has the ability to affect those returns through its power over Zhuozheng Xinhe and the VIE Entities. After assessment, the Directors concluded that the Group has control over Zhuozheng Xinhe and the VIE Entities as a result of the Contractual Arrangements and the relevant portion of direct legal ownership held by the Group, accordingly the financial position and their operating results of Zhuozheng Xinhe and the VIE Entities are included in the Group's consolidated financial statements as wholly owned subsidiaries for throughout the year or since the respective dates of incorporation/establishment, whichever is the shorter period.

Nevertheless, the Contractual Arrangement may not be as effective as direct legal ownership in providing the Group with direct control over Zhuozheng Xinhe and the VIE Entities and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Zhuozheng Xinhe and the VIE Entities. The Directors, based on the advice of the PRC legal advisers, consider that save as otherwise disclosed, each agreement under the Contractual Arrangements is legal, valid and binding upon the parties thereto under the current PRC laws and regulations.

(f) Estimation of goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis, or whenever events or changes in circumstances indicate that it might be impaired. As at August 31, 2025 and December 31, 2024, the recoverable amount of CGUs was determined based on fair value less cost of disposal which require the use of assumptions. The calculations use cash flow projections based on financial budgets prepared by management covering a five-year period. Details of the goodwill impairment test are disclosed in Note 15.

5 REVENUE AND SEGMENT REPORTING

- (a) The Group is principally engaged in provision of healthcare services through healthcare service institutions and tele-healthcare service platform.

The chief operating decision maker (“CODM”) has been identified as the executive directors, who reviews the Group’s internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the Group’s business activities as a whole on a regular basis and the directors of the Company consider that the Group has only one reportable segment. Accordingly, no segment information is presented.

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Healthcare services					
– In-person healthcare services .	392,769	592,492	872,364	553,977	640,990
– Off-network healthcare services	34,104	44,215	32,830	25,285	19,787
– Tele-healthcare services	21,233	22,459	22,960	15,483	14,678
– Membership program	18,606	20,821	22,372	14,968	14,756
	<u>466,712</u>	<u>679,987</u>	<u>950,526</u>	<u>609,713</u>	<u>690,211</u>
Others	6,472	10,448	8,052	5,091	5,456
	<u>473,184</u>	<u>690,435</u>	<u>958,578</u>	<u>614,804</u>	<u>695,667</u>

The Group derives revenue from providing healthcare service and others at a point in time and over time as follows:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Healthcare services					
– In-person healthcare services .	375,028	571,976	841,724	532,931	614,099
– Off-network healthcare services	19,877	25,985	16,791	13,254	11,279
– Tele-healthcare services	21,233	22,459	22,960	15,483	14,678
	<u>416,138</u>	<u>620,420</u>	<u>881,475</u>	<u>561,668</u>	<u>640,056</u>
Others	6,472	10,448	8,052	5,091	5,456
At a point in time	<u>422,610</u>	<u>630,868</u>	<u>889,527</u>	<u>566,759</u>	<u>645,512</u>
Healthcare services					
– In-person healthcare services .	17,741	20,516	30,640	21,046	26,891
– Off-network healthcare services	14,227	18,230	16,039	12,031	8,508
– Membership program	18,606	20,821	22,372	14,968	14,756
Over time	<u>50,574</u>	<u>59,567</u>	<u>69,051</u>	<u>48,045</u>	<u>50,155</u>
	<u>473,184</u>	<u>690,435</u>	<u>958,578</u>	<u>614,804</u>	<u>695,667</u>

(b) Geographical information

The Company is domiciled in the Cayman Islands while the Group operates its business mainly in Chinese Mainland and earns substantially all of the revenue from external customers in Chinese Mainland. Substantially all of the Group's identifiable assets and liabilities were located in Chinese Mainland. No geographical information is presented in accordance with IFRS 8 "Operating Segments".

(c) Information about major customers

Since none of the Group's provision of services to a single customer amounting to 10% or more of the Group's total revenue for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, no major customer information is presented in accordance with IFRS 8 "Operating Segments".

(d) Unsatisfied long-term performance obligations

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the financial years/period are as follows:

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Expected to be recognized within one year	63,232	102,774	138,554	160,490
Expected to be recognized after one year.	1,956	2,211	1,762	4,404
	<u>65,188</u>	<u>104,985</u>	<u>140,316</u>	<u>164,894</u>

Management expects that unsatisfied performance obligations of approximately RMB63,232,000, RMB102,774,000, RMB138,554,000 and RMB160,490,000 as at December 31, 2022, 2023 and 2024 and August 31, 2025 will be recognized as revenue within 1 year. The remaining unsatisfied performance obligations of approximately RMB1,956,000, RMB2,211,000, RMB1,762,000 and RMB4,404,000 will be recognized in 1 to 2 years.

(e) Accounting policies of revenue recognition

The Group's revenue is primarily derived from the provision of healthcare services through healthcare service institutions and tele-healthcare service platform. Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold and services rendered in the normal course of business, stated net of discounts.

The Group usually receives the payment from customers in advance before or on the same day the healthcare services are rendered. In the cases that the customers selected insurance direct billing to settle their healthcare service fee, the Group usually receives the payment based on a payment schedule.

Further details of the Group's revenue recognition policies are as follows:

Healthcare services

Revenue from healthcare services is recognized when the related services have been rendered to customers and include in-person healthcare services, off-network healthcare services, tele-healthcare services and membership program.

(i) In-person healthcare services

For in-person healthcare services, the patient normally receives in-person healthcare treatment by visiting healthcare service institutions, which contain various treatment components. In-person healthcare services contain more than one performance obligations, including (i) provision of consultation services and (ii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation on relative stand-alone selling price basis. Both (i) provision of consultation services and (ii) sale of pharmaceutical products for which the control of services or pharmaceutical products is transferred at a point in time, revenue is recognized when the customer obtains the control of the completed services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable.

Revenue from rendering of orthodontics services to in-person healthcare customers is recognized over time because the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date. Such revenue is recognized using an input method to measure progress towards complete satisfaction of the service. The input method recognizes revenue on the basis of staff costs and/or costs of inventories, consumables and customized products, when appropriate, relative to the total expected costs to complete the respective service. When the payments received from customers exceed the services rendered, a contract liability is recognized. For contracts where the period between the payment by the customer and the transfer of the promised service exceeds one year, the transaction price is adjusted for the effects of a financing component, if significant.

For in-patient services provided to in-person healthcare customers, the patient normally receive in-patient treatment which contains various treatment components including (i) provision of consultation services and (ii) provision of in-patient healthcare services and (iii) sale of pharmaceutical products. The Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis. Revenue from (ii) provision of in-patient healthcare services is recognized over the service period when customers simultaneously receive the services and consumes the benefits provided by the Group's performance as the Group performs, while revenue from (i) provision of consultation services and (iii) sale of pharmaceutical products for which control of services or pharmaceutical products is transferred at a point in time, revenue is recognized when the customer obtains the control of the completed services or pharmaceutical products and the Group has satisfied its performance obligations with present right to payment and the collection of the consideration is probable.

The in-person healthcare services are usually performed in one day, except for the in-patient services are performed for overnights stays or longer generally from five days to seven days and orthodontics service rendered to customers included in in-person healthcare services which will generally last for two years.

(ii) Off-network healthcare services

Off-network healthcare services primarily comprise revenue generated from provision of on-campus and corporate healthcare management services and medical concierge and escort services.

Revenue from rendering the on-campus and corporate healthcare management services to international schools in China to assign bilingual licensed nurses to support and ensure the smooth operations of healthcare clinics on the school premises is recognized over time as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs.

Provision of medical concierge and escort services tailored to patients for which the control of services is transferred at a point in time and revenue is recognized when the customer obtains the control of the completed services.

(iii) Tele-healthcare services

Tele-healthcare services provided to individual customers consist primarily of online consultation and diagnosis through its tele-healthcare service platform.

Individual customers are usually required to make payments in advance for tele-healthcare services. The revenue of tele-healthcare services is recognized when such services are rendered at a point in time, which is usually within one day upon the payments are made.

(iv) Membership program

The customers may subscribe for the membership for a whole year period at a fixed fee payable to the Group. The member will enjoy discount from obtaining healthcare services and a series of privileges as material rights and the revenue for is recognized over time on a straight-line basis during the validity period of the membership. The full amount of membership fee is paid and non-refundable from customers when they subscribed the membership.

Others

Others primarily comprise sales of healthcare products through online mall. The Group engaged in the sale of healthcare products to individual customers through its official WeChat account and mini-program. The Group recognizes sales revenue at a point in time when products are delivered to customers while historical returns are insignificant.

6 EXPENSES BY NATURE

Expenses included in cost of revenue, selling expenses, and administrative expenses are further analyzed as follows:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Employee salary and benefit expense (<i>Note 7</i>)	379,528	436,202	564,577	369,985	377,110
Depreciation and amortization . . .	111,123	127,067	135,835	89,346	90,313
Cost of pharmaceutical, consumables and other inventories	73,487	110,461	171,668	103,134	124,280
Utilities, office and property management payments	27,834	24,784	29,462	18,521	21,088
Cost for service fees paid to vendors of diagnosis testing . . .	5,092	5,870	14,444	9,656	7,386
Professional service fee	3,780	7,272	25,874	14,552	21,599
Impairment losses of property, plant and equipment and right-of-use assets	—	—	957	—	—
Listing expenses	—	11,050	20,908	13,927	4,557
Software maintenance expenses . .	3,979	4,301	3,902	3,055	3,349
Travelling and entertainment expenses	4,968	6,186	7,170	4,863	4,260
Consulting fees	992	1,006	3,025	2,199	1,593
Promotion and marketing expenses	643	500	7,891	4,035	6,860
Auditors' remuneration					
– Audit related services	132	143	73	73	55
Other expenses	13,907	22,162	27,197	15,593	18,328
Total	<u>625,465</u>	<u>757,004</u>	<u>1,012,983</u>	<u>648,939</u>	<u>680,778</u>

7 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries, wages and bonuses.	326,199	378,234	467,633	295,561	328,777
Pension costs – defined contribution plans	20,800	23,931	24,813	14,388	20,798
Share-based compensation expenses	11,142	9,256	38,362	38,362	–
Housing benefits and other employee benefits	21,387	24,781	33,769	21,674	27,535
Total employee benefit expense . .	379,528	436,202	564,577	369,985	377,110

(a) Pension costs — defined contribution plans

Employees of the group companies in PRC are required to participate in defined contribution retirement schemes administrated and operated by the local municipal governments. The Group contribute funds which are calculated based on certain percentage of the employee salary (subject to a floor and cap) as set by municipal governments to each scheme locally to fund the retirement benefits of the employees.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 1, 2 and 2 and 2 and 1 directors for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025 respectively, whose emoluments were reflected in the analysis shown in Note 37(a). The emoluments payable to the remaining 4, 3 and 3 and 3 and 4 individuals for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025 respectively were as follows:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries, wages and bonuses.	5,220	4,987	4,776	3,105	4,952
Pension costs – defined contribution plans	111	78	82	55	76
Share-based compensation expenses	2,082	2,924	7,589	7,589	–
Housing benefits and other employee benefits	43	30	130	86	110
Total employee benefit expense . .	7,456	8,019	12,577	10,835	5,138

The emoluments of those individuals during the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025 fell within the following bands:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
				(Unaudited)	
HKD1,000,001 to HKD1,500,000 .	1	–	–	–	4
HKD1,500,001 to HKD2,000,000 .	2	–	–	–	–
HKD2,000,001 to HKD2,500,000 .	–	2	–	–	–
HKD2,500,001 to HKD3,000,000 .	–	–	–	1	–
HKD3,000,001 to HKD3,500,000 .	–	–	–	–	–
HKD3,500,001 to HKD4,000,000 .	–	–	1	1	–
HKD4,000,001 to HKD4,500,000 .	1	1	1	–	–
HKD4,500,001 to HKD5,000,000 .	–	–	–	–	–
HKD5,000,001 to HKD5,500,000 .	–	–	–	1	–
HKD5,500,001 to HKD6,000,000 .	–	–	1	–	–
	4	3	3	3	4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 OTHER INCOME

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Government subsidies (a)	1,282	457	1,282	964	1,061
Gain on COVID-19 rent concessions (Note 14)	3,448	–	–	–	–
	<u>4,730</u>	<u>457</u>	<u>1,282</u>	<u>964</u>	<u>1,061</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

- (a) Government subsidies relating to income include various government subsidies received by the group entities from the relevant government bodies in connection with employment related grants etc. There are no unfulfilled conditions or other contingencies attached to these grants.

9 OTHER GAINS/(LOSSES) — NET

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Fair value gains from bank financial products	9,363	8,238	5,387	3,106	6,375
Fair value losses from a listed equity security	—	(1,071)	(2,701)	(3,211)	(3,021)
Net gains/(losses) on modification and early termination of leases .	8,192	(2,276)	3,226	2,816	(383)
Net losses on disposal of property, plant and equipment and intangible assets	(1,827)	(1,028)	(3,244)	(1,083)	(4,227)
Forfeiture of deposits and compensation from early termination of lease contracts . .	(8,243)	(2,675)	(717)	(448)	(449)
Exchange gains/(losses)	2,349	(2,954)	5,232	3,032	(27)
Others	230	1,165	345	(330)	—
	<u>10,064</u>	<u>(601)</u>	<u>7,528</u>	<u>3,882</u>	<u>(1,732)</u>

10 FINANCE COSTS — NET

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Finance income:					
– Interest income from bank deposits	(1,168)	(10,148)	(8,619)	(6,402)	(1,721)
Finance costs:					
– Interest expense on lease liabilities	15,541	15,721	16,332	10,928	8,743
– Interest expense on loan from a non-controlling shareholder of a subsidiary	2	323	310	260	—
	<u>15,543</u>	<u>16,044</u>	<u>16,642</u>	<u>11,188</u>	<u>8,743</u>
Total	<u>14,375</u>	<u>5,896</u>	<u>8,023</u>	<u>4,786</u>	<u>7,022</u>

11 INCOME TAX BENEFIT

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Current income tax					
– Current tax on profits for the year/period	259	522	2,097	1,721	5,527
Deferred income tax	(18,069)	(9,471)	(2,580)	(2,681)	(5,709)
	<u>(17,810)</u>	<u>(8,949)</u>	<u>(483)</u>	<u>(960)</u>	<u>(182)</u>

The taxation on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the taxation rate of the PRC, the principal place of the Group's operations, as follows:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
(Loss)/profit before income tax . . .	(239,332)	(362,194)	79,744	51,203	83,029
Tax calculated at a tax rate of 25%	(59,833)	(90,549)	19,936	12,801	20,757
Tax effects of:					
Effect of different tax rates	18,593	73,507	(27,760)	(18,792)	(20,489)
Expenses not deductible for tax purposes	4,219	3,181	9,248	9,029	239
Tax losses for which no deferred income tax asset was recognized	20,555	6,075	6,150	3,021	6,924
Utilization of tax losses not recognized as deferred income tax assets in previous years . .	(1,549)	(2,005)	(8,498)	(7,231)	(7,933)
Temporary differences for which no deferred income tax asset was recognized	205	842	441	212	320
	<u>(17,810)</u>	<u>(8,949)</u>	<u>(483)</u>	<u>(960)</u>	<u>(182)</u>

(a) Cayman Islands and BVI income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to the Cayman Islands income tax pursuant to the current laws of the Cayman Islands. The group entity incorporated or registered under the Business Companies Act of BVI are exempted from BVI income tax pursuant to the current laws of the BVI.

(b) Hong Kong Income Tax

The Hong Kong profits tax rate of the subsidiary of the Group incorporated in Hong Kong is 16.5%.

(c) Singapore Income Tax

The statutory tax rates applicable to the subsidiary of the Group incorporated in Singapore is 17%.

(d) Malaysia Income Tax

The statutory tax rates applicable to the subsidiary of the Group incorporated in Malaysia is 24%.

(e) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was subject to statutory tax rate of 25% on the assessable profits for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 based on the existing legislation, interpretation and practices in respect thereof.

For the Group's PRC subsidiaries qualified as Small and Micro Enterprise ("SME") by the relevant government authorities, they are subject to a 75% to 87.5% deduction of the assessable profits as well as a preferential tax rate of 20%, effective during the Track Record Period.

(f) Withholding tax in Chinese Mainland (“WHT”)

According to the relevant tax rules and regulations of the PRC, distribution to foreign investors of profits earned by PRC companies since January 1, 2008 is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investors' foreign incorporated immediate holding companies. During the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, the PRC subsidiaries incurred net accumulated operating losses in the past and did not have any profit distribution plan.

(g) Deferred income tax

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefits through the future taxable profits is probable. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. Temporary differences of RMB9,389,000, RMB8,349,000, RMB6,851,000 and RMB7,301,000 as at December 31, 2022, 2023 and 2024 and August 31, 2025 respectively were not recognized as deferred tax assets. The Group did not recognize deferred income tax assets of RMB77,821,000, RMB66,284,000, RMB50,233,000 and RMB41,833,000 as at December 31, 2022, 2023 and 2024 and August 31, 2025 in respect of tax losses amounting to RMB322,315,000, RMB274,825,000, RMB213,146,000 and RMB172,307,000 as at December 31, 2022, 2023 and 2024 and August 31, 2025 respectively, which can be carried forward to offset against future taxable income. The tax losses will expire in the following years:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
2023	28,542	—	—	—	—
2024	54,695	47,230	—	—	—
2025	84,535	67,951	60,573	60,942	—
2026	69,025	53,691	46,566	42,421	41,635
2027	85,518	67,752	50,731	52,789	46,383
2028	—	38,201	30,676	28,575	29,475
2029	—	—	24,600	12,086	25,896
2030	—	—	—	—	25,746
After 2030 and indefinitely	—	—	—	—	3,172
	<u>322,315</u>	<u>274,825</u>	<u>213,146</u>	<u>196,813</u>	<u>172,307</u>

(h) Deferred tax assets/(liabilities) recognized

Deferred tax arising from:	Right-of-use assets	Lease liabilities	Deductible tax losses	Deferred income	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022 . . .	(44,756)	46,241	11,487	—	503	13,475
(charged)/credited to profit or loss.	<u>(25,560)</u>	<u>27,025</u>	<u>15,964</u>	<u>—</u>	<u>640</u>	<u>18,069</u>
At December 31, 2022 and January 1, 2023 .	(70,316)	73,266	27,451	—	1,143	31,544
credited/(charged) to profit or loss.	<u>1,836</u>	<u>340</u>	<u>7,917</u>	<u>—</u>	<u>(622)</u>	<u>9,471</u>
At December 31, 2023 and January 1, 2024 .	(68,480)	73,606	35,368	—	521	41,015
Acquisition of subsidiaries (Note 34) .	(13,253)	13,253	1,990	—	—	1,990
credited/(charged) to profit or loss.	<u>3,105</u>	<u>(385)</u>	<u>(2,591)</u>	<u>2,353</u>	<u>98</u>	<u>2,580</u>
At December 31, 2024. .	<u>(78,628)</u>	<u>86,474</u>	<u>34,767</u>	<u>2,353</u>	<u>619</u>	<u>45,585</u>

APPENDIX I

ACCOUNTANT'S REPORT

Deferred tax arising from:	Right-of-use assets	Lease liabilities	Deductible tax losses	Deferred income	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024 . . .	(68,480)	73,606	35,368	–	521	41,015
Acquisition of subsidiaries (Note 34) .	(13,253)	13,253	1,990	–	–	1,990
(charged)/credited to profit or loss.	(6,548)	8,996	(2,149)	2,353	29	2,681
At August 31, 2024 (Unaudited)	(88,281)	95,855	35,209	2,353	550	45,686
At January 1, 2025 . . .	(78,628)	86,474	34,767	2,353	619	45,585
credited/(charged) to profit or loss.	3,451	(2,145)	2,066	2,352	(15)	5,709
At August 31, 2025. . . .	(75,177)	84,329	36,833	4,705	604	51,294

(i) Reconciliation to consolidated statements of financial position

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognized in the consolidated statements of financial position		32,454	42,654	45,591
Net deferred tax liabilities recognized in the consolidated statements of financial position . .		(910)	(1,639)	(6)
	31,544	41,015	45,585	51,294

12 (LOSSES)/EARNINGS PER SHARE

(a) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025.

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
				(Unaudited)	
(Loss)/profit attributable to owners of the Company (RMB'000) . . .	(215,496)	(350,669)	83,805	53,556	85,452
Weighted average number of ordinary shares outstanding (thousand)	13,950	13,950	13,950	13,950	13,950
Basic (losses)/earnings per share (in RMB)	(15.45)	(25.14)	6.01	3.84	6.13

Basic (losses)/earnings per share is calculated by dividing:

- the (loss)/profit attributable to owners of the Company;
- by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted (losses)/earnings per share

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, the Company has series of convertible redeemable preference shares (Note 27) and the share options and restricted share units (the “RSU”) granted to employees (Note 24).

As the Group incurred losses for the years ended December 31, 2022 and 2023, the potential ordinary shares were not included in the calculation of the diluted losses per share as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the years ended December 31, 2022 and 2023 are the same as basic losses per share of the respective years.

For the year ended December 31, 2024 and the eight months ended August 31, 2024, diluted losses per share was calculated by considering the convertible redeemable preference shares could be converted into ordinary shares at the option of the holders any time. The RSU granted to employees were excluded from the diluted weighted average number of ordinary shares calculation as their inclusion would be anti-dilutive.

For eight months ended August 31, 2025, diluted earnings per share was calculated by considering the convertible redeemable preference shares could be converted into ordinary shares at the option of the holders any time.

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
				<i>(Unaudited)</i>	
(Loss)/profit attributable to owners of the Company (RMB'000).	(215,496)	(350,669)	83,805	53,556	85,452
Adjustments for the dilution effect of convertible redeemable preference shares (RMB'000).	—	—	(128,797)	(80,036)	(77,321)
Diluted (loss)/profit attributable to owners of the Company (RMB'000).	<u>(215,496)</u>	<u>(350,669)</u>	<u>(44,992)</u>	<u>(26,480)</u>	<u>8,131</u>
Weighted average number of ordinary shares outstanding (thousand). .	13,950	13,950	13,950	13,950	13,950
Adjustments for convertible redeemable preference shares (thousand).	—	—	40,244	40,022	40,684
Weighted average number of shares for calculating diluted (losses)/earnings per share (thousand). . .	<u>13,950</u>	<u>13,950</u>	<u>54,194</u>	<u>53,972</u>	<u>54,634</u>
Diluted (losses)/earnings per share (in RMB).	<u>(15.45)</u>	<u>(25.14)</u>	<u>(0.83)</u>	<u>(0.49)</u>	<u>0.15</u>

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Medical equipment	Vehicles	Office equipment	Construction in process	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022						
Cost	108,942	105,107	875	9,303	14,183	238,410
Accumulated depreciation	(44,956)	(46,344)	(494)	(4,973)	—	(96,767)
Accumulated impairment.	(9,687)	—	—	—	—	(9,687)
Net book amount	<u>54,299</u>	<u>58,763</u>	<u>381</u>	<u>4,330</u>	<u>14,183</u>	<u>131,956</u>
Year ended December 31, 2022						
Opening net book amount	54,299	58,763	381	4,330	14,183	131,956
Additions	2,276	28,459	—	3,945	53,468	88,148
Disposals.	(1,591)	(192)	—	(44)	—	(1,827)
Transfers	50,253	—	—	—	(50,253)	—
Depreciation charge	(23,420)	(19,126)	(170)	(2,550)	—	(45,266)
Closing net book amount. . . .	<u>81,817</u>	<u>67,904</u>	<u>211</u>	<u>5,681</u>	<u>17,398</u>	<u>173,011</u>
At December 31, 2022						
Cost	158,907	125,975	875	11,864	17,398	315,019
Accumulated depreciation	(68,802)	(58,071)	(664)	(6,183)	—	(133,720)
Accumulated impairment.	(8,288)	—	—	—	—	(8,288)
Net book amount	<u>81,817</u>	<u>67,904</u>	<u>211</u>	<u>5,681</u>	<u>17,398</u>	<u>173,011</u>
Year ended December 31, 2023						
Opening net book amount	81,817	67,904	211	5,681	17,398	173,011
Additions	5,429	30,967	309	2,868	32,159	71,732
Disposals.	(391)	(303)	(18)	(151)	—	(863)
Transfers	46,754	—	—	—	(46,754)	—
Depreciation charge	(30,101)	(22,809)	(162)	(2,867)	—	(55,939)
Closing net book amount. . . .	<u>103,508</u>	<u>75,759</u>	<u>340</u>	<u>5,531</u>	<u>2,803</u>	<u>187,941</u>
At December 31, 2023						
Cost	206,615	140,866	1,028	13,183	2,803	364,495
Accumulated depreciation	(99,824)	(65,107)	(688)	(7,652)	—	(173,271)
Accumulated impairment.	(3,283)	—	—	—	—	(3,283)
Net book amount	<u>103,508</u>	<u>75,759</u>	<u>340</u>	<u>5,531</u>	<u>2,803</u>	<u>187,941</u>
Year ended December 31, 2024						
Opening net book amount	103,508	75,759	340	5,531	2,803	187,941
Acquisition of subsidiaries (Note 34)	13,345	7,582	19	64	444	21,454
Other additions	7,099	28,600	—	3,162	21,126	59,987
Disposals.	(2,643)	(377)	—	(207)	—	(3,227)
Transfers	20,393	—	—	—	(20,393)	—
Depreciation charge	(29,672)	(27,017)	(74)	(3,031)	—	(59,794)
Impairment	(777)	—	—	—	—	(777)
Closing net book amount. . . .	<u>111,253</u>	<u>84,547</u>	<u>285</u>	<u>5,519</u>	<u>3,980</u>	<u>205,584</u>
At December 31, 2024						
Cost	243,415	174,951	1,047	15,902	3,980	439,295
Accumulated depreciation	(129,526)	(90,404)	(762)	(10,383)	—	(231,075)
Accumulated impairment.	(2,636)	—	—	—	—	(2,636)
Net book amount	<u>111,253</u>	<u>84,547</u>	<u>285</u>	<u>5,519</u>	<u>3,980</u>	<u>205,584</u>

	Leasehold improvements	Medical equipment	Vehicles	Office equipment	Construction in process	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024						
Cost	206,615	140,866	1,028	13,183	2,803	364,495
Accumulated depreciation	(99,824)	(65,107)	(688)	(7,652)	–	(173,271)
Accumulated impairment.	(3,283)	–	–	–	–	(3,283)
Net book amount	<u>103,508</u>	<u>75,759</u>	<u>340</u>	<u>5,531</u>	<u>2,803</u>	<u>187,941</u>
Eight months ended						
August 31, 2024 (Unaudited)						
Opening net book amount	103,508	75,759	340	5,531	2,803	187,941
Acquisition of subsidiaries (Note 34)	13,345	7,582	19	64	444	21,454
Other additions	3,838	16,162	–	2,204	14,577	36,781
Disposals.	(787)	(131)	–	(148)	–	(1,066)
Transfers	8,602	–	–	–	(8,602)	–
Depreciation charge	(19,560)	(17,690)	(49)	(2,052)	–	(39,351)
Closing net book amount. . . .	<u>108,946</u>	<u>81,682</u>	<u>310</u>	<u>5,599</u>	<u>9,222</u>	<u>205,759</u>
At August 31, 2024						
(Unaudited)						
Cost	231,613	164,331	1,047	15,451	9,222	421,664
Accumulated depreciation	(119,384)	(82,649)	(737)	(9,852)	–	(212,622)
Accumulated impairment.	(3,283)	–	–	–	–	(3,283)
Net book amount	<u>108,946</u>	<u>81,682</u>	<u>310</u>	<u>5,599</u>	<u>9,222</u>	<u>205,759</u>
At January 1, 2025						
Cost	243,415	174,951	1,047	15,902	3,980	439,295
Accumulated depreciation	(129,526)	(90,404)	(762)	(10,383)	–	(231,075)
Accumulated impairment.	(2,636)	–	–	–	–	(2,636)
Net book amount	<u>111,253</u>	<u>84,547</u>	<u>285</u>	<u>5,519</u>	<u>3,980</u>	<u>205,584</u>
Eight months ended						
August 31, 2025						
Opening net book amount	111,253	84,547	285	5,519	3,980	205,584
Other additions	1,608	11,562	–	2,125	12,596	27,891
Disposals.	(3,850)	(240)	–	(137)	–	(4,227)
Transfers	7,693	–	–	–	(7,693)	–
Depreciation charge	(20,459)	(18,725)	(49)	(1,916)	–	(41,149)
Closing net book amount. . . .	<u>96,245</u>	<u>77,144</u>	<u>236</u>	<u>5,591</u>	<u>8,883</u>	<u>188,099</u>
At August 31, 2025						
Cost	248,866	186,273	1,047	17,690	8,883	462,759
Accumulated depreciation	(149,985)	(109,129)	(811)	(12,099)	–	(272,024)
Accumulated impairment.	(2,636)	–	–	–	–	(2,636)
Net book amount	<u>96,245</u>	<u>77,144</u>	<u>236</u>	<u>5,591</u>	<u>8,883</u>	<u>188,099</u>

- (a) Depreciation charges were expensed in the following categories in the consolidated statement of comprehensive income:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Cost of revenue	42,893	53,519	57,599	37,701	40,134
Administrative expenses . .	2,373	2,420	2,195	1,650	1,015
	<u>45,266</u>	<u>55,939</u>	<u>59,794</u>	<u>39,351</u>	<u>41,149</u>

(b) **Impairment loss**

As at December 31, 2022, 2023 and 2024 and August 31, 2025, in view of the unfavourable future prospects of certain clinics, the Group's management estimated the recoverable amount of each clinic (CGU) with an indication of impairment. The recoverable amount of the relevant assets is assessed based on the higher of value in use with reference to discounted cash flow projections and fair value less costs of disposal.

As at December 31, 2022, 2023 and August 31, 2025, the recoverable amount of the respective CGUs of the Group with an indication of impairment exceeds the carrying amount. Therefore, no impairment loss was recognized in the profit or loss in the consolidated statement of profit or loss for the years ended December 31, 2022, 2023 and the eight months ended August 31, 2025.

As at December 31, 2024, the carrying amount of certain CGUs exceeds their recoverable amount, accordingly, impairment provisions amounting to RMB957,000 which were made against the assets and allocated to the assets including right-of-use assets, leasehold improvement and other property, plant and equipment within CGU on a pro rata basis. Within this allocation framework, each asset should be reduced only to the highest of its fair value less costs of disposal, its value in use and zero. The impairment was recognized in the consolidated statements of profit or loss during the year ended December 31, 2024.

The calculations use cash flow projections of value in use based on financial budgets prepared by management covering the shorter of a five calendar year period or a remaining lease term in the case a clinic expected to be closed. The cash flows are discounted using a discount rate of 15.8% as at December 31, 2024. The discount rate used is pre-tax and reflects specific risks relating to the relevant CGU. Cash flows beyond the projected period are extrapolated using the estimated terminal growth rate of 2.5% as at December 31, 2024. Fair value less costs of disposal, if applicable, is calculated by benchmarking against the price quotation of a comparable model in the second-hand market, adjusting the estimated disposal costs.

- (c) Depreciation is calculated using the straight-line method to allocate their costs, net of their residual values, over their estimated useful lives, as follows:

- Medical equipment 5-10 years
- Vehicles 4 years
- Office equipment 3-4 years
- Leasehold improvements Shorter of remaining lease term and estimated useful life of 10 years

No depreciation is provided in respect of construction in progress.

14 LEASES

(a) Amounts recognized in the consolidated statements of financial position

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
Right-of-use assets				RMB'000
– Buildings	284,793	274,921	302,612	288,357
Lease liabilities				
– Current	61,861	62,245	81,478	71,547
– Non-current	239,994	239,895	257,791	258,521
	301,855	302,140	339,269	330,068

Movements of right-of-use assets were as follows:

RMB'000

At January 1, 2022

Cost	288,905
Accumulated depreciation	(84,985)
Accumulated impairment	(19,190)
Net book amount	184,730

Year ended December 31, 2022

Opening net book amount	184,730
Additions	180,181
Leases modification and early termination	(16,518)
Depreciation charge	(63,600)
Closing net book amount	284,793

At December 31, 2022

Cost	435,485
Accumulated depreciation	(134,417)
Accumulated impairment	(16,275)
Net book amount	284,793

Year ended December 31, 2023

Opening net book amount	284,793
Additions	59,132
Leases modification and early termination	113
Depreciation charge	(69,117)
Closing net book amount	274,921

At December 31, 2023

Cost	386,922
Accumulated depreciation	(106,045)
Accumulated impairment	(5,956)
Net book amount	274,921

RMB'000

Year ended December 31, 2024

Opening net book amount	274,921
Acquisition of subsidiaries (<i>Note 34</i>)	53,012
Other additions.	59,254
Leases modification and early termination	(10,355)
Depreciation charge.	(74,040)
Impairment	(180)
Closing net book amount.	<u>302,612</u>

At December 31, 2024

Cost	440,078
Accumulated depreciation	(133,607)
Accumulated impairment.	(3,859)
Net book amount.	<u>302,612</u>

At January 1, 2024

Cost	386,922
Accumulated depreciation	(106,045)
Accumulated impairment.	(5,956)
Net book amount.	<u>274,921</u>

Eight months ended August 31, 2024 (Unaudited)

Opening net book amount	274,921
Acquisition of subsidiaries (<i>Note 34</i>)	53,012
Other additions.	58,442
Leases modification and early termination	4,137
Depreciation charge.	(48,953)
Closing net book amount.	<u>341,559</u>

At August 31, 2024 (Unaudited)

Cost	481,945
Accumulated depreciation	(134,430)
Accumulated impairment.	(5,956)
Net book amount.	<u>341,559</u>

At January 1, 2025

Cost	440,078
Accumulated depreciation	(133,607)
Accumulated impairment.	(3,859)
Net book amount.	<u>302,612</u>

Eight months ended August 31, 2025

Opening net book amount	302,612
Other additions.	41,171
Leases modification and early termination	(6,980)
Depreciation charge.	(48,446)
Closing net book amount.	<u>288,357</u>

At August 31, 2025

Cost	419,300
Accumulated depreciation	(127,380)
Accumulated impairment.	(3,563)
Net book amount.	<u>288,357</u>

(b) Amounts recognized in profit or loss

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Depreciation charge of right-of-use assets					
– Cost of revenue	40,546	61,706	67,309	44,604	44,516
– Administrative expenses	23,054	7,411	6,731	4,349	3,930
	<u>63,600</u>	<u>69,117</u>	<u>74,040</u>	<u>48,953</u>	<u>48,446</u>
Interest expense (included in finance cost)	15,541	15,721	16,332	10,928	8,743
Expenses relating to short-term leases (included in cost of revenue and administrative expenses)	437	–	403	251	172
Gain on COVID-19 rent concessions (included in other income) (Note 8)	3,448	–	–	–	–

The total cash outflow for leases in 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025 was RMB71,983,000, RMB76,957,000, RMB77,888,000, RMB49,363,000 and RMB52,518,000, respectively.

(c) The Group's leasing activities and lease accounting

The Group leases various properties for operation. Lease terms are negotiated on an individual basis and contain various terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g., term, territory, currency and security.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Amendment to IFRS 16 provides a practical expedient for leases to elect not to apply lease modification accounting for rent concessions, that reduce only lease payments due on or before June 30, 2022, arising as a direct consequence of the COVID-19 pandemic, the Group applies the practical expedient and records the undiscounted concessions in profit or loss when the agreement is reached to discharge the original payment obligation with corresponding adjustment of lease liabilities.

15 INTANGIBLE ASSETS

	Software	Goodwill	Total
	RMB'000	RMB'000	RMB'000
Year ended December 31, 2022			
Opening net book amount	2,634	—	2,634
Additions	2,377	—	2,377
Amortization	(2,257)	—	(2,257)
Closing net book amount.	<u>2,754</u>	<u>—</u>	<u>2,754</u>
At December 31, 2022			
Cost	7,228	—	7,228
Accumulated amortization	(4,474)	—	(4,474)
Net book amount.	<u>2,754</u>	<u>—</u>	<u>2,754</u>
Year ended December 31, 2023			
Opening net book amount	2,754	—	2,754
Additions	1,714	—	1,714
Disposal	(165)	—	(165)
Amortization	(2,011)	—	(2,011)
Closing net book amount.	<u>2,292</u>	<u>—</u>	<u>2,292</u>
At December 31, 2023			
Cost	8,478	—	8,478
Accumulated amortization	(6,186)	—	(6,186)
Net book amount.	<u>2,292</u>	<u>—</u>	<u>2,292</u>
Year ended December 31, 2024			
Opening net book amount	2,292	—	2,292
Acquisition of subsidiaries (<i>Note 34</i>)	654	133,942	134,596
Other additions.	1,107	—	1,107
Disposal	(17)	—	(17)
Amortization	(2,001)	—	(2,001)
Closing net book amount.	<u>2,035</u>	<u>133,942</u>	<u>135,977</u>
At December 31, 2024			
Cost	10,220	133,942	144,162
Accumulated amortization	(8,185)	—	(8,185)
Net book amount.	<u>2,035</u>	<u>133,942</u>	<u>135,977</u>

	Software	Goodwill	Total
	RMB'000	RMB'000	RMB'000
Eight months ended August 31, 2024			
(Unaudited)			
Opening net book amount	2,292	–	2,292
Acquisition of subsidiaries (<i>Note 34</i>)	654	133,942	134,596
Other additions	254	–	254
Disposal	(17)	–	(17)
Amortization	(1,042)	–	(1,042)
Closing net book amount	2,141	133,942	136,083
At August 31, 2024 (Unaudited)			
Cost	9,367	133,942	143,309
Accumulated amortization	(7,226)	–	(7,226)
Net book amount	2,141	133,942	136,083
Eight months ended August 31, 2025			
Opening net book amount	2,035	133,942	135,977
Other additions	2,749	–	2,749
Disposal	–	–	–
Amortization	(718)	–	(718)
Closing net book amount	4,066	133,942	138,008
At August 31, 2025			
Cost	12,969	133,942	146,911
Accumulated amortization	(8,903)	–	(8,903)
Net book amount	4,066	133,942	138,008

- (a) Amortization were expensed in the following categories in the consolidated statement of comprehensive income:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				<i>(Unaudited)</i>	
Cost of revenue	1,084	1,048	721	493	445
Administrative expenses . .	1,173	963	1,280	549	273
	<u>2,257</u>	<u>2,011</u>	<u>2,001</u>	<u>1,042</u>	<u>718</u>

- (b) **Amortization methods and periods**

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following period:

- Software 3 to 10 years

(c) Impairment test for goodwill

Goodwill arose from the acquisition of Wuhan Shenlong Tianxia Medical Management Co., Ltd. (武漢神龍天下醫療管理有限公司, the “Wuhan Dragon World”) through business combination is disclosed in Note 34. Goodwill is allocated to groups of CGUs for the purpose of impairment testing. The allocation is made to those groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the individual Wuhan city comprising one hospital and certain clinics.

The recoverable amount of CGUs is determined based on fair value less cost of disposal (“FVLCD”) calculations. These calculations use cash flow projections based on financial budgets prepared by management covering a five-year period. Cash flows beyond the projected period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

The key inputs and results of the impairment assessment are as below:

	As at December 31, 2024	As at August 31, 2025
Compound annual growth rate of revenue during the projection period	13.5%	11.8%
Post-tax discount rates	13.0%	13.0%
Terminal growth rate	2.5%	2.2%
Headroom (RMB'000)	23,651	18,509

Forecast growth rate of revenue is for the five-year forecast period. It is based on past performance and the management's expectations of market development. Cash flows beyond the projected period are extrapolated using the estimated terminal growth rate which are consistent with forecasts included in industry practice.

The discount rates used are post-tax and reflect specific risks relating to the relevant CGU.

The Group performs a sensitivity analysis based on the reasonably possible changes in assumptions underlying the compound annual revenue growth rate, terminal growth rate or the post-tax discount rate. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to zero.

If the compound annual growth rate of revenue during the projection period used in the calculation for the CGU had been 1.1% and 1.1% lower than management's estimates as at December 31, 2024 and August 31, 2025, the Group would have had to recognize an impairment against the carrying amount of goodwill.

If the post-tax discount rates used in the calculation for the CGU had been 0.8% and 0.7% higher than management's estimates as at December 31, 2024 and August 31, 2025, the Group would have had to recognize an impairment against the carrying amount of goodwill.

If the terminal growth rate used in the calculation for the CGU had been 1.1% and 1.0% lower than management's estimates as at December 31, 2024 and August 31, 2025, the Group would have had to recognize an impairment against the carrying amount of goodwill.

The Directors and management have considered and assessed above reasonably possible changes for key assumptions, and they have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Measured at fair value				
– Bank financial products (a)	324,966	190,675	159,838	329,000
– Listed equity securities (b)	–	5,890	3,024	5,791
	<u>324,966</u>	<u>196,565</u>	<u>162,862</u>	<u>334,791</u>

- (a) Investments in bank financial products represented short-term investments placed in certain financial instruments issued by commercial banks with non-determinable return rate.
- (b) This represented the Group's 0.57% and 0.52% equity interest in Tian Tu Capital Co., Ltd. (01973.HK) as at December 31, 2023 and 2024 and represented the Group's 0.28% equity interest in Tian Tu Capital Co., Ltd. and 0.43% equity interest in Shouhui Group Ltd. (02621.HK) as at August 31, 2025, respectively, which are mainly engaged in private equity investing industry and are listed on the Stock Exchange of Hong Kong Limited.

The carrying amounts of the Group's financial assets at fair value through profit or loss are denominated in the following currencies:

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
USD	324,966	116,588	109,728	130,072
HKD	–	5,890	3,024	5,791
RMB	–	74,087	50,110	198,928
Total	<u>324,966</u>	<u>196,565</u>	<u>162,862</u>	<u>334,791</u>

The maximum exposure to credit risk at the reporting date is the carrying value of these investments.

17 INVENTORIES

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Pharmaceuticals	6,878	7,782	11,699	13,441
Medical consumables	8,083	11,236	16,324	15,261
Others	<u>5,004</u>	<u>4,028</u>	<u>3,924</u>	<u>5,963</u>
	<u>19,965</u>	<u>23,046</u>	<u>31,947</u>	<u>34,665</u>

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the cost of inventories recognized as cost of revenue amounted to RMB73,183,000, RMB110,461,000, RMB171,668,000, RMB103,134,000 and RMB124,280,000, respectively.

18 TRADE RECEIVABLES

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	19,489	37,172	53,195	61,552
Less: allowance for impairment of trade receivables	(82)	(190)	(1,041)	(2,455)
	<u>19,407</u>	<u>36,982</u>	<u>52,154</u>	<u>59,097</u>

Trade receivables are mainly related to the amounts to be claimed from commercial insurance companies and third-party administrators, who are responsible for the reimbursement of medical expenses for patients. Revenue is generally made with prescribed credit terms usually of one month.

- (a) As at December 31, 2022, 2023 and 2024 and August 31, 2025, the aging analysis of the trade receivables were as follows:

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 60 days	12,182	25,515	32,743	35,994
61 days to 1 year	7,185	11,339	18,781	20,845
1 to 2 years	71	277	1,548	4,428
Over 2 years	51	41	123	285
	<u>19,489</u>	<u>37,172</u>	<u>53,195</u>	<u>61,552</u>

- (b) Movements in the provision for impairment of trade receivables as follows:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
At January 1	56	82	190	190	1,041
Provision for loss allowance recognized in profit or loss. . . .	51	304	1,150	490	1,564
Receivables written off during the year as uncollectible	(25)	(196)	(299)	(201)	(150)
	<u>82</u>	<u>190</u>	<u>1,041</u>	<u>479</u>	<u>2,455</u>

- (c) As at December 31, 2022, 2023 and 2024 and August 31, 2025, the fair values of trade receivables approximate their carrying amounts. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the net receivable balance. The Group does not hold any collateral as security.

19 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Included in current assets				
Deposits and other receivables				
– Rental and other deposit	1,093	603	913	1,994
– Staff advances (c)	3,171	2,335	2,996	3,466
– Amounts due from related party (Note 36(c)).	47	48	–	–
– Amounts due from a non-controlling shareholder of a subsidiary (d)	–	–	9,500	–
– Others	683	120	542	320
	4,994	3,106	13,951	5,780
Less: provision for impairment of deposits and other receivables . . .	(75)	(43)	(143)	(92)
	4,919	3,063	13,808	5,688
Prepayments for				
– Purchase of goods	5,549	3,431	2,951	3,107
– Prepaid expenses	3,028	3,776	8,910	12,728
– Listing expenses	–	943	2,926	3,201
	8,577	8,150	14,787	19,036
Total	<u>13,496</u>	<u>11,213</u>	<u>28,595</u>	<u>24,724</u>
Included in non-current assets				
Deposits and other receivables				
– Rental and other deposit	28,677	22,534	27,714	26,532
	28,677	22,534	27,714	26,532
Less: provision for impairment of deposits and other receivables . . .	(254)	(202)	(234)	(209)
	28,423	22,332	27,480	26,323
Prepayments for				
– Purchase of equipment and leasehold improvement	8,861	4,594	2,576	1,000
– Purchase of computer software . .	1,100	–	373	203
– Lease (e)	44,877	–	–	–
	54,838	4,594	2,949	1,203
Total	<u>83,261</u>	<u>26,926</u>	<u>30,429</u>	<u>27,526</u>

(a) The provision for impairment comprises the impairment for deposits and other receivables. The movements in the provision for impairment for deposits and other receivables are disclosed in Note 3.1(b)(ii).

(b) The carrying amounts of the Group's deposits and other receivables approximate to their fair values.

(c) Staff advances were unsecured, interest-free and repayable on demand.

- (d) As at December 31, 2024, RMB9,500,000 was due from a non-controlling shareholder of a subsidiary, which is unsecured, interest-free and repayable on demand. The amount was settled during the eight months ended August 31, 2025.
- (e) On December 21, 2020, the Group entered into a lease agreement with a third party and pursuant to which, the Group leased building (the “leased assets”) and the rent period as stipulated in the original contract is from January 1, 2021 to January 1, 2031. As at December 31, 2022, the lessor has not yet delivered the leased building to the Group due to the final government inspection has not yet been completed for the whole building. Accordingly, the Group did not recognize the right-of-use assets and lease liabilities for the leased assets as the directors are of the view that the contract allows them to postpone the starting period of the lease till the leased assets are delivered to the Group while amounting to RMB44,877,000 paid to the lessor was recorded in prepayment for lease.

The Group negotiated with the lessor to terminate the lease agreement due to the uncertain delivery of the leased assets, and the prepayment for lease amounting to RMB44,877,000 was returned in April, 2023.

The Company

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Included in non-current assets				
Deposits and other receivables				
– Amounts due from subsidiaries (f)	1,127,337	1,146,452	1,163,562	1,150,874
Less: provision for impairment of deposits and other receivables . . .	(5,560)	(9,053)	(7,234)	(6,515)
	1,121,777	1,137,399	1,156,328	1,144,359
Included in current assets				
Prepayments for				
– Listing expenses	–	943	2,926	3,201
Total	<u>–</u>	<u>943</u>	<u>2,926</u>	<u>3,201</u>

(f) Amounts due from subsidiaries are unsecured, interest-free, receivable on demand.

20 CASH AND CASH EQUIVALENTS

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank deposits	146,335	316,135	329,572	168,717
Less: Term deposits with initial term of over three months (a)	–	(117,808)	(21,602)	(10,219)
Cash and cash equivalents	<u>146,335</u>	<u>198,327</u>	<u>307,970</u>	<u>158,498</u>

- (a) The weighted average interest rate as at December 31, 2023 and 2024 and August 31, 2025 of term deposits with initial term of over three months of the Group was 5.3%, 3.4% and 3.3% per annum. RMB10,223,000, RMB10,553,000 and nil out the above balances with maturity of three years were recorded as non-current assets as at December 31, 2023 and 2024 and August 31, 2025.

The carrying amounts of the Group's cash and bank deposits are denominated in the following currencies:

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	112,287	96,199	191,131	112,749
USD	32,063	214,246	136,419	51,872
SGD	1,312	3,680	1,050	2,910
HKD	673	2,010	972	1,137
MYR	—	—	—	49
Total	<u>146,335</u>	<u>316,135</u>	<u>329,572</u>	<u>168,717</u>

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at fair value:				
– Financial assets at fair value through profit or loss (<i>Note 16</i>)	324,966	196,565	162,862	334,791
Financial assets at amortized costs:				
– Trade receivables (<i>Note 18</i>)	19,407	36,982	52,154	59,097
– Deposits and other receivables (<i>Note 19</i>)	33,342	25,395	41,288	32,011
– Cash and bank deposits (<i>Note 20</i>)	146,335	316,135	329,572	168,717
Total	<u>524,050</u>	<u>575,077</u>	<u>585,876</u>	<u>594,616</u>
Financial liabilities				
Financial liabilities at fair value:				
– Convertible redeemable preference shares (<i>Note 27</i>)	2,026,804	2,337,245	2,411,094	2,325,281
Financial liabilities at amortized costs:				
– Trade payables (<i>Note 28</i>)	7,024	5,583	9,705	10,097
– Accruals and other payables (excluding non-financial liabilities) (<i>Note 29</i>)	46,703	44,514	77,552	50,227
– Loan from a non-controlling shareholder of a subsidiary (<i>Note 30</i>)	4,902	10,695	—	—
– Lease liabilities (<i>Note 14</i>)	301,855	302,140	339,269	330,068
Total	<u>2,387,288</u>	<u>2,700,177</u>	<u>2,837,620</u>	<u>2,715,673</u>

The Company

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at amortized costs:				
– Cash and cash equivalents	71	561	2,912	308
– Deposits and other receivables (Note 19)	1,121,777	1,137,399	1,156,328	1,144,359
Total	<u>1,121,848</u>	<u>1,137,960</u>	<u>1,159,240</u>	<u>1,144,667</u>
Financial liabilities				
Financial liabilities at fair value:				
– Convertible redeemable preference shares (Note 27) . . .	2,026,804	2,337,245	2,411,094	2,325,281
Financial liabilities at amortized costs:				
– Accruals and other payables (excluding non-financial liabilities) (Note 29).	5,738	18,276	44,124	47,350
Total	<u>2,032,542</u>	<u>2,355,521</u>	<u>2,455,218</u>	<u>2,372,631</u>

22 INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investments in subsidiaries				
– Capital injection to subsidiaries	5,245	5,334	111,857	110,528
– Deemed contribution	108,536	110,377	112,020	110,689
– Deemed investments arising from equity settled share-based payments (a)	40,632	49,888	88,250	88,250
	<u>154,413</u>	<u>165,599</u>	<u>312,127</u>	<u>309,467</u>

The list of subsidiaries of the Company is set out in Note 1.3.

- (a) The Company granted share options or RSU directly to the employees of its subsidiaries and did not charge the relevant costs to the subsidiaries. In the consolidated financial statements, this transaction is treated as an equity-settled share-based compensation expenses. In the separate financial statements of the Company, such amounts are recorded as part of the investments in the subsidiaries.

23 SHARE CAPITAL

	<u>Number of ordinary shares</u>	<u>Nominal value of ordinary shares</u>
		<i>USD</i>
Authorized:		
At January 1, 2022, December 31, 2022 and December 31, 2023	57,785,250	57,785
Increase of authorized ordinary shares during the year	<u>1,849,100</u>	<u>1,849</u>
At December 31, 2024	59,634,350	59,634
Increase of authorized ordinary shares during the period	<u>—</u>	<u>—</u>
At August 31, 2025	<u><u>59,634,350</u></u>	<u><u>59,634</u></u>

	<u>Number of ordinary shares</u>	<u>Nominal value of ordinary shares</u>	<u>Share capital</u>
		<i>USD</i>	<i>RMB'000</i>
Issued:			
At January 1, 2022, December 31, 2021, December 31, 2022 and December 31, 2023	13,950,000	13,950	85
Issuance of ordinary shares for employee incentive program (Note 24)	<u>5,000,000</u>	<u>5,000</u>	<u>—</u>
At December 31, 2024	18,950,000	18,950	85
Issuance of ordinary shares	<u>—</u>	<u>—</u>	<u>—</u>
At August 31, 2025	<u><u>18,950,000</u></u>	<u><u>18,950</u></u>	<u><u>85</u></u>

24 SHARE-BASED PAYMENTS

The Group adopted employee incentive option program on March 27, 2015 (the “2015 Plan”) and, as amended on September 5, 2019 (the “2019 Plan”) (collectively, the “Option Scheme”) to attract, retain and motivate employees and directors, and to provide a means of compensating them through the grant of shares options for their contribution to the growth of the Group, and to allow such employees and directors to participate in the growth of the Group.

Following the board of directors’ approval on each year from 2015 to 2023, share options of the Company were granted to certain directors and selected employee of the Group.

In order to facilitate the administration of share incentives granted to the employees and for future grant, the Company decided to convert the Option Scheme to a restricted share incentive scheme on January 23, 2024 (the “RSU Scheme”). The share options granted under Option Scheme converted into RSUs with a 1-to-1 conversion ratio. There is no change in total fair value of the share-based payment arrangement and no incremental share-based compensation expenses. On April 20, 2024, the Group newly granted 1,166,250 RSUs for the purpose of employee incentive with vesting condition the same as Option Scheme.

The grant details of Option Schemes and RSU Scheme granted during each year are as follows:

Option schemes	Grant date	Grant number of share options
Granted during year 2015 (2015 Plan)	20/04/2015	500,000
Granted during year 2016 (2015 Plan)	20/04/2016	450,000
Granted during year 2017 (2015 Plan)	20/04/2017	660,000
Granted during year 2018 (2015 Plan)	20/04/2018	278,000
Granted during year 2019 (2015 Plan)	20/04/2019	140,000
Granted during year 2020 (2015 Plan)	20/04/2020	30,000
Granted during year 2020 (2019 Plan)	20/04/2020	800,000
Granted during year 2021 (2015 Plan)	20/04/2021	50,000
Granted during year 2021 (2019 Plan)	20/04/2021	750,000
Granted during year 2022 (2019 Plan)	20/04/2022	570,000
Granted during year 2023 (2019 Plan)	20/04/2023	155,000

RSU Scheme	Grant date	Grant number of RSU
Granted during year 2024 (2015 Plan)	20/04/2024	118,750
Granted during year 2024 (2019 Plan)	20/04/2024	1,047,500

The majority of share options or RSU have graded vesting terms, and will be vested from the grant date over four years on the condition that employees remain in service without any performance requirements. For granted share options or RSU with vesting schedule as four years, 25% of the aggregate number of granted share options or RSU are vested on the first anniversary of the grant date, and remaining granted share options or RSU are vested in equal tranches every year over the next three years. If the vesting conditions above have not been fulfilled, the corresponding percentage of the share options or RSU granted will lapse.

The options or RSU may be exercised through the end of the 180-day period following the completion of the IPO of the Company provided the options or RSU have vested and are subject to the terms of the award agreement. The options or RSU are exercisable for a maximum period of 10 years after the date of grant.

The exercise price of the share options or RSU granted under 2015 Plan is USD0.3896 per share, while the exercise price of the share options or RSU granted under 2019 Plan is USD4.2657 per share.

Movements in the number of share options or RSU outstanding and their related weighted average exercise prices are as follows:

Year ended December 31,					
2022			2023		
Exercise price in USD per share option	Number of share options	Weighted average exercise price in USD per share option	Exercise price in USD per share option	Number of share options	Weighted average exercise price in USD per share option
	(thousands)			(thousands)	
At January 1	3,389	2.1110		3,904	2.3978
Granted		4.2657			4.2657
– 2015 Plan	0.3896	–	0.3896	–	
– 2019 Plan	4.2657	570	4.2657	155	
Forfeited		4.0895			4.2657
– 2015 Plan	0.3896	(2)	0.3896	–	
– 2019 Plan	4.2657	(53)	4.2657	(45)	
At December 31	<u>3,904</u>	2.3978		<u>4,014</u>	2.4490

Year months ended December 31,		
2024		
Exercise price in USD per RSU	Number of RSU	Weighted average exercise price in USD per RSU
	(thousands)	
At January 1 (outstanding as share option) . . .	4,014	2.4490
Converted from share options with		
a 1-to-1 conversion ratio (a)		2.4490
– 2015 Plan	0.3896	1,882
– 2019 Plan	4.2657	2,132
Granted		3.8710
– 2015 Plan	0.3896	119
– 2019 Plan	4.2657	1,047
Forfeited		4.2657
– 2015 Plan	0.3896	–
– 2019 Plan	4.2657	(180)
At December 31	<u>5,000</u>	2.7153

Eight months ended August 31,		
2024		
Exercise price in USD per RSU	Number of RSU	Weighted average exercise price in USD per RSU
	(thousands)	
(Unaudited)	(Unaudited)	(Unaudited)
At January 1 (outstanding as share option) . . .	4,014	2.4490
Converted from share options with		
a 1-to-1 conversion ratio (a)		2.4490
– 2015 Plan	0.3896	1,882
– 2019 Plan	4.2657	2,132
Granted		3.8710
– 2015 Plan	0.3896	119
– 2019 Plan	4.2657	1,047
Forfeited		4.2657
– 2015 Plan	0.3896	–
– 2019 Plan	4.2657	(180)
At August 31	<u>5,000</u>	2.7153

Eight months ended August 31,		
2025		
Exercise price in USD per RSU	Number of RSU (thousands)	Weighted average exercise price in USD per RSU
At January 1	5,000	2.7153
Granted		—
– 2015 Plan	—	—
– 2019 Plan	—	—
Forfeited		—
– 2015 Plan	—	—
– 2019 Plan	—	—
At August 31	<u>5,000</u>	<u>2.7153</u>

Share options and RSU outstanding at the end of the year which are not exercisable have the following expiry date and exercise prices:

Option Scheme (converted into RSU scheme from January 23, 2024)	Grant date	Expiry date	Exercise price in USD per share option/ RSU	Number of Share options/ RSU (thousands)			
				As at December 31,			As at August 31,
				2022	2023	2024	2025
Granted during year 2015 (2015 Plan)	20/04/2015	19/04/2025	0.3896	475	475	475	475
Granted during year 2016 (2015 Plan)	20/04/2016	19/04/2026	0.3896	386	386	386	386
Granted during year 2017 (2015 Plan)	20/04/2017	19/04/2027	0.3896	580	580	580	580
Granted during year 2018 (2015 Plan)	20/04/2018	19/04/2028	0.3896	251	251	251	251
Granted during year 2019 (2015 Plan)	20/04/2019	19/04/2029	0.3896	132	132	132	132
Granted during year 2020 (2015 Plan)	20/04/2020	19/04/2030	0.3896	8	8	8	8
Granted during year 2020 (2019 Plan)	20/04/2020	19/04/2030	4.2657	775	770	770	770
Granted during year 2021 (2015 Plan)	20/04/2021	19/04/2031	0.3896	50	50	50	50
Granted during year 2021 (2019 Plan)	20/04/2021	19/04/2031	4.2657	677	675	675	675
Granted during year 2022 (2019 Plan)	20/04/2022	19/04/2032	4.2657	570	537	357	357
Granted during year 2023 (2019 Plan)	20/04/2023	19/04/2033	4.2657	—	150	150	150
Granted during year 2024 (2015 Plan)	20/04/2024	19/04/2034	0.3896	—	—	119	119
Granted during year 2024 (2019 Plan)	20/04/2024	19/04/2034	4.2657	—	—	1,047	1,047
				<u>3,904</u>	<u>4,014</u>	<u>5,000</u>	<u>5,000</u>

- (a) The share options granted under Option Scheme converted into RSU with a 1-to-1 conversion ratio on January 23, 2024. The Group granted RSU under RSU Scheme on April 20, 2024. The expiry date shall be extended to the 180 days following the completion of the Company's initial public offering.

The weighted average remaining contractual life of options/RSU outstanding at the end of period as below:

	As at December 31,			As at August 31,
	2022	2023	2024	2025
Weighted average remaining contractual life of options/RSU outstanding at end of period	<u>6.17</u>	<u>5.30</u>	<u>5.35</u>	<u>4.72</u>

The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as the discount rate and projections of future performance, are determined by the Group with best estimate.

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option and RSU as of the grant date.

Key assumptions are set as below:

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
				<i>(Unaudited)</i>	
Fair value per share (USD)	6.09	6.41	6.75	6.75	—
			0.3896-	0.3896-	
Exercise price (USD)	4.2657	4.2657	4.2657	4.2657	—
Risk-free interest rates . . .	2.97%	3.73%	4.62%	4.62%	—
Dividend yield	0.00%	0.00%	0.00%	0.00%	—
Expected volatility	38.91%	40.17%	39.56%	39.56%	—
Time to maturity	10 years	10 years	10 years	10 years	—

The Group has to estimate the expected percentage of eligible participants that will stay within the Group (the “Expected Retention Rate”) of the share option or RSU in order to determine the amount of share-based compensation expenses charged to the consolidated statements of profit or loss. As at December 31, 2022 and 2023, the Expected Retention Rate of the eligible participants granted shares options was assessed to be 100% and 100%, respectively.

On March 19, 2024, the Company established Distinct Trust I and Distinct Trust II by entering into trust deeds with Futu Trustee Limited (the “Trustee”) for administration of the RSU Scheme. On March 28, 2024, the Company issued 2,640,250 ordinary shares to Distinct Partners I Limited and 2,359,750 ordinary shares to Distinct Partners II Limited. The ordinary shares held by Distinct Trust I through Distinct Partners I Limited are for the benefit of the participants of the RSU Scheme including directors and senior management. The ordinary shares held by Distinct Trust II through Distinct Partners II Limited are for the benefit of the participants of the RSU Scheme who are employees and non-connected person of the Group. The ordinary shares held by these two trust companies mentioned above were treated as treasury shares.

On May 15, 2024, the remaining vesting period of the RSU Scheme required was accelerated by the Group and the RSU has been immediately vested.

For the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2024 and 2025, the Group recognized share-based compensation expenses approximately amounting to RMB11,142,000, RMB9,256,000, RMB38,362,000, RMB38,362,000 and Nil, respectively, for the aforesaid share options and RSUs.

25 ACCUMULATED LOSSES

The Group

RMB'000

At January 1, 2022	(1,218,988)
Loss for the year	(215,496)
At December 31, 2022.	(1,434,484)
Loss for the year	(350,669)
At December 31, 2023.	(1,785,153)
Profit for the year	83,805
At December 31, 2024.	(1,701,348)

RMB'000

At January 1, 2024	(1,785,153)
Profit for the period.	53,556
At August 31, 2024 (Unaudited)	(1,731,597)
At January 1, 2025	(1,701,348)
Profit for the period.	85,452
At August 31, 2025.	(1,615,896)

The Company

RMB'000

At January 1, 2022	(831,233)
Loss for the year	(87,120)
At December 31, 2022.	(918,353)
Loss for the year	(303,694)
At December 31, 2023.	(1,222,047)
Profit for the year	109,625
At December 31, 2024.	(1,112,422)

RMB'000

At January 1, 2024	(1,222,047)
Profit for the period.	67,701
At August 31, 2024 (Unaudited)	(1,154,346)
At January 1, 2025	(1,112,422)
Profit for the period.	73,053
At August 31, 2025.	(1,039,369)

26 RESERVES

The Group

	Share premium	Share based payment	Currency translation difference	Fair value change due to own credit risk	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2022	11,280	29,490	67,196	59,258	167,224
Share based payment – value of employee services	–	11,142	–	–	11,142
Currency translation differences	–	–	(134,429)	–	(134,429)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	(21,833)	(21,833)
At December 31, 2022	<u>11,280</u>	<u>40,632</u>	<u>(67,233)</u>	<u>37,425</u>	<u>22,104</u>
At January 1, 2023	11,280	40,632	(67,233)	37,425	22,104
Share based payment – value of employee services	–	9,256	–	–	9,256
Currency translation differences	–	–	(28,195)	–	(28,195)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	15,593	15,593
At December 31, 2023	<u>11,280</u>	<u>49,888</u>	<u>(95,428)</u>	<u>53,018</u>	<u>18,758</u>
At January 1, 2024	11,280	49,888	(95,428)	53,018	18,758
Share based payment – value of employee services	–	38,362	–	–	38,362
Currency translation differences	–	–	(33,348)	–	(33,348)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	(61,822)	(61,822)
Transactions with non- controlling interests (Note 35)	(58,667)	–	–	–	(58,667)
At December 31, 2024	<u>(47,387)</u>	<u>88,250</u>	<u>(128,776)</u>	<u>(8,804)</u>	<u>(96,717)</u>

	Share premium	Share based payment	Currency translation difference	Fair value change due to own credit risk	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2024	11,280	49,888	(95,428)	53,018	18,758
Share based payment – value of employee services	–	38,362	–	–	38,362
Currency translation differences	–	–	(8,206)	–	(8,206)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	(61,429)	(61,429)
Transactions with non-controlling interests (Note 35)	(25,854)	–	–	–	(25,854)
At August 31, 2024 (Unaudited)	(14,574)	88,250	(103,634)	(8,411)	(38,369)
At January 1, 2025	(47,387)	88,250	(128,776)	(8,804)	(96,717)
Currency translation differences	–	–	25,412	–	25,412
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	(19,808)	(19,808)
At August 31, 2025	(47,387)	88,250	(103,364)	(28,612)	(91,113)

The Company

	Share premium	Capital reserve	Share based payment	Currency translation difference	Fair value change due to own credit risk	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2022	11,280	99,359	29,490	34,797	59,258	234,184
Share based payment – value of employee services.	–	–	11,142	–	–	11,142
Currency translation differences	–	9,177	–	(70,683)	–	(61,506)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	–	(21,833)	(21,833)
At December 31, 2022.	<u>11,280</u>	<u>108,536</u>	<u>40,632</u>	<u>(35,886)</u>	<u>37,425</u>	<u>161,987</u>
At January 1, 2023	11,280	108,536	40,632	(35,886)	37,425	161,987
Share based payment – value of employee services.	–	–	9,256	–	–	9,256
Currency translation differences	–	1,841	–	(17,734)	–	(15,893)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	–	15,593	15,593
At December 31, 2023.	<u>11,280</u>	<u>110,377</u>	<u>49,888</u>	<u>(53,620)</u>	<u>53,018</u>	<u>170,943</u>
At January 1, 2024	11,280	110,377	49,888	(53,620)	53,018	170,943
Share based payment – value of employee services.	–	–	38,362	–	–	38,362
Currency translation differences	–	1,647	–	(17,718)	–	(16,071)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	–	(61,822)	(61,822)
At December 31, 2024.	<u>11,280</u>	<u>112,024</u>	<u>88,250</u>	<u>(71,338)</u>	<u>(8,804)</u>	<u>131,412</u>

	Share premium	Capital reserve	Share based payment	Currency translation difference	Fair value change due to own credit risk	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	11,280	110,377	49,888	(53,620)	53,018	170,943
Share based payment – value of employee services	–	–	38,362	–	–	38,362
Currency translation differences	–	463	–	(5,061)	–	(4,598)
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	–	(61,429)	(61,429)
At August 31, 2024 (Unaudited)	<u>11,280</u>	<u>110,840</u>	<u>88,250</u>	<u>(58,681)</u>	<u>(8,411)</u>	<u>143,278</u>
At January 1, 2025	11,280	112,024	88,250	(71,338)	(8,804)	131,412
Currency translation differences	–	(1,331)	–	13,715	–	12,384
Fair value change of convertible redeemable preference shares due to own credit risk	–	–	–	–	(19,808)	(19,808)
At August 31, 2025	<u>11,280</u>	<u>110,693</u>	<u>88,250</u>	<u>(57,623)</u>	<u>(28,612)</u>	<u>123,988</u>

27 CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Between 2014 and 2024, the Company completed several rounds of financing by issuing convertible redeemable preference shares as follows:

	Date of issuance	Purchase price (USD/Share)	Number of shares	Total consideration	
				USD'000	RMB'000
Series A Preference Shares . .	April 28, 2014	0.7792	3,850,000	3,000	18,694
Series B Preference Shares . .	March 6, 2015	2.0000	8,750,000	17,500	108,460
Series C Preference Shares . .	July 19, 2017	3.7143	10,646,350	35,294	238,130
Series D Preference Shares . .	September 5, 2019	5.6876	8,790,700	49,998	354,032
Series E Preference Shares . .	August 13, 2021	8.8259	6,798,200	60,000	387,749
Series D Preference Shares . .	March 28, 2024	8.0077	1,849,100	14,807	107,006

The key terms of convertible redeemable preference shares are summarized as follows:

(a) Redemption feature

Subject to the occurrence of the following events: (i) the Company fails to consummate a qualified IPO prior to March 31, 2027; (ii) there is a material breach by any Group Company or founder under the shares purchase agreement of each series, and (iii) any other series of preferred shares of the Company (the “Preferred Shares”) become redeemable. Each shareholder of Preferred Share may request the Company to redeem all or a portion of the then outstanding Preferred Shares (the “Redeeming Preferred Shares”) held by such holder, with payment of applicable redemption price on a date to be determined by the Company, but in any event within ninety days of receipt of the redemption notice (the “Redemption Price Payment Date”) out of funds legally available therefore.

The redemption price at which each Preferred Share (the “Redemption Price”) shall be redeemed equal to the issue price of Preferred Share (the “Preferred Share Issue Price”) of each Series Preferred Share held by such holder (a) plus an interest calculated at a compound rate of 12% per annum, (b) plus all accrued or declared but unpaid dividends thereon up to the date of redemption, proportionally adjusted for share subdivisions, share dividends, reorganizations, reclassifications, consolidations or mergers.

If the Company does not have sufficient cash or funds legally available to pay on the Redemption Price Payment Date the full Redemption Price in respect of each Redeeming Preferred Share requested to be redeemed on such date in accordance with applicable laws, then the funds that are legally available to the Company will be paid to the holders of Preferred Share in the following order: first to full Redemption Price to all holders of Series E Preferred Share, second to full Redemption Price to all holders of Series D Preferred Share, third to full Redemption Price to all holders of Series C Preferred Share, fourth to full Redemption Price to all holders of Series B Preferred Share and lastly to full Redemption Price to all holders of Series A Preferred Share. For each series of Preferred Share, the Company shall be aggregated and distributed ratably among the redeeming investors holding the such series of Preferred Shares until they receive the full Redemption Price to which such holders are entitled.

Before full Redemption Price has been paid in respect of relevant Redeeming Preferred Shares, the remainder of such Redeeming Preferred Shares shall remain outstanding and entitled to all the rights, preferences and privileges provided herein, and such remainder shall be carried forward and redeemed as soon as the Company has legally available funds to do so.

If the Company fails (for whatever reason) to redeem any Redeeming Preferred Shares on its due date for redemption then, as from such date until the date on which the same are redeemed by the Company, it shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.

Pursuant to the amended and restated shareholders agreement of the Company entered into on March 27, 2024, one of the redemption event of the convertible redeemable preference shares was updated to the occurrence of the Company’s failure to consummate a qualified IPO prior to February 28, 2026.

Pursuant to the amended and restated shareholders agreement of the Company entered into on March 17, 2025, one of the redemption event of the convertible redeemable preference shares was updated to the occurrence of the Company’s failure to consummate a qualified IPO prior to December 31, 2026.

Pursuant to the shareholder resolution of the Company entered into on January 12, 2026, one of the redemption event of the convertible redeemable preference shares was updated to the occurrence of the Company’s failure to consummate a qualified IPO prior to March 31, 2027.

(b) Conversion feature

The Preferred Shares shall be converted into ordinary shares at the option of the holders any time, or automatically be converted into ordinary shares at the then applicable conversion price upon (i) the closing of a qualified IPO; and (ii) for a particular series of Preferred Shares, the prior written approval of holders of more than fifty percent of such series of Preferred Shares.

The conversion rate for Preferred Shares shall be determined by dividing Preferred Share Issue Price by the conversion price (the “Preferred Share Conversion Price”) then in effect at the date of the conversion. The initial Preferred Share Conversion Price will be the Preferred Share Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect (i) Preferred Share Conversion Price upon issuance of additional ordinary shares below the Preferred Share Conversion Price and deemed issuance of additional ordinary shares. In the event that the Company shall issue any additional ordinary shares (including those deemed to be issued) without consideration or at a subscription price per ordinary share (on an as converted basis) at a per share price less than the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance, then the Preferred Share Conversion Price for such Preferred Shares held by such holder shall forthwith be reduced, concurrently with such issuance of the additional ordinary shares, (ii) Share dividends, subdivisions, combinations or consolidations of ordinary shares, (iii) other distribution, and (iv) reclassifications exchanges and substitutions.

No adjustment in the Preferred Share Conversion Price shall be made in respect of the issuance of additional ordinary shares unless the consideration per share for an additional ordinary share issued or deemed to be issued by the Company is less than the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance.

(c) Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, with respect to each series Preferred Share held by the holders shall be entitled to receive, an preference amount (the "Preference Amount") equal to (i) 100% of the Preferred Share Issue Price of all Series D and E Preferred Share held by such holder plus an interest calculated at a compound rate of 8% per annum, plus all accrued or declared but unpaid dividends thereon, (ii) 150% of the Preferred Share Issue Price of all Series C Preferred Share held by such holder plus all accrued or declared but unpaid dividends thereon, (iii) 100% of the Preferred Share Issue Price of all Series B Preferred Share held by such holder plus an interest calculated at a compound rate of 12% per annum, plus all accrued or declared but unpaid dividends thereon, and (iv) 200% of the Preferred Share Issue Price of all Series A Preferred Share held by such holder plus all accrued or declared but unpaid dividends thereon.

If the Company has insufficient assets to permit payment of the full Preference Amount, the Preference Amount will be paid to the holders of Preferred Share in the following order: first to amount in full to all holders of Series E Preferred Share, second to amount in full to all holders of Series D Preferred Share, third to amount in full to all holders of Series C Preferred Share, fourth to amount in full to all holders of Series B Preferred Share and lastly to amount in full to all holders of Series A Preferred Share.

After the full Series A Preferred Share Preference Amount on all outstanding Series A Preferred Shares has been paid, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata, pari passu basis among the holders of ordinary shares and the holders of Preferred Shares (on an as converted basis). If the Company has insufficient assets to permit payment of the each series Preferred Share Preference Amount in full to all holders of such series of Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of such series of Preferred Shares in proportion to the full Series Preferred Share Preference Amount.

(d) Dividend rights

No dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is first paid in full on the Preferred Shares (on an as converted basis). Holders of the Preferred Shares (on an as converted basis) shall also be entitled to receive any non-cash dividends declared by the Board of Directors on an as converted basis.

(e) Voting rights

Each Preferred Share (on an as converted basis) shall carry a number of votes equal to the number of ordinary shares then issuable upon its conversion into ordinary shares at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited.

The movements of the convertible redeemable preference shares are set out as follows:

	<i>RMB'000</i>
At January 1, 2022	1,751,911
Fair value change of convertible redeemable preference shares due to own credit risk included in other comprehensive income	21,833
Fair value change of convertible redeemable preference shares included in profit or loss	87,371
Currency translation difference	165,689
At December 31, 2022	<u>2,026,804</u>
Total change in fair value for the year	<u>109,204</u>

RMB'000

At January 1, 2023	2,026,804
Fair value change of convertible redeemable preference shares due to own credit risk included in other comprehensive income	(15,593)
Fair value change of convertible redeemable preference shares included in profit or loss	289,365
Currency translation difference	36,669
At December 31, 2023	2,337,245
Total change in fair value for the year	273,772
At January 1, 2024	2,337,245
Addition	107,006
Fair value change of convertible redeemable preference shares due to own credit risk included in other comprehensive income	61,822
Fair value change of convertible redeemable preference shares included in profit or loss	(128,797)
Currency translation difference	33,818
At December 31, 2024	2,411,094
Total change in fair value for the year	(66,975)
At January 1, 2024	2,337,245
Addition	107,006
Fair value change of convertible redeemable preference shares due to own credit risk included in other comprehensive income	61,429
Fair value change of convertible redeemable preference shares included in profit or loss	(80,036)
Currency translation difference	8,070
At August 31, 2024 (Unaudited)	2,433,714
Total change in fair value for the period	(18,607)

RMB'000

At January 1, 2025	2,411,094
Fair value change of convertible redeemable preference shares due to own credit risk included in other comprehensive income	19,808
Fair value change of convertible redeemable preference shares included in profit or loss	(77,321)
Currency translation difference	(28,300)
At August 31, 2025	2,325,281
Total change in fair value for the period	(57,513)

Recognition and derecognition of convertible redeemable preference shares

The Group issued convertible redeemable preference shares which give options to holders a right for redemption into cash after specified timing or a right for conversion into ordinary shares of the Company. The convertible redeemable preference shares will be automatically converted into ordinary shares upon occurrence of certain events outside the control of the Company.

The Group designated the convertible redeemable preference shares as financial liabilities at FVPL. Convertible redeemable preference shares are classified as non-current liabilities or current liabilities depending on whether the convertible redeemable preference shares holders can demand the Company to redeem the convertible preference shares for cash within 12 months after the end of the reporting period or not. Convertible redeemable preference shares would be classified as current liabilities if the redemption rights are expected to be lapsed and the redeemable shares would be reclassified from the liability to the equity upon

successful IPO of the Company within 12 months after the end of the reporting period. They are initially recognized at fair value. Any directly attributable transaction costs are recognized as finance costs in the consolidated statements of profit or loss.

Subsequent to initial recognition, the convertible redeemable preference shares are carried at fair value with changes in fair value recognized in the consolidated statements of profit or loss. The component of fair value changes relating to the Company's own credit risk is recognized in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to recycling in the statement of profit or loss, but are transferred to retained earnings when realized.

The convertible redeemable preference shares of the Company, which are convertible by the holders at any time, will be classified to current liabilities.

The convertible redeemable preference shares are not traded in an active securities market, as such, the Group engaged an independent valuer to assess the fair value of the convertible redeemable preference shares using a discount cash flow model to determine the underlying equity value of the Company and adopted option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preference shares. Key assumptions are set out as follows:

	As at December 31,			As at August 31,	Relationship of unobservable inputs to fair value
	2022	2023	2024	2025	
Discount rate	12.4%	11.7%	11.0%	10.5%	The higher the discounted rate, the lower the fair value
Risk-free interest rate. .	4.54%	4.34%	4.16%	3.76%	The higher the risk-free rate, the lower the fair value
Discount for lack of marketability ("DLOM")	12.5%	10%	10%	5%	The higher the DLOM, the lower the fair value
Expected volatility . . .	43.97%	37.81%	35.06%	36.77%	The higher the expected volatility, the lower the fair value

Fair value of convertible redeemable preference shares is affected by changes in the Company's equity value. If the Company's equity value had increased/decreased by 10% with all other variables held constant, the loss before income tax for the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 would have been higher/lower by approximately RMB178,085,000/RMB177,844,000, RMB204,216,000/RMB204,056,000, RMB203,951,000/RMB202,084,000 and RMB208,919,000/RMB209,089,000, respectively.

The estimated carrying amount of the convertible redeemable preference shares as at December 31, 2022, 2023 and 2024 and August 31, 2025 would have been lower/higher by approximately RMB185,233,000/RMB223,384,000, RMB216,418,000/RMB271,929,000, RMB222,021,000/RMB284,818,000 and RMB232,352,000/RMB296,352,000, respectively, should the discount rate used in the discounted cash flow analysis be higher/lower by 100 basis points from management's estimates.

Discount rate (post-tax) was estimated by weighted average cost of capital as of each valuation date. The Group estimated the risk-free interest rate based on the yield to maturity of US government bonds with maturity matching the time to expiration as of the valuation date. The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held shares can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualized standard deviation of daily stock price return of comparable companies for a period from the respective valuation date and with similar span as the time to

expiration. Probability weight under each of the redemption feature and liquidation preferences was based on the Group's best estimates. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of convertible redeemable preference shares on each valuation date.

Changes in fair value of convertible redeemable preference shares were recorded in "fair value changes of convertible redeemable preference shares" in the consolidated statements of profit or loss, and the fair value change in the convertible redeemable preference shares that was attributable to change of own credit risk of this liability was recorded in other comprehensive income/(loss).

28 TRADE PAYABLES

As at December 31, 2022, 2023 and 2024 and August 31, 2025, the aging analysis of the trade payables based on invoice date were as follows:

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 1 year	6,957	5,385	8,981	9,781
Over 1 year	67	198	724	316
	<u>7,024</u>	<u>5,583</u>	<u>9,705</u>	<u>10,097</u>

Trade payables are all denominated in RMB and their carrying amounts are considered to approximate their fair values due to their short-term in nature. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The credit period granted by suppliers is mainly 30 days to 40 days.

29 ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Employee benefits	56,500	82,616	98,697	82,248
Stored-value in membership accounts (a)	38,743	35,364	34,441	32,760
Other taxes payable	2,942	4,407	4,322	3,440
Other payables for guaranteed deposits	5,281	5,692	4,163	3,619
Payable for repurchase shares of a subsidiary (b)	—	—	27,000	—
Accrued listing expense payable	—	—	5,240	6,288
Others	<u>2,679</u>	<u>3,458</u>	<u>6,708</u>	<u>7,560</u>
	<u>106,145</u>	<u>131,537</u>	<u>180,571</u>	<u>135,915</u>

- (a) It represents the advance receipts from the customers who add value to their stored value accounts. Such amount will be settled when the customers use the value accounts to purchase service, and refundable on demand.

- (b) It represents the outstanding consideration payable to non-controlling shareholder of a subsidiary for repurchase shares. The above balance is unsecured, interest-free with non-trade nature and has been fully settled during the eight months ended August 31, 2025.

The Company

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Included in current liabilities				
Amounts due to subsidiaries (c)	5,738	18,276	38,884	41,062
Accrued listing expense payable	—	—	5,240	6,288
	<u>5,738</u>	<u>18,276</u>	<u>44,124</u>	<u>47,350</u>

- (c) The above amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

30 LOAN FROM A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

	As at December 31,			As at August 31,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period	—	4,902	10,695	—
Addition loan from a non- controlling shareholder	4,900	5,470	—	—
Interests for the year	2	323	310	—
Repayment of the loan	—	—	(11,005)	—
At the end of the year/period	<u>4,902</u>	<u>10,695</u>	<u>—</u>	<u>—</u>

A shareholder's loan of RMB4,900,000 and RMB5,470,000 was provided by Guangzhou Humansa Health Management Consulting Co., Ltd. (廣州仁山優社健康管理諮詢有限公司), a non-controlling shareholder of a subsidiary, during the years of December 31, 2022 and 2023, respectively. The shareholder's loan is unsecured, bearing interest rate with 3.7% per annum and repayable on demand. The above balances were non-trade in nature and have been fully settled in October, 2024.

31 CONTRACT LIABILITIES

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Included in current liabilities				
Healthcare services	<u>55,572</u>	<u>88,954</u>	<u>130,552</u>	<u>153,783</u>
Included in non-current liabilities				
Healthcare services	<u>1,956</u>	<u>2,211</u>	<u>1,762</u>	<u>4,404</u>

(a) Significant changes in contract liabilities

Contract liabilities of the Group mainly arose from the advance payments made by customers while the underlying services are yet to be provided. Such liabilities increased as a result of the growth of the Group's business.

(b) Revenue recognized in relation to contract liabilities

The following table shows the revenue recognized during the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025 relates to carried-forward contract liabilities.

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Revenue recognized that was included in the contract liabilities balance at the beginning of the year/period	<u>33,723</u>	<u>55,572</u>	<u>88,954</u>	<u>130,552</u>

32 DEFERRED INCOME

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Government subsidy	<u>—</u>	<u>—</u>	<u>9,410</u>	<u>18,820</u>

As at December 31, 2024 and August 31, 2025, the Group's deferred income represents government grants received from governmental authorities in relation to the foreign investment enterprise and the utilization of foreign capital. The grantee shall not reduce or withdraw its foreign capital, or switch its foreign capital to domestic capital within five years, otherwise the government will withdraw the subsidy. The deferred income is recognized in the profit or loss when the Group comply with all attached conditions after five years.

33 CASH FLOW INFORMATION

(a) Cash generated from operations

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
(Loss)/profit before income tax	(239,332)	(362,194)	79,744	51,203	83,029
Adjustments for:					
– Depreciation and amortization (Note 6)	111,123	127,067	135,835	89,346	90,313
– Interest expense (Note 10)	15,543	16,044	16,642	11,188	8,743
– Interest income from bank deposits (Note 10)	(1,168)	(10,148)	(8,619)	(6,402)	(1,721)
– Net impairment losses on financial assets	99	220	1,282	605	1,488
– Impairment losses of property, plant and equipment and right-of-use assets (Note 6)	–	–	957	–	–
– Net losses on disposal of property, plant and equipment and intangible assets (Note 9)	1,827	1,028	3,244	1,083	4,227
– Net (gains)/losses on modification and early termination of leases (Note 9)	(8,192)	2,276	(3,226)	(2,816)	383
– Fair value gains from bank financial products (Note 9)	(9,363)	(8,238)	(5,387)	(3,106)	(6,375)
– Fair value losses from investment at a listed entity (Note 9)	–	1,071	2,701	3,211	3,021
– Fair value change of convertible redeemable preference shares included in profit or loss (Note 27)	87,371	289,365	(128,797)	(80,036)	(77,321)
– Share-based compensation expenses (Note 7)	11,142	9,256	38,362	38,362	–
– Gain on COVID-19 rent concessions (Note 8)	(3,448)	–	–	–	–

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
– Fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date	–	–	(5,990)	(5,990)	–
– Share of results of associates	–	–	143	143	–
Changes in working capital:					
– Inventories	(3,598)	(3,081)	(6,444)	(2,989)	(2,718)
– Trade receivables	(5,805)	(17,879)	(16,322)	(7,831)	(8,507)
– Prepayments, deposits and other receivables	(8,510)	9,401	(1,281)	(4,952)	(1,248)
– Trade payables	2,941	(1,441)	611	(920)	392
– Accruals and other payables	33,337	28,860	11,623	(27,571)	(17,656)
– Contract liabilities	21,741	33,637	40,341	22,372	25,873
– Deferred income	–	–	9,410	9,410	9,410
Cash generated from operations	<u>5,708</u>	<u>115,244</u>	<u>164,829</u>	<u>84,310</u>	<u>111,333</u>

(b) Proceeds from disposal of property, plant and equipment and intangible assets

	Year ended December 31,			Eight months ended August 31,	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Net book value	1,827	1,028	3,244	1,083	4,227
Net losses on disposal of property, plant and equipment and intangible assets (Note 9)	<u>(1,827)</u>	<u>(1,028)</u>	<u>(3,244)</u>	<u>(1,083)</u>	<u>(4,227)</u>
Proceeds from disposal of property, plant and equipment and intangible assets	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

(c) The movements in the debt for each of the periods presented

	Convertible redeemable preference shares	Leases	Loan from a non- controlling shareholder of a subsidiary	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2022 . . .	1,751,911	206,274	–	1,958,185
Cash flows	–	(71,983)	4,900	(67,083)
New leases	–	180,181	–	180,181
Changes in fair values	109,204	–	–	109,204
Currency translation differences . . .	165,689	–	–	165,689
Lease modification and early termination	–	(24,710)	–	(24,710)
Interest expense	–	15,541	2	15,543
Gain on COVID-19 rent concessions	–	(3,448)	–	(3,448)
Balance as at December 31, 2022 .	<u>2,026,804</u>	<u>301,855</u>	<u>4,902</u>	<u>2,333,561</u>
Cash flows	–	(76,957)	5,470	(71,487)
New leases	–	59,132	–	59,132
Changes in fair values	273,772	–	–	273,772
Currency translation differences . . .	36,669	–	–	36,669
Lease modification and early termination	–	2,389	–	2,389
Interest expense	–	15,721	323	16,044
Balance as at December 31, 2023 .	<u>2,337,245</u>	<u>302,140</u>	<u>10,695</u>	<u>2,650,080</u>
Cash flows	–	(77,888)	(11,005)	(88,893)
Convertible redeemable preference shares issuance for acquisition of subsidiaries (<i>Note 34</i>)	107,006	–	–	107,006
Acquisition of subsidiaries (<i>Note 34</i>)	–	53,012	–	53,012
New leases	–	59,254	–	59,254
Changes in fair values	(66,975)	–	–	(66,975)
Currency translation differences . . .	33,818	–	–	33,818
Lease modification and early termination	–	(13,581)	–	(13,581)
Interest expense	–	16,332	310	16,642
Balance as at December 31, 2024 .	<u>2,411,094</u>	<u>339,269</u>	<u>–</u>	<u>2,750,363</u>

	Convertible redeemable preference shares	Leases	Loan from a non- controlling shareholder of a subsidiary	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2024 . . .	2,337,245	302,140	10,695	2,650,080
Cash flows	—	(49,362)	—	(49,362)
Convertible redeemable preference shares issuance for acquisition of subsidiaries (<i>Note 34</i>)	107,006	—	—	107,006
Acquisition of subsidiaries (<i>Note 34</i>)	—	53,012	—	53,012
New leases	—	58,442	—	58,442
Changes in fair values	(18,607)	—	—	(18,607)
Currency translation differences . . .	8,070	—	—	8,070
Lease modification and early termination	—	1,321	—	1,321
Interest expense	—	10,928	260	11,188
Balance as at August 31, 2024 (Unaudited)	<u>2,433,714</u>	<u>376,481</u>	<u>10,955</u>	<u>2,821,150</u>
Balance as at January 1, 2025 . . .	2,411,094	339,269	—	2,750,363
Cash flows	—	(52,518)	—	(52,518)
New leases	—	41,171	—	41,171
Changes in fair values	(57,513)	—	—	(57,513)
Currency translation differences . . .	(28,300)	—	—	(28,300)
Lease modification and early termination	—	(6,597)	—	(6,597)
Interest expense	—	8,743	—	8,743
Balance as at August 31, 2025 . . .	<u>2,325,281</u>	<u>330,068</u>	<u>—</u>	<u>2,655,349</u>

34 BUSINESS COMBINATION

On March 28, 2024, as to expand the footprint in Wuhan, the Group acquired Wuhan Dragon World, through obtaining 51.04% of the equity interests of Wuhan Dragon World.

Wuhan Dragon World established in the PRC on March 14, 2014. Wuhan Dragon World owns Wuhan Pleiades Children's Hospital (武漢北斗星兒童醫院) and two medical clinics in Wuhan.

Immediately before the acquisition of equity interests by the Group, Ningbo Weidu Phase I Medical Venture Investment Partnership (Limited Partnership) (the "Ningbo Weidu"), Shenzhen Fenxiang Precision Medicine Investment Partnership (Limited Partnership) (the "Shenzhen Fenxiang"), H Pudding Co., Limited (the "H Pudding") and Zhenjiang Junding Xieli Venture Capital Co., Ltd., (the "Zhenjiang Junding") held 23.04%, 8%, 20% and 11.52% equity interests of Wuhan Dragon World, respectively. Save for H Pudding, a special purpose vehicle wholly-owned by an affiliate of H Capital which was a Pre-IPO Investor of the Company. Ningbo Weidu, Shenzhen Fenxiang and Zhenjiang Junding are independent third parties.

The Group acquired 23.04% and 8% of the equity interests of Wuhan Dragon World from Ningbo Weidu and Shenzhen Fenxiang at the cash consideration of RMB60 million and RMB30 million, respectively. The Group recorded Wuhan Dragon World as an associate upon the completion of the acquisition of the 31.04% of the equity interests.

The Group further entered into a share purchase agreement with H Capital and H Pudding, pursuant to which in consideration of transferring its entire equity interest in H Pudding to the Group and the Company issued 1,849,100 Series D Preferred Shares to H Capital at the fair value of USD14,807,000 (approximately to RMB107,006,000) and the transfer of shares completed on March 28, 2024.

After which the Group owns 51.04% of the equity interests in Wuhan Dragon World, and Wuhan Dragon World together with its subsidiaries have since become subsidiaries of the Group.

Details of the acquisition are as follows:

RMB'000

Consideration

Fair value of investment in associates held before business combination	95,847
Fair value of convertible redeemable preference shares issued	107,006
Total consideration	202,853

Fair value of identifiable assets acquired and liabilities assumed is as follows:

Property, plant and equipment	21,454
Right-of-use assets	53,012
Intangible assets	654
Inventories	2,457
Prepayments, deposits and other receivables	9,899
Amounts due from a non-controlling shareholder of a subsidiary	9,500
Cash and cash equivalents	87,868
Term deposits with initial term of over three months	10,089
Deferred income tax assets	1,990
Lease liabilities	(53,012)
Trade payables	(3,511)
Accruals and other payables	(5,403)
Contract liabilities	(1,224)
Total identifiable net assets	133,773
Non-controlling interests	(64,862)
Net assets acquired	68,911

Goodwill is calculated as follows:

Total consideration	202,853
Less: Net assets acquired	(68,911)
Goodwill	133,942

Fair value gain on remeasurement of previously held equity interest in subsidiaries at the acquisition date is calculated as follows:

Fair value of investment in associates held before business combination	95,847
Less: carrying amount of investment in associates held before business combination	(89,857)
Fair value gain recognized	5,990

Cash flows on business combination, net of cash acquired, are as follows:

Cash consideration paid	—
Cash and cash equivalents in the subsidiary acquired	(87,868)
Net cash inflow on acquisition	(87,868)

The goodwill is attributable to the workforce and the expected future high profitability of the acquired business and synergies expected to arise after the Company's acquisition in the operation of Wuhan. It will not be deductible for tax purposes.

(a) Accounting policy for non-controlling interests

The Group recognizes non-controlling interests in the acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

(b) Acquired receivables

The fair value of acquired deposits and other receivables and amounts due from a non-controlling shareholder of a subsidiary is RMB14,127,000 with no loss allowance recognized on acquisition.

(c) Revenue and profit contribution

The acquired business contributed revenue of approximately RMB86,238,000 and net loss of RMB6,365,000 to the Group for the period from March 28, 2024 to December 31, 2024.

If the acquisition had occurred on January 1, 2024, consolidated pro-forma revenue and net profit for the year ended December 31, 2024 would have been approximately RMB985,287,000 and RMB80,521,000 respectively.

These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiaries, and
- the additional depreciation that would have been charged assuming the adjustments to right-of-use assets and lease liability had applied from January 1, 2024, together with the consequential tax effects.

35 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- (a) On April 27, 2024, the Group acquired additional 10% equity interest in Wuhan Pleiades Children's Hospital Co., Ltd., from the non-controlling interests, at a cash consideration of RMB10 million. After which the Wuhan Pleiades Children's Hospital Co., Ltd., became the wholly-owned subsidiary of the Group. The difference between the 10% equity interest in the carrying amount of Wuhan Pleiades Children's Hospital Co., Ltd., and the consideration, amounting to approximately RMB11,240,000 was debited to reserve.
- (b) On June 28, 2024, the Group acquired additional 11.52% equity interest in Wuhan Dragon World, from Zhenjiang Junding, at a cash consideration of RMB30 million. After which the Group's equity interests in Wuhan Dragon World was 62.56%. The excess of the consideration over the 11.52% equity interest in the carrying amount of Wuhan Dragon World, amounting to approximately RMB14,614,000 was debited to reserve.
- (c) Pursuant to a shareholders' general meeting held by the Wuhan Dragon World on September 23, 2024, during which it was resolved that Wuhan Dragon World would bought back shares from the shareholders and the related shares would be cancelled. After this buy-back, the Group's equity interest in Wuhan Dragon World would increase to 70%. The excess of the consideration over the equity interest in the carrying amount of Wuhan Dragon World, amounting to approximately RMB20,251,000 was debited to reserve.
- (d) On October 3, 2024, the Group acquired additional 49% equity interest in Distinct Shenzhen, from the non-controlling interests, at a cash consideration of RMB16.4 million. After which Distinct Shenzhen is owned as to 70% by Qianhai Distinct and 30% by Zhuozheng Xinhe, respectively. Consequently, Distinct Shenzhen becomes a wholly owned subsidiary of the Group. The difference between the 49% equity interest in the carrying amount of Distinct Shenzhen, and the consideration, amounting to approximately RMB12,562,000 was debited to reserve.

36 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The following significant transactions were carried out between the Group and its related parties during the year. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship

<u>Name</u>	<u>Relationship</u>
Beijing Distinct Xinhe Investment Consulting Limited . . .	Entity controlled by certain shareholders

(b) Key management compensation

Key management includes executive directors and senior managements of the Group. The compensation paid or payable to key management for employee services is shown below:

	<u>Year ended December 31,</u>			<u>Eight months ended August 31,</u>	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Salaries, wages and bonuses	7,536	9,792	10,301	6,719	6,823
Pension costs – defined contribution plans	143	125	129	85	92
Share-based compensation expenses	4,871	4,991	13,021	13,021	–
Housing benefits and other employee benefits	84	92	180	120	125
	<u>12,634</u>	<u>15,000</u>	<u>23,631</u>	<u>19,945</u>	<u>7,040</u>

(c) Balances with related party

	<u>As at December 31,</u>			<u>As at August 31,</u>	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Beijing Distinct Xinhe Investment Consulting Limited					
Non-trade nature:					
– Deposits and other receivables .	47	48	–	–	
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>	

37 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and supervisor's emoluments

Remuneration of every director and supervisor is set out below:

For the year ended December 31, 2022

Name	Salaries, wages and bonuses	Pension costs – defined contribution plans	Share-based compensation expenses	Housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>					
Mr. Wang Zhiyuan (CEO)	1,267	10	648	18	1,943
<i>Non-executive directors</i>					
Mr. Cao Shaoshan	–	–	–	–	–
Mr. Zhang Xiangdong	–	–	–	–	–
Ms. Liu Ling (iv)	–	–	–	–	–
Mr. Wei Guoxing	–	–	–	–	–
Mr. David Su Tuong Sing (ii) . .	–	–	–	–	–
Ms. Chen Xiaohong	–	–	–	–	–
Mr. Hao Rui	–	–	–	–	–
Mr. Xue Mingyu (i)	–	–	–	–	–
	1,267	10	648	18	1,943

For the year ended December 31, 2023

Name	Salaries, wages and bonuses	Pension costs – defined contribution plans	Share-based compensation expenses	Housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>					
Mr. Wang Zhiyuan (CEO)	1,632	–	676	18	2,326
Mr. Shi Yi (iii)	1,440	–	507	18	1,965
<i>Non-executive directors</i>					
Mr. Cao Shaoshan	–	–	–	–	–
Mr. Zhang Xiangdong	–	–	–	–	–
Ms. Liu Ling (iv)	–	–	–	–	–
Mr. Wei Guoxing	–	–	–	–	–
Ms. Chen Xiaohong	–	–	–	–	–
Mr. Hao Rui	–	–	–	–	–
Mr. Xue Mingyu (i)	–	–	–	–	–
	3,072	–	1,183	36	4,291

For the year ended December 31, 2024

Name	Salaries, wages and bonuses	Pension costs – defined contribution plans	Share-based compensation expenses	Housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>					
Mr. Wang Zhiyuan (CEO)	1,584	–	1,607	1	3,192
Mr. Shi Yi (iii)	<u>1,520</u>	<u>–</u>	<u>1,803</u>	<u>17</u>	<u>3,340</u>
<i>Non-executive directors</i>					
Mr. Cao Shaoshan	–	–	–	–	–
Mr. Zhang Xiangdong	–	–	–	–	–
Ms. Liu Ling (iv)	–	–	–	–	–
Mr. Wei Guoxing	–	–	–	–	–
Ms. Chen Xiaohong	–	–	–	–	–
Mr. Hao Rui	–	–	–	–	–
Mr. Xue Mingyu (i)	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>3,104</u>	<u>–</u>	<u>3,410</u>	<u>18</u>	<u>6,532</u>

For the eight months ended August 31, 2024 (Unaudited)

Name	Salaries, wages and bonuses	Pension costs – defined contribution plans	Share-based compensation expenses	Housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>					
Mr. Wang Zhiyuan (CEO)	1,125	–	1,607	1	2,733
Mr. Shi Yi (iii)	<u>990</u>	<u>–</u>	<u>1,803</u>	<u>11</u>	<u>2,804</u>
<i>Non-executive directors</i>					
Mr. Cao Shaoshan	–	–	–	–	–
Mr. Zhang Xiangdong	–	–	–	–	–
Ms. Liu Ling (iv)	–	–	–	–	–
Mr. Wei Guoxing	–	–	–	–	–
Ms. Chen Xiaohong	–	–	–	–	–
Mr. Hao Rui	–	–	–	–	–
Mr. Xue Mingyu (i)	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>2,115</u>	<u>–</u>	<u>3,410</u>	<u>12</u>	<u>5,537</u>

For the eight months ended August 31, 2025

Name	Salaries, wages and bonuses	Pension costs – defined contribution plans	Share-based compensation expenses	Housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Executive director</i>					
Mr. Wang Zhiyuan (CEO)	1,170	–	–	–	1,170
Mr. Shi Yi (iii)	<u>1,030</u>	–	–	<u>11</u>	<u>1,041</u>
<i>Non-executive directors</i>					
Mr. Cao Shaoshan	–	–	–	–	–
Mr. Zhang Xiangdong	–	–	–	–	–
Mr. Wei Guoxing	–	–	–	–	–
Ms. Chen Xiaohong	–	–	–	–	–
Mr. Hao Rui	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>2,200</u>	<u>–</u>	<u>–</u>	<u>11</u>	<u>2,211</u>

- (i) Mr. Xue Mingyu was appointed as a non-executive director in May 2022 and resigned in March, 2024.
- (ii) Mr. David Su Tuong Sing resigned as a non-executive director in May 2022.
- (iii) Mr. Shi Yi was appointed as an executive director in August 2023.
- (iv) Ms. Liu Ling resigned as a non-executive director in March 2024.

(b) Directors' retirement benefits

During the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, there were no additional retirement benefit received by the directors except for the emoluments as disclosed in (a) above.

(c) Directors' termination benefits

During the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025, no payments to the directors of the Company as compensation for the early termination of the appointment.

(d) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services subsisted at the end of or at any time during the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodied corporate by and connected entities with such directors

No loans, quasi-loans and other dealings in favour of directors, controlled bodied corporate by and connected entities with such directors subsisted at the end of or at any time during the years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had interests, whether directly or indirectly, subsisted at the end or at any time during the year of December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025.

38 COMMITMENT**(a) Commitments relating to short-term leases**

The Group has recognized right-of-use assets and lease liabilities for these leases, except for short-term leases, see Note 14 for further information.

The future aggregate minimum lease payments under non-cancellable short-term leases contracted for at the end of the year but not recognized as liabilities, are as follows:

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
No later than 1 year	353	—	358	307
	<u>353</u>	<u>—</u>	<u>358</u>	<u>307</u>
	<u><u>353</u></u>	<u><u>—</u></u>	<u><u>358</u></u>	<u><u>307</u></u>

(b) Capital commitments

The Group's capital expenditure contracted for at the end of the period but not yet incurred is as follows:

	As at December 31,			As at
	2022	2023	2024	August 31,
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Property, plant and equipment	3,708	1,031	3,176	7,547
	<u>3,708</u>	<u>1,031</u>	<u>3,176</u>	<u>7,547</u>
	<u><u>3,708</u></u>	<u><u>1,031</u></u>	<u><u>3,176</u></u>	<u><u>7,547</u></u>

39 DIVIDEND

No dividend has been paid or declared by the Company during the Track Record Period.

40 CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at December 31, 2022, 2023 and 2024 and August 31, 2025.

41 SUBSEQUENT EVENT

Save as disclosed in Note 2.4 to the Historical Financial Information, there were no other material subsequent events took place after August 31, 2025.

42 SUMMARY OF OTHER ACCOUNTING POLICIES**42.1 Principles of consolidation****42.1.1 Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 42.1.4).

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

42.1.2 Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards.

42.1.3 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs. If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

42.1.4 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business

- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

42.1.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividends exceed the total comprehensive income of the subsidiaries in the period the dividends are declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

42.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company.

42.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is USD as USD is the primary denominated currency of the Company's financing. The Company's primary subsidiaries were incorporated in Chinese Mainland and considered RMB as their functional currencies. The functional currencies of certain subsidiaries of the Group incorporated in Hong Kong and Singapore are HKD and SGD, respectively. As the major operations of the Group are within the PRC, the Group has determined RMB as its presentation currency and presented its Historical Financial Information in RMB (unless otherwise stated).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in consolidated statements of profits or loss, within finance costs. All other foreign exchange gains and losses are presented in consolidated statement of profits or loss on a net basis within "other gains/(losses) — net".

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statements of profit or loss and statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investments in foreign entities are recognized in other comprehensive income.

42.4 Property, plant and equipment

Property, plant and equipment are stated at historical costs less depreciation. Historical costs include expenditure that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to consolidated statement of profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 42.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

Construction in progress is stated at cost less accumulated impairment losses. Cost includes all attributable costs of bringing the asset to working condition for its intended use. This includes direct costs of construction as well as interest expense capitalized during the period of construction and installation. Capitalization of these costs will cease and the construction in progress is transferred to appropriate categories within property, plant and equipment when the construction activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of construction in progress.

42.5 Intangible assets

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring the specific software into usage. Costs associated with maintaining computer software programs are recognized as expense as incurred.

Computer software is stated at cost less accumulated amortization and impairment losses (if any). Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives.

42.6 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposals and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units or "CGU"). In carrying out an impairment test of a CGU or group of CGUs with a non-controlling interest that has been accounted for using the proportionate share method, the carrying amount of the CGU or group of CGUs is notionally adjusted to include goodwill attributable to the non-controlling interest and the notional carrying amount is then compared with the recoverable amount.

If the recoverable amount is lower than the notional carrying amount, an impairment loss is identified, including a loss attributable to the non-controlling interest's notional share of goodwill. The loss on notional goodwill shared by non-controlling interest is excluded from the impairment loss to be recognized. The adjusted impairment loss is first applied to write down the recognized goodwill and then applied pro rata against the remaining non-financial assets. Non-financial assets (other than goodwill) that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

42.7 Investments and other financial assets**42.7.1 Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

See Note 21 for details about each type of financial assets.

The Group reclassifies debts investments when and only when its business model for managing those assets changes.

42.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

42.7.3 *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses) — net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) — net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss. The Group has no such debt investment during the reporting periods.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

42.7.4 *Impairment*

The Group assesses on a forward looking basis the expected credit losses ("ECL") with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see Note 3.1(b) for further details.

Impairment on other financial assets at amortized cost are measured as either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime ECL.

42.8 **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group currently has a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

42.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

42.10 Trade receivables

Trade receivables are amounts due from customers for the sales products and provision of services. They are generally due for settlement within a year of recognition or less (or in the normal operating cycle of the business if longer) and therefore classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade receivables and Note 3.1(b)(ii) for a description of the Group's impairment policies.

42.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

42.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Shares held for the restricted share incentive scheme are disclosed as treasury shares and deducted from contributed equity.

42.13 Trade payables and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

42.14 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred income tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

42.15 Employee benefits**(a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(b) Post-Employment obligations*Pension obligations*

The Group makes employee benefit contributions based on certain percentage of the salaries of the employees to a defined contribution retirement benefit plan and medical benefit plan organized by relevant government authorities in the PRC on a monthly basis, subject to certain ceiling. The government authorities undertake to assume the retirement benefit obligations payable to the existing and future retired employees under these plans and the Group has no further obligations for the post-retirement benefits beyond the contributions made. Contributions to these plans are expensed as incurred. Assets of the plans are held and managed by government authorities and are separate from the Group.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-sponsored housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year and the Group has no further obligation beyond the contributions made.

(c) *Bonus plan*

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within one year and are measured at the amounts expected to be paid when they are settled.

42.16 Share-based payments

The Group operates equity incentive plan, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognized as an expense on the consolidated statement of profit or loss. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred (other than a cancellation of some or all the equity instruments granted).

The grant by the Company of its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

42.17 Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

42.18 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- lease payments to be made under reasonably certain extension options, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

42.19 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

42.20 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to assets are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to August 31, 2025 and up to the date of this report.

The information set out in this Appendix does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I in this prospectus, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets prepared in accordance with paragraph 4.29 of the Listing Rules are set out below to illustrate the effect of the Global Offering on the consolidated net tangible assets of the Group attributable to the owners of the Company as at August 31, 2025 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as at August 31, 2025 or at any future dates. The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at August 31, 2025 as set out in the Accountant's Report of the Company, the text of which is set out in Appendix I to this prospectus, and adjusted as described below.

	Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at August 31, 2025	Estimated net proceeds from the Global Offering	Estimated impact to the net tangible assets upon the conversion of convertible redeemable preference shares of the Group	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at August 31, 2025	Unaudited pro forma adjusted consolidated net tangible assets per Offer Share	
	<i>RMB'000</i> <i>(Note 1)</i>	<i>RMB'000</i> <i>(Note 2)</i>	<i>RMB'000</i> <i>(Note 3)</i>	<i>RMB'000</i>	<i>RMB</i> <i>(Note 4)</i>	<i>HK\$</i> <i>(Note 5)</i>
Based on an Offer Price of HK\$57.70 per Offer Share	<u>(1,844,727)</u>	<u>215,014</u>	<u>2,325,281</u>	<u>695,568</u>	<u>11.71</u>	<u>13.04</u>
Based on an Offer Price of HK\$66.60 per Offer Share	<u>(1,844,727)</u>	<u>251,445</u>	<u>2,325,281</u>	<u>731,999</u>	<u>12.33</u>	<u>13.73</u>

Notes:

- (1) The audited consolidated net tangible liabilities of the Group attributable to the owners of the Company as at August 31, 2025 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the owners of the Company as of August 31, 2025 of approximately RMB1,706,924,000 with an adjustment for the intangible assets attributable to the owners of the Company of approximately RMB137,803,000 as of August 31, 2025.
- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HKD57.70 and HKD66.60 per Offer Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately RMB36,515,000 which have been accounted for in the consolidated statements of profit or loss prior to August 31, 2025) paid/payable by the Company and takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option and any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed "Share Capital" in the prospectus.
- (3) Upon the Listing and the completion of the Global Offering, the convertible redeemable preferred shares of the Group will be automatically converted into ordinary shares. The convertible redeemable preference shares were accounted for as a liability to the Company. Accordingly, for the purpose of the unaudited pro forma statement of adjusted consolidated net tangible assets, the unaudited pro forma adjusted consolidated net tangible assets attributable to the owners of the Company will be increased by approximately RMB2,325,281,000, being the carrying amount of the convertible redeemable preference shares of the Group as of August 31, 2025.
- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 59,384,350 Shares were in issue, assuming that the Global Offering and the conversion of the convertible redeemable preference shares to Shares on a 1:1 basis have been completed on August 31, 2025 (for the purpose of this unaudited pro forma financial information excluding 5,000,000 Shares issued and reserved to be delivered to eligible participants under the RSU Scheme) but takes no account of any Shares which may be issued upon the exercise of the Over-allotment Option and any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described in the section headed "Share Capital" in the prospectus.
- (5) For the purpose of this unaudited pro forma statement of adjusted consolidated net tangible assets per Share, the amounts stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.8978 to HK\$1.00. No representation is made that Renminbi has been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to August 31, 2025.

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Distinct Healthcare Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Distinct Healthcare Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at August 31, 2025 and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages IIA-1 to IIA-2 of the Company’s prospectus dated January 29, 2026, in connection with the proposed initial public offering of the shares of the Company (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IIA-1 to IIA-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group’s financial position as at August 31, 2025 as if the proposed initial public offering had taken place at August 31, 2025. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial information for the period ended August 31, 2025, on which an accountant’s report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at August 31, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, January 29, 2026

A. BASES

The Directors have prepared the estimate consolidated profit attributable to the owners of the Company for the year ended December 31, 2025 based on the audited consolidated results of the Group for the eight months ended August 31, 2025 and the unaudited consolidated results based on the management accounts of the Group for the four months ended December 31, 2025.

The estimate has been prepared on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in the Accountant's Report, the text of which is set out in Appendix I to this prospectus.

B. PROFIT ESTIMATE FOR THE YEAR ENDED DECEMBER 31, 2025

We have prepared the following profit estimate for the year ended December 31, 2025.

Estimated consolidated profit attributable to owners of the parent for the year ended December 31, 2025 ⁽¹⁾	Not less than RMB130 million (equivalent to approximately HK\$144 million)

- (1) The estimated consolidated profit attributable to owners of the parent is converted into Hong Kong dollars at the exchange rate of HK\$1 to RMB0.8978. No presentation is made that the RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

C. LETTER FROM THE REPORTING ACCOUNTANT

The following is the text of a letter received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong for the purpose of incorporation in this prospectus



The Board of Directors
Distinct Healthcare Holdings Limited
Haitong International Capital Limited
SPDB International Capital Limited

January 29, 2026

Dear Sirs,

Distinct Healthcare Holdings Limited (the “Company”)

Profit Estimate for Year Ended December 31, 2025

We refer to the estimate of the consolidated profit attributable to owners of the Company for the year ended December 31, 2025 (the “Profit Estimate”) set forth in the section headed Financial Information in the prospectus of the Company dated January 29, 2026 (the “Prospectus”).

Directors’ Responsibilities

The Profit Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the eight months ended August 31, 2025 and the unaudited consolidated results based on the management accounts of the Group for the remaining four months ended December 31, 2025.

The Company’s directors are solely responsible for the Profit Estimate.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion on the accounting policies and calculations of the Profit Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500, *Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness*, and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Estimate in accordance with the bases adopted by the directors and as to whether the Profit Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Estimate has been properly compiled in accordance with the bases adopted by the directors as set out in Appendix IIB of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountant's report dated January 29, 2026, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

D. LETTER FROM THE JOINT SPONSORS

The following is the text of a letter prepared for inclusion in this Prospectus by the Joint Sponsors, in connection with the estimate of the consolidated profit attributable to the owners of the Group for the year ended December 31, 2025.

January 29, 2026

The Board of Directors of
Distinct Healthcare Holdings Limited

Dear Sirs,

We refer to the estimate of the consolidated profit attributable to the owners of Distinct Healthcare Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) for the year ended December 31, 2025 (the “**Profit Estimate**”) set forth in the prospectus of the Company dated January 29, 2026 (the “**Prospectus**”).

The Profit Estimate, for which the directors of the Company (the “**Directors**”) are solely responsible, has been prepared by the Directors based on the audited consolidated results of the Group for the eight months ended August 31, 2025 and the unaudited consolidated results based on the management accounts of the Group for the four months ended December 31, 2025.

We have discussed with you the bases and assumptions upon which the Profit Estimate has been made. We have also considered the letter dated January 29, 2026 addressed to you and us from PricewaterhouseCoopers regarding the accounting policies and calculations upon which the Profit Estimate has been made.

On the basis of the information comprising the Profit Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by PricewaterhouseCoopers, we are of the opinion that the Profit Estimate, for which you as the Directors are solely responsible, has been made after due and careful enquiry.

For and on behalf of

For and on behalf of

Haitong International Capital Limited

SPDB International Capital Limited

David Tan

Managing Director

Karlson Chan

Managing Director

Cedric Yang

Executive Director

SUMMARY OF THE CONSTITUTION OF THE COMPANY**1 Memorandum of Association**

The Memorandum of Association of the Company was conditionally adopted on December 23, 2025 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Cayman Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed “Documents Delivered to the Registrar of Companies and Documents on Display”.

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on December 23, 2025 and include provisions to the following effect:

2.1 *Classes of Shares*

The share capital of the Company consists of ordinary shares. The authorized share capital of the Company at the date of adoption of the Articles is US\$100,318.70 divided into 100,318,700 shares of US\$0.001 each.

2.2 *Directors***(a) *Power to allot and issue Shares***

Subject to the provisions of the Cayman Companies Act and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Cayman Companies Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Cayman Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Cayman Companies Act and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for

any profit so realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
 - (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of traveling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) Retirement, appointment and removal

The number of Directors shall not be less than two.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director).

The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after this appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors and which Directors who are to retire by rotation at such meeting.

No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors. The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by a notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) Proceedings of the Board

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Cayman Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorized representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorized shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so

that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares ratably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled subject to the provisions of the Cayman Companies Act; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Cayman Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorized and subject to any conditions prescribed by the Cayman Companies Act.

2.6 Special resolution – majority required

A “special resolution” is defined in the Articles of Association to have the meaning ascribed thereto in the Cayman Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives), and any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

In contrast, an “ordinary resolution” is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 *Voting rights*

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member (except the holder of treasury share(s) (as defined under the Companies Act, the “Treasury Share(s)”) present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any meeting of the Company (including general meeting and creditors meeting of the Company) or at any general meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorization, including, where a show of hands is allowed, the right to vote individually on a show of hands.

All members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of a member being a corporation, its duly authorised representative), shall have the right to speak at any general meetings of the Company.

A Treasury Share shall not be voted, directly or indirectly, at any general meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles of Association or the Companies Act.

2.8 Annual general meetings and extraordinary general meetings

The Company must hold a general meeting as its annual general meeting each financial year. Such meeting must be held within six months after the end of the Company's financial year. The annual general meeting shall be specified as such in the notices calling it.

Extraordinary general meetings may be convened on the requisition of one or more shareholders (or any one member which is a recognized clearing house (or its nominee(s)) holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Cayman Companies Act.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Cayman Companies Act or any other relevant law or regulation or as authorized by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a statement of financial position as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting. The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting and fix the remuneration of such auditor(s) being appointed. The removal of any auditor before the expiration of his period of office shall be approved at a general meeting; and the members shall at that meeting appoint new auditor in its place for the remainder of the term. Subject to compliance with the Listing Rules, the Board may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act.

2.10 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place (except in the case of a virtual meeting held in accordance with the Articles of Association) and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and

- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

2.11 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may, in its absolute discretion, and without assigning any reason, refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be canceled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favor of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of the Company to purchase its own shares

The Company is empowered by the Cayman Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. The holder of the shares being purchased shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Directors shall specify the certificate(s) thereof, if any, and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof. The Board shall have the discretion to cancel such certificate(s).

Subject to the Listing Rules, the Directors may, prior to the purchase, redemption or surrender of any share, determine that such share shall be held as a Treasury Share or cancelled, and may resolve to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper.

2.13 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.14 Dividends and other methods of distribution

Subject to the Cayman Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, installments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of

members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend may be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be declared or paid in respect of a Treasury Share. Notwithstanding the foregoing, nothing in the Articles of Association prevent an allotment of shares as fully paid up bonus shares in respect of a Treasury Share and shares allotted as fully paid up bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

2.15 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favor of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorized in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.16 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by installments and shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and installments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or installment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or installment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.17 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as

the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.18 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company (excluding the holder of a Treasury Share) present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

Subject to the Cayman Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Cayman Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Cayman Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION**1 Introduction**

The Cayman Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Cayman Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Cayman Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 February 2014 under the Cayman Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorized share capital.

3 Share Capital

The Cayman Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the “share premium account”. At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act);
- (d) writing-off the preliminary expenses of the company;

- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Cayman Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands or any conditions prescribed by the Cayman Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way pursuant to the Cayman Companies Act.

Subject to the detailed provisions of the Cayman Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorized either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

4 Dividends and Distributions

With the exception of section 34 of the Cayman Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Cayman Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Cayman Companies Act requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Cayman Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Cayman Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Cayman Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Cayman Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing 75% in value of creditors, or (ii) a majority of 75% in value of shareholders or class of shareholders, as the case may be, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, ratably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company;
or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (2018 Revision).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act (as revised) (“**ES Law**”) that came into force on 1 January 2019, a “relevant entity” is required to satisfy the economic substance test set out in the ES Law. A “relevant entity” includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, if an exempted company incorporated in the Cayman Islands is tax resident outside the Cayman Islands, it will not be required to satisfy the economic substance test set out in the ES Law.

22 General

Campbells, the Company’s legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Act, is available for inspection as referred to in the section headed “Documents Delivered to the Registrar of Companies and Documents on Display” in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of Our Company**

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act on February 13, 2014. Our registered office address is at Floor 4, Willow House ,Cricket Square, Grand Cayman KY1-9010, Cayman Islands. As our Company is incorporated in the Cayman Islands, our operation is subject to the relevant laws and regulations of the Cayman Islands, the Articles and the Memorandum. A summary of the relevant laws and regulations of the Cayman Islands and of our constitution is set out in Appendix III to this prospectus.

Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 20, 2024. Our principal place of business in Hong Kong is at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. WONG Wing Yee (黃詠儀) has been appointed as our authorized representative for the acceptance of service of process and notices in Hong Kong. The address of service of process is Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As of the date of this prospectus, our Company's head offices are located at Floor 4, Tower A, Wanrong Building, Gongye 4th Rd, Nanshan District, Shenzhen, PRC.

2. Changes in the Share Capital of Our Company

As of the date of incorporation of our Company, our authorized share capital was USD50,000 divided into 50,000,000 ordinary shares with a par value of USD0.001 each. The following sets out changes in the share capital of our Company within the two years immediately preceding the date of this prospectus:

On March 28, 2024, our Company issued 1,849,100 Series D Preferred Shares to H Capital, in consideration of H Capital's transfer of the entire equity interests in H Pudding to our Group.

On the same day, our Company also issued 2,640,250 and 2,359,750 Shares to Distinct Partners I Limited and Distinct Partners II Limited respectively, which hold the Shares underlying the awards under the RSU Scheme.

Save as disclosed above, there has been no alternation in the share capital of Company within the two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries is set out in note 1.3 to the Accountant's Report as set out in Appendix I to this prospectus. The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus:

Distinct Investment Consulting

On April 29, 2024, the registered capital of Distinct Investment Consulting was increased from RMB51,000,000 to RMB72,857,143.

Distinct Investment

On April 28, 2024, the registered capital of Distinct Investment was increased from RMB10,000,000 to RMB14,285,715.

Distinct Consultation

On April 28, 2024, the registered capital of Distinct Consultation was increased from RMB50,000,000 to RMB71,428,572.

Distinct Management

On April 26, 2024, Distinct Management was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Beijing Zhuorui Outpatient Department Co., Ltd.

On April 25, 2024, Beijing Zhuorui Outpatient Department Co., Ltd. (北京卓睿門診部有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB3,000,000.

Foshan Nanhai Distinct

On March 21, 2024, Foshan Nanhai Distinct was established in the PRC as a limited liability company with an initial registered capital of RMB2,000,000.

Wuhan Dragon World

On January 15, 2025, the registered capital of Wuhan Dragon World decreased from RMB5,341,880 to RMB4,163,622.

Changsha Zhuorui

On August 6, 2024, Changsha Zhuorui was dissolved on a voluntary basis by way of deregistration.

Suzhou Distinct Investment Limited

On October 24, 2024, interests in Suzhou Distinct Investment Limited (蘇州卓正投資有限公司) was dissolved on a voluntary basis by way of deregistration.

Shanghai Zhuoxiang Pediatric Outpatient Department Co., Ltd.

On October 24, 2024, Shanghai Zhuoxiang Pediatric Outpatient Department Co., Ltd. (上海卓祥兒科門診部有限公司) was dissolved on a voluntary basis by way of deregistration.

Distinct Malaysia

On December 23, 2024, Distinct Malaysia was incorporated in Malaysia as a limited liability company with an initial issued share capital of RM1,010. On February 18, 2025, the issued share capital of Distinct Malaysia was increased to RM500,000.

Foshan Nanhai Zhuozheng General Specialty Outpatient Department Co., Ltd

On February 19, 2025, Foshan Nanhai Zhuozheng General Specialty Outpatient Department Co., Ltd. (佛山南海卓正普通專科門診部有限公司) was dissolved on a voluntary basis by way of deregistration.

Shenzhen Distinct Future Technology Co., Ltd.

On May 28, 2025, Shenzhen Distinct Future Technology Co., Ltd. (深圳卓正未來科技有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB20,000,000.

Shenzhen Distinct Guangzhui Technology Co., Ltd.

On June 6, 2025, Shenzhen Distinct Guangzhui Technology Co., Ltd. (深圳卓正光錐科技有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB10,000,000.

Harbin Zhuotai Internal Medicine Clinic Co., Ltd.

On June 12, 2025, Harbin Zhuotai Internal Medicine Clinic Co., Ltd. (哈爾濱卓泰內科診所有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.

Beijing Distinct Clinic Co., Ltd.

On August 21, 2025, Beijing Distinct Clinic Co., Ltd. (北京卓正診所有限公司) was dissolved on a voluntary basis by way of deregistration.

Wuhan Pleiades Wuguang Comprehensive Clinic Co., Ltd.

On September 5, 2025, Wuhan Pleiades Wuguang Comprehensive Clinic Co., Ltd. (武漢北斗星武廣綜合門診有限公司) was dissolved on a voluntary basis by way of deregistration.

Xi'an High-tech Zone Zhuorui Comprehensive Clinic Co., Ltd.

On October 27, 2025, Xi'an High-tech Zone Zhuorui Comprehensive Clinic Co., Ltd. (西安市高新區卓瑞綜合門診部有限公司) was established in the PRC as a limited liability company with an initial registered capital of RMB2,000,000.

Jurong East Healthcare Pte. Ltd.

On December 18, 2025, Jurong East Healthcare Pte. Ltd. was incorporated in Singapore as a limited liability company with an initial capital of 1 Singapore dollar.

Chengdu Qingyang Distinct

On November 26, 2025, Chengdu Qingyang Distinct was dissolved on a voluntary basis by way of deregistration.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

4. Reorganization

Our Group has undertaken the Reorganization in preparation for the Listing. For further details, please refer to the paragraph headed “History, Reorganization and Corporate Structure — Reorganization in 2024” in this prospectus.

5. Resolutions of our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on December 23, 2025, it was resolved, among others:

- (a) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue (including the Shares to be converted from the Preferred Shares upon Listing) and to be issued as stated in this prospectus; (ii) the Offer Price having been determined; (iii) the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date; and (iv) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the International Underwriters under the International Underwriting Agreement to be made with, amongst others, our Company, becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Joint Overall Coordinators (on behalf of the Underwriters)) and not being terminated in accordance with the terms thereof or otherwise:
 - (i) the Global Offering (including the Over-allotment Option) were approved, and the proposed allotment and issue of the Shares under the Global Offering were approved, and our Directors were authorized to determine the Offer Price for, and to allot and issue the Shares under the Global Offering;
 - (ii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares (including the power to sell or transfer any treasury Shares), or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which might require Shares to be allotted and issued (or treasury Shares to be sold or transferred) or dealt with subject to the requirement that the aggregate nominal value of the Shares to allotted and issued or agreed conditionally or unconditionally to be allotted and issued (or treasury Shares to be sold or transferred or agreed to be sold or transferred), otherwise than by way of the Global Offering or rights issue, pursuant to the exercise of any subscription rights attaching to any warrants which may be allotted and issued by our Company from time to time, or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meetings, shall not exceed 20% of the aggregate nominal value of the Shares in issue (excluding treasury Shares, if any) immediately following completion of the Global Offering, excluding any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option;

- (iii) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following completion of the Global Offering, excluding any treasury Shares (if any) and any Shares which may be issued pursuant to the exercise of the Over-allotment Option;
 - (iv) the general unconditional mandate as mentioned in paragraph (ii) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued (including any sale or transfer of treasury Shares) by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (iii) above up to 10% of the aggregate nominal value of the Shares in issue immediately following completion of the Global Offering, excluding any treasury Shares (if any) and any Shares which may be issued pursuant to the exercise of the Over-allotment Option; and
- (b) the Memorandum and the Articles were conditionally approved and adopted with effect from the Listing.

Each of the general mandates referred to in paragraphs (a)(ii), (a)(iii) and (a)(iv) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles; or
- the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

6. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this prospectus concerning the repurchase of our own securities.

(a) *Provision of the Listing Rules*

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) *Shareholders' Approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on December 23, 2025, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue (excluding Treasury Shares) immediately following completion of the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

(ii) *Source of Funds*

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by our Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman

Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities or a transfer of treasury shares pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

We may consider canceling the Shares repurchased under the Repurchase Mandate, or holding them as treasury shares subject to our Board's consideration, including among other things, on-going market conditions and its capital management needs at the relevant time of the repurchases.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange, other than in exceptional circumstances. Further, a listed issuer may not purchase any of its own shares on the Stock Exchange for a period of 30 days after any sale or transfer of any treasury shares

on the Stock Exchange, without the prior approval of the Stock Exchange. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day on which a listed company makes a purchase of its shares. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including the number of securities purchased each month (whether on the Stock Exchange or otherwise), the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined under the Listing Rules) and a core connected person shall not knowingly sell its securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share, and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands.

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) General

A full exercise of the Repurchase Mandate, on the basis of 64,384,350 Shares in issue immediately following completion of the Global Offering (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), could accordingly result in up to 6,438,435 Shares being repurchased by our Company during the period prior to the earliest of:

- (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions);
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any other applicable laws to be held; or
- (iii) the date when it is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

None of our Directors and, to the best of their knowledge having made all reasonable enquiries, their respective close associates currently intends to sell any Shares to our Company.

Our Directors will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Codes. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Codes. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Codes as a consequence of any repurchase pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agrees to waive the requirements under the Listing Rules regarding the public shareholding as referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he/she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of Material Contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of our Group within the two years immediately preceding the date of this prospectus which are or may be material:

- (a) the exclusive operation services agreement dated May 10, 2024 between Shenzhen Qianhai Zhuozheng Medical Investment Consulting Co., Ltd. (深圳市前海卓正醫療投資諮詢有限公司) (“**Qianhai Distinct**”), Shenzhen Zhuozheng Xinhe Investment Co., Ltd. (深圳市卓正信和投資有限公司) (“**Zhuozheng Xinhe**”), Mr. Zhou Fang, Dr. Zhu Yan, Ms. Qiu Yanliu (Mr. Zhou Fang, Dr. Zhu Yan, and Ms. Qiu Yanliu together, the “**Relevant Shareholders**”) and Shenzhen Zhuozheng Medical Consulting Co., Ltd. (深圳卓正醫療諮詢有限公司) (“**Distinct Consultation**”), Shenzhen Distinct Medical Investment Consulting Co., Ltd. (深圳卓正醫療投資諮詢有限公司) (“**Distinct Investment Consulting**”), Shenzhen Zhuozheng Medical Investment Co., Ltd. (深圳卓正醫療投資有限公司) (“**Distinct Investment**”), Shenzhen Distinct Hospital Management Consulting Co., Ltd. (深圳卓正醫院管理諮詢有限公司) (formerly known as Shenzhen Qianhai Distinct Youshe Hospital Management Co., Ltd. (深圳市前海卓正優社醫院管理有限公司)) (“**Distinct Shenzhen**”), and Shenzhen Zhuozheng Hospital Management Co., Ltd. (深圳卓正醫院管理有限公司) (“**Distinct Management**”) (Distinct Consultation, Distinct Investment Consulting, Distinct Investment, Distinct Shenzhen, and Distinct Management, together, the “**VIE Medical Management Companies**”) whereby, among others, Qianhai Distinct agreed to provide exclusive operation services to Zhuozheng Xinhe and the VIE Medical Management Companies to the extent as permitted under the PRC laws in exchange for service fees;
- (b) the exclusive option agreement dated May 10, 2024 among Qianhai Distinct, the Relevant Shareholders and Zhuozheng Xinhe, pursuant to which, (i) the Relevant Shareholders granted Qianhai Distinct an exclusive option for itself or its designated person to purchase all or part of the Relevant Shareholders’ equity interest in Zhuozheng Xinhe; and (ii) Zhuozheng Xinhe granted Qianhai Distinct an exclusive option for itself or its designated person to purchase all or part of the assets of Zhuozheng Xinhe;
- (c) the exclusive option agreement dated May 10, 2024 among Qianhai Distinct, Zhuozheng Xinhe and the VIE Medical Management Companies, pursuant to which, (i) Zhuozheng Xinhe granted Qianhai Distinct an exclusive option for itself or its designated person to purchase all or part of Zhuozheng Xinhe’s equity interest in the VIE Medical Management Companies; (ii) the VIE Medical Management Companies granted Qianhai Distinct an exclusive option for itself or its designated person to purchase all or part of the assets of VIE Medical Management Companies attributable to Zhuozheng Xinhe; and (iii) the VIE Medical Management Companies

granted Qianhai Distinct an exclusive option for itself or its designated person to purchase all or part of the VIE Medical Management Companies' equity interests in the subsidiaries of the VIE Medical Management Companies;

- (d) the shareholders' rights entrustment agreement dated May 10, 2024 among Qianhai Distinct, Zhuozheng Xinhe and the Relevant Shareholders, pursuant to which Relevant Shareholders agreed to authorise and entrust Qianhai Distinct (and its successors or liquidators), or such natural person as Qianhai Distinct may designate, to exercise all of its rights as a shareholder of Zhuozheng Xinhe to the extent as permitted by the PRC laws;
- (e) the shareholders' rights entrustment agreement dated May 10, 2024 among Qianhai Distinct, Zhuozheng Xinhe and the VIE Medical Management Companies, pursuant to which Zhuozheng Xinhe agreed to authorise and entrust Qianhai Distinct (and its successors or liquidators), or such natural person as Qianhai Distinct may designate, to exercise all of its rights as a shareholder of the VIE Medical Management Companies to the extent as permitted by the PRC laws;
- (f) the equity pledge agreement dated May 10, 2024 among Qianhai Distinct, the Relevant Shareholders and Zhuozheng Xinhe, pursuant to which Relevant Shareholders agreed to pledge all of their equity interest in Zhuozheng Xinhe to Qianhai Distinct;
- (g) the equity pledge agreement dated May 10, 2024 among Qianhai Distinct, the VIE Medical Management Companies and Zhuozheng Xinhe, pursuant to which Zhuozheng Xinhe agreed to pledge all of its equity interest in the VIE Medical Management Companies to Qianhai Distinct;
- (h) the loan agreement dated May 10, 2024 between Zhuozheng Xinhe and Qianhai Distinct, pursuant to which Qianhai Distinct provided Zhuozheng Xinhe a loan to be used exclusively to (i) subscribe for 30% registered share capital in each of Distinct Consultation, Distinct Investment Consulting and Distinct Investment, (ii) acquire 30% equity interests in Distinct Shenzhen from Qianhai Distinct and (iii) subscribe for 10% registered share capital in the Distinct Management;
- (i) the cornerstone investment agreement dated January 27, 2026 entered into among our Company, Galaxy Dynasty Limited, Haitong International Capital Limited, Haitong International Securities Company Limited and SPDB International Capital Limited, with respect to a subscription of the Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$1,000,000;

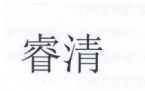
- (j) the cornerstone investment agreement dated January 27, 2026 entered into among our Company, Health Vision Hong Kong Limited, Haitong International Capital Limited, Haitong International Securities Company Limited and SPDB International Capital Limited, with respect to a subscription of the Offer Shares at the Offer Price in the aggregate amount of HK\$44,000,000;
- (k) the cornerstone investment agreement dated January 27, 2026 entered into among our Company, Mininglamp Technology (明略科技), Haitong International Capital Limited, Haitong International Securities Company Limited, SPDB International Capital Limited and Futu Securities International (Hong Kong) Limited (富途證券國際(香港)有限公司), with respect to a subscription of the Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$2,000,000;
- (l) the cornerstone investment agreement dated January 27, 2026 entered into among our Company, KingMed Diagnostics (Hong Kong) Limited (金域檢驗(香港)有限公司), Haitong International Capital Limited, Haitong International Securities Company Limited and SPDB International Capital Limited, with respect to a subscription of the Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US\$3,000,000; and
- (m) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks, which we consider to be material to our Group's business:

No.	Trademark	Place of registration	Registered owner	Registration no.	Class	Expiry date
1.	 卓正医疗 Distinct HealthCare	Hong Kong	Distinct HK	303593287	44	November 10, 2035
2.	 卓正医疗 Distinct HealthCare	PRC	Qianhai Distinct	11287970	44	December 27, 2033
3.	 卓正齿科 Distinct Dental	PRC	Qianhai Distinct	22195601	44	February 27, 2028
4.	 卓正眼视光 Distinct Vision	PRC	Qianhai Distinct	22195602	44	February 27, 2028
5.	 卓正儿科 Distinct Pediatrics	PRC	Qianhai Distinct	22195603	44	February 27, 2028
6.	 卓正体检 Distinct Checkup	PRC	Qianhai Distinct	22195604	44	February 27, 2028
7.	 卓正眼科 Distinct EyeCare	PRC	Qianhai Distinct	22195605	44	February 27, 2028
8.	 卓正口腔 Distinct Dental	PRC	Qianhai Distinct	22195606	44	February 27, 2028
9.	 卓正医疗	PRC	Qianhai Distinct	34387957	10	July 6, 2029
10.	 小卓科技 Distinct Technology	PRC	Distinct Digital Tech	62181430	42	July 20, 2032
11.	 小卓科技 Distinct Technology	PRC	Qianhai Distinct	67567098	44	April 27, 2033
12.	 卓正严选	PRC	Distinct Digital Tech	63181118	39	November 20, 2032
13.	 卓正医疗 Distinct HealthCare	Singapore	Distinct SG	40202202764R	44	February 8, 2032
14.	 卓正诊所 DISTINCT CLINIC	Singapore	Distinct SG	40202202761V	44	February 8, 2032
15.	 Distinct Health	Singapore	Distinct SG	40202428888V	35, 44	December 7, 2034

No.	Trademark	Place of registration	Registered owner	Registration no.	Class	Expiry date
16.	CHVITAE	Singapore	Distinct SG	40202428889S	03, 05	December 7, 2034
17.		PRC	Qianhai Distinct	29422457	44	January 6, 2029
18.		PRC	Distinct Digital Tech	63181114	39	November 20, 2032
19.		PRC	Qianhai Distinct	28457268	10	December 6, 2028
20.		PRC	Qianhai Distinct	79573671	44	December 13, 2034
21.		PRC	Qianhai Distinct	75664159	44	June 6, 2034
22.		PRC	Qianhai Distinct	51040373	44	July 20, 2031

(b) Domain Names

As of the Latest Practicable Date, we had registered the following domain name, which we consider to be material to our Group's business:

No.	Domain name	Registered owner	Registration date	Expiry date
1.	distinctclinic.com	Guangzhou Zhuoxiang	February 2, 2012	February 2, 2026

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights, which we consider to be material to our Group's business:

No.	Copyright name	Registered owner	Registration no.	Category	Place of registration	Registration date
1.	The Reliable Family Doctor (值得信賴的家庭醫生)	Qianhai Distinct	Guozuo Dengzi- 2024-F-00041398	Fine arts	PRC	February 2, 2024
2.	Distinct Medical Childcare Handbook (《卓正醫療兒童健康手冊》)	Qianhai Distinct	Guozuo Dengzi- 2024-L-00088402	Other works	PRC	March 26, 2024
3.	Promotional slogan for Distinct HealthCare's large-scale promotional activities (卓正醫療大型促銷活動宣傳口號)	Qianhai Distinct	Guozuo Dengzi- 2022-F-10083720	Fine arts	PRC	April 21, 2022
4.	Promotional slogan for the Ruiqing Medical enterprise (睿清醫美企業宣傳口號)	Qianhai Distinct	Guozuo Dengzi- 2022-F-10083722	Fine arts	PRC	April 21, 2022
5.	Promotional slogan for the Distinct HealthCare enterprise (卓正醫療企業宣傳口號)	Qianhai Distinct	Guozuo Dengzi- 2022-F-10083723	Fine arts	PRC	April 21, 2022
6.	Main title of the Distinct HealthCare marketing campaign (卓正醫療營銷活動主標題)	Qianhai Distinct	Guozuo Dengzi- 2022-F-10083721	Fine arts	PRC	April 21, 2022
7.	Distinct HealthCare Zhengzhi Calendar 2020 (卓正醫療正知日曆2020)	Qianhai Distinct	Guozuo Dengzi- 2020-L-00000663	Other works	PRC	May 6, 2020
8.	Xiaoya Transformation (小牙變身記)	Qianhai Distinct	Guozuo Dengzi- 2018-L-00002039	Other works	PRC	October 17, 2018
9.	Distinct Clinic APP software 1.3.0 (卓正診所APP軟件1.3.0)	Qianhai Distinct	2018R269280	Software copyright	PRC	April 20, 2018

Save as aforesaid, as of the Latest Practicable Date, there was no other trade or service mark, patent, intellectual or industrial property right or copyright which was material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Disclosure of Interests

(a) *Interests and short positions of our Directors and chief executive in the share capital of our Company and its associated corporations following completion of the Global Offering*

Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), so far as our Directors are aware, the interests and/or short positions (as applicable) of our Directors and chief executive in the Shares, underlying shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our 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 they are taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, will be as follows:

Name of Director	Nature of Interest	Number of Shares held	Approximate percentage of interest immediately following completion of the Global Offering (%)
Mr. Wang	Interest in controlled corporation ⁽³⁾⁽⁴⁾	17,181,282	26.69
	Interest held through voting powers entrusted by other person ⁽⁵⁾	2,640,250	4.10
Mr. Shi	Owner of derivative interest ⁽⁶⁾	200,000	0.31
Mr. CAO Shaoshan	Beneficial owner, Interest of a party to an agreement ⁽⁷⁾	13,150,000	20.42
Mr. ZHANG Xiangdong	Interest in a controlled corporation; Interest of a party to an agreement ⁽⁷⁾	13,150,000	20.42
Ms. CHEN Xiaohong	Interest in controlled corporation ⁽⁸⁾	8,881,900	13.80

(1) All interests stated are long positions.

(2) Assuming all Preferred Shares are converted into Ordinary Shares, on a 1:1 basis and that the Over-allotment Option is not exercised.

- (3) Mr. Wang exercises all of the voting rights of Cheuk Sing Ho in all matters with respect to the Company pursuant to the Cheuk Sing Ho Agreement. Accordingly, under the SFO, Mr. Wang is deemed to be interested in the equity interests held by Cheuk Sing Ho. See “History, Reorganization and Corporate Structure — Voting Agreements” for details.
- (4) Mr. Wang exercises all of the voting rights of the Proxy Shares according to the Voting Proxy Agreements. Accordingly, under the SFO, Mr. Wang is deemed to be interested in the equity interests of the Proxy Shares. See “History, Reorganization and Corporate Structure — Voting Agreements” for details.
- (5) Pursuant to trust deed of Distinct Trust I under the RSU Scheme, the trustee of Distinct Trust I which held 2,640,250 Shares in the Company shall exercise voting power attached to such Shares in accordance with Mr. Wang’s instruction. Accordingly, Mr. Wang is deemed to be interested in the equity in the Shares held by the trustee of Distinct Trust I.
- (6) Mr. Shi was granted and have vested a total of 200,000 RSUs under the RSU Scheme.
- (7) Cheuk Sing Ho, Mr. CAO Shaoshan, Mr. ZHANG Xiangdong and Nineteen Seventy-Seven entered into the Acting-in-Concert Agreement, pursuant to which the Concert Parties have confirmed that they had been acting in concert by aligning their votes and following Cheuk Sing Ho’s directions when exercising their voting rights at the shareholders’ meetings in our Group since they became interested in Company. As such, each of Mr. CAO Shaoshan, Mr. Zhang Xiangdong and Nineteen Seventy-Seven is deemed to be interested in the Shares held by other parties. See “History, Reorganization and Corporate Structure — Voting Agreements” for details.
- (8) H Capital, which owns 8,881,900 Shares, is ultimately controlled by Ms. CHEN Xiaohong. Under the SFO, each of Ms. CHEN Xiaohong and her controlled corporations through which Ms. CHEN Xiaohong controls H Capital is deemed to be interested in all of the interests in our Company held by H Capital.

(b) Interests of the substantial shareholders in the Shares

Save as disclosed in the section headed “Substantial Shareholders” in this prospectus, immediately following the completion of the Global Offering and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(c) Interests of the substantial shareholders of other members of our Group

Immediately following completion of the Global Offering, based on the information available on the Latest Practicable Date, the following persons/entities (other than our Directors and chief executive of our Company) will directly or indirectly, be interested in 10% or more of the number of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name	Relevant member of our Group	Percentage of shareholding interest in the relevant member of our Group⁽¹⁾
YAO Hongwu.	Wuhan Dragon World	30%

(1) Unless otherwise indicated, interest indicated herein are beneficial interest.

2. Particulars of Directors' Service Contracts and Appointment Letters**(a) *Executive Directors and non-executive Directors***

Each of our executive Directors and non-executive Directors has entered into a service contract with us under which the initial term of their service contracts shall be three years commencing from the date of their appointment until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other party not less than one month's prior notice in writing.

(b) *Independent non-executive Directors*

Each of our independent non-executive Directors has entered into an appointment letter with us for an initial term of three years from the Listing Date until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other party not less than one month's prior notice in writing.

3. Remuneration of Directors

Save as disclosed in the section headed "Directors and Senior Management" and note 34 to the Accountant's Report as set out in Appendix I to this prospectus, for the three financial years ended December 31, 2022, 2023, 2024 and the eight months ended August 31, 2025, none of our Directors received other remunerations or benefits in kind from us.

4. Disclaimers

Save as disclosed in this prospectus:

- (i) there is no existing or proposed service contract (excluding any contract expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (ii) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (iii) taking no account of any Shares which may be taken up under the Global Offering, so far as is known to any Director or chief executive of our Company, no other person (other than a Director or chief executive of our Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

- (iv) none of our Directors or chief executive of our Company has any interests or short positions in the Shares, underlying Shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be 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 our Company and the Stock Exchange.

D. RSU SCHEME

The following is a summary of the principal terms of the RSU Scheme approved and adopted by our Company on January 23, 2024. The RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the RSU is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, directors, and consultants and to promote the success of the Company's business.

(b) Selected Participants

Persons (the “**selected participants**”) eligible to participate in the RSU Scheme include Directors, employees, and consultants of the Group, and other individuals, as determined, authorized and approved by the Board or a committee authorized by the board (the “**Administrator**”).

(c) Administration

The Administrator is the administrator of such scheme and shall have the exclusive right to determine all the matters with respect to the awards under the RSU Scheme, including, among others, (i) select the participants to participate in the RSU Scheme; (ii) determine the number of Shares to be covered under each award; and (iii) determine the terms and conditions of any RSUs granted pursuant to the RSU Scheme.

(d) Grant of RSUs

The Administrator is authorized to grant RSUs where, upon vesting in accordance with the vesting schedule as determined by the Administrator in its sole discretion, the selected participant may exercise the RSUs by payment of the exercise price.

Each selected participant shall enter into a grant letter (the “**Grant Letter**”) with our Company for the RSUs granted to such person under the RSU Scheme.

(e) Rights and Restrictions attached to the RSUs

The RSUs are personal to each selected participant and are not assignable or transferable. The selected participants shall not have the right in any way to sell, transfer, assign, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to the RSUs or the Shares underlying the RSUs, except as otherwise pre-approved by the Administrator.

A selected participant does not have any right to receive dividends or voting rights in any Shares underlying the RSUs unless and until such Shares are actually transferred to the selected participant.

(f) Vesting schedule

Unless as otherwise determined by the Administrator, the RSUs under the RSU Scheme are generally vested over a period of four years commencing from the designated vesting commencement date with each 25% of the underlying Shares vested at each anniversary of the designated vesting commencement date. The Administrator may amend the vesting schedule or accelerate the vesting of any RSUs in its sole discretion. In any event, vested RSUs are only exercisable upon the Company's Listing.

(g) Exercise price

The exercise price per Share subject to an RSU shall be determined by the Administrator at its sole discretion and shall be set forth in the Grant Letter. The exercise price per Share subject to an RSU may be amended or adjusted in the absolute discretion of the Administrator, the determination of which shall be final, binding and conclusive.

(h) Exercise of RSUs

A selected participant may exercise the vested RSUs by delivering an exercise notice to our Company with the payment of the aggregate exercise price as to all RSUs exercised, with applicable tax withholding delivered.

(i) Maximum number of Shares underlying the RSUs

The aggregate maximum number of Shares underlying the RSUs approved under the RSU Scheme is 5,000,000 ordinary Shares. As of the Latest Practicable Date, an aggregate of 5,000,000 ordinary Shares underlying 5,000,000 RSUs had been granted and no further RSUs would be granted under the RSU Scheme after the Listing. Notwithstanding the provisions regarding termination of employment or service, the Administrator shall have the right to determine that any RSUs that would otherwise terminate pursuant to such provisions be transferred to any other existing or additional selected participant or permitted transferees that the Administrator may in its sole discretion determine, and the Administrator may reflect any such determination in a written notice to such person(s).

(j) Adjustments

In the event of any share dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the Shares or the price of a Share, the Administrator shall make such proportionate adjustments, if any, as the Administrator in its discretion may deem appropriate to reflect such change.

(k) Outstanding RSUs granted

As of the Latest Practicable Date, RSUs to 157 selected participants under the RSU Scheme with an aggregate of 5,000,000 ordinary Shares underlying such RSUs were outstanding representing 7.77% of the total issued share capital of our Company immediately following the completion of the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option). Our Company will not grant additional awards or RSUs under the RSU Scheme after the Listing.

As of the Latest Practicable Date, 447,250 RSUs with exercise price ranging from US\$0.39 to US\$4.27 were granted to our Directors, all of which had been vested as of May 15, 2024.

E. OTHER INFORMATION**1. Litigation**

As of the Latest Practicable Date, we were not involved in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against any member of our Group, which would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

2. Preliminary expenses

As of the Latest Practicable Date, we have not incurred any material preliminary expense.

3. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

4. Promoters

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

5. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the listing of, and permission to deal in, (i) the Shares in issue, and (ii) the Shares to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive a total fee of HKD6,100,000 for acting as sponsors to our Company in connection with the Global Offering.

6. Financial Adviser

Our Company has appointed Arta Corporate Advisory Limited as our Financial Adviser. For further details, please refer to the section headed “Directors and Parties Involved in the Global Offering” in this prospectus.

7. Qualification of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions and/or advice in this prospectus are as follows:

Name	Qualification
Haitong International Capital Limited	Licensed corporation under the SFO permitted to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO
SPDB International Capital Limited	Licensed under the SFO and permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified public accountants under the Professional Accountants Ordinance (Chapter 50 of the laws of Hong Kong) and a registered public interest entity auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Jingtian & Gongcheng	Legal adviser to our Company as to PRC law

Name	Qualification
Campbells	Legal adviser to our Company as to Cayman Islands law
Helmsman LLC	Legal adviser to our Company as to Singapore law
Robin Lynn & Lee (in collaboration with DFDL)	Legal adviser to our Company as to Malaysia law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

8. Consents

Each of the experts as referred to in the paragraph headed “— E. Other Information — 7. Qualification of Experts” in this appendix has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it respectively included.

9. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since August 31, 2025 (being the date to which the latest audited financial statements of our Group were made up).

10. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

11. Miscellaneous

Save as otherwise disclosed in this prospectus:

- (i) none of our Directors or experts referred to in the paragraph headed “— E. Other Information — 7. Qualification of Experts” in this appendix, has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (ii) none of the experts referred to in the paragraph headed “— E. Other Information — 7. Qualification of Experts” in this appendix has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (iii) within the two years immediately preceding the date of this prospectus, no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued as fully or partly paid either for cash or for a consideration other than cash;
- (iv) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (v) no commission, discount, brokerage or other special term has been granted or agreed to be granted within the two years immediately preceding the date of this prospectus in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (vi) within the two years preceding the date of this prospectus, no commission has been paid or is payable (except commissions to sub-underwriters) for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Shares in our Company;
- (vii) there is no founder, management or deferred share in our Company or any of our subsidiaries;
- (viii) our Company has no outstanding convertible debt securities or debentures;
- (ix) there is no arrangement under which future dividends are waived or agreed to be waived;
- (x) there has been no interruption in our Group’s business which may have or have had a significant effect on our financial position in the last 12 months;
- (xi) no member of our Group is presently listed on any stock exchange or traded on any trading system, and no listing or permission to deal is being or proposed to be sought; and
- (xii) there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

11. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

- (i) a copy of each of the material contracts referred to in the paragraph headed “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” in this prospectus; and
- (ii) the written consents referred to in the paragraph headed “Appendix IV — Statutory and General Information — E. Other Information — 8. Consents” in this prospectus.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at www.hkexnews.hk and our website at www.distinctclinic.com during a period of 14 days from the date of this prospectus:

- (a) the Memorandum of Association and the Articles of Association;
- (b) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;
- (c) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2022, 2023 and 2024 and the eight months ended August 31, 2025;
- (d) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix IIA to this prospectus;
- (e) the letters from PricewaterhouseCoopers and the Joint Sponsors relating to the profit estimate of our Group for the year ended December 31, 2025, the text of which is set out in Appendix IIB to this prospectus;
- (f) the PRC legal opinions issued by Jingtian & Gongcheng, our PRC Legal Adviser, in respect of certain general corporate matters and property interests of our Group under PRC laws;
- (g) the Singapore legal opinion issued by Helmsman LLC, our legal adviser as to Singapore law, in respect of certain general corporate matters and property interests of our Group under Singapore laws;

- (h) the letter of advice prepared by Campbells, our legal adviser as to Cayman Islands law, summarizing certain aspects of the Cayman Islands Company Law referred to in Appendix III to this prospectus;
- (i) the Industry Report prepared by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.;
- (j) the material contracts referred to in the paragraph headed “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts” in this prospectus;
- (k) the service contracts and the appointment letters referred to in the paragraph headed “Appendix IV — Statutory and General Information — C. Further Information about Our Directors — 2. Particulars of Directors’ Service Contracts and Appointment Letters” in this prospectus;
- (l) the written consents referred to in the paragraph headed “Appendix IV — Statutory and General Information — E. Other Information — 8. Consents” in this prospectus;
- (m) the terms of the RSU Scheme; and
- (n) the Cayman Companies Act.



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Distinct HealthCare

卓正医疗控股有限公司

Distinct Healthcare Holdings Limited