

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our Group can be traced back to April 1999, when Mr. Zou Qifang (鄒其芳) (“**Mr. Zou**”), our founder, founded “Arrail Dental”, the first domestic high-end dental clinic in Beijing. With our persistent efforts over the past two decades, we have become the largest dental services provider in the premium private dental service market in China in terms of total revenues in 2020, according to Frost & Sullivan, and also the third largest dental services provider in the overall private dental services market in China in terms of revenues during the same period. We operate our network of dental clinics and hospitals under a dual-brand strategy through “Arrail Dental” and “Rytime Dental” brands to provide a wide spectrum of general and specialty dental services. For further details of the background and relevant experience of our founder, see “Directors and Senior Management.”

Our Company was incorporated in the BVI on May 23, 2001 as a company limited by shares and was registered by way of continuation as an exempted company with limited liability in the Cayman Islands on November 16, 2020. Prior to the [REDACTED], we conducted a series of Pre-[REDACTED] Investments and completed the Reorganization. For details of our historical financing and corporate restructuring, see “—Pre-[REDACTED] Investments” and “—Reorganization” in this section.

BUSINESS MILESTONES

The following table summarizes various key milestones in our development:

Month/Year	Milestone
April 1999	We established our first dental clinic in Beijing under the brand name “Arrail Dental” (瑞爾齒科).
September 2001	Shenzhen Diwang Clinic was opened, which demonstrates Arrail Dental’s entering into Shenzhen market.
April 2002	Shanghai New World Clinic was opened, which demonstrates Arrail Dental’s entering into Shanghai market.
April 2007	We officially launched our self-developed clinical information system.
April 2010	We completed the Series A round of financing, which was led by KPCB China.
February 2011	Xiamen International Plaza Clinic was opened, which demonstrates Arrail Dental’s expansion into Xiamen market.

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<u>Month/Year</u>	<u>Milestone</u>
September 2011	We completed the Series B round of financing, which was led by GL Capital, an investment firm founded in 2010 that focuses on buyout and growth opportunities in the healthcare industry in China.
January 2012	Guangzhou Gaode Clinic was opened, which demonstrates Arrail Dental’s expansion into Guangzhou market.
March 2012	Our sub-brand “Rytime Dental” (瑞泰口腔) was established.
November 2012	Hangzhou European-American Center Clinic was opened, which demonstrates Arrail Dental’s expansion into Hangzhou market.
February 2014	Tianjin International Building Clinic was opened, which demonstrates Arrail Dental’s entering into Tianjin market.
April 2014	We completed the Series C round of financing, which was led by New Horizon Capital.
November 2014	Chengdu Wuhou Ruitai started its business, which demonstrates Rytime Dental’s entering into Chengdu market.
July 2015	Rytime Dental entered into Chongqing market.
July 2015	Rytime Dental entered into Xi’an market.
March 2016	Rytime Dental entered into Qingdao market.
March to June 2017	Rytime Dental entered into Changsha and Wuxi market, consecutively
December 2017	We completed the Series D round of financing, which was led by Goldman Sachs, Hillhouse and CITIC.
May 2018	Rytime Dental entered into Dalian market.
June 2019	The pilot run of our self-developed SaaS system “5i5ya” (吾愛吾牙) was launched at Shanghai Raffles City Clinic.
November 2019	Rytime Dental Shanghai Qiantan Flagship Clinic was opened.
April 2021	We completed the Series E round of financing, which was led by Temasek.

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OUR GROUP

Our Company

Our Company was incorporated in the BVI on May 23, 2001 as a company limited by shares. On November 16, 2020, our Company discontinued as a company incorporated under BVI Business Companies Act 2004 (as amended) and was registered by way of continuation as an exempted company limited by shares under the Cayman Companies Act.

At the time of incorporation, the authorized share capital of our Company was US\$5,000,000 divided into 10,000,000 Shares with a par value of US\$0.50 each. Along with the several rounds of Pre-[REDACTED] Investments, the share capital of the Company has comprised both Preferred Shares and Ordinary Shares. Please see “Share Capital” for details of our share capital as at the date of this document and upon completion of the [REDACTED].

Our Major Subsidiaries

The corporate information of our major subsidiaries that made a material contribution to our results of operations or played an important role in our management over operating entities during the Track Record Period is set forth below.

<u>Company</u>	<u>Principal business</u>	<u>Date of establishment</u>	<u>Place of Establishment</u>
Beijing Shengbin	Provision of dental treatment and other	December 17, 1997	Beijing, the PRC
Beijing Ruicheng	Provision of dental treatment and other	July 23, 2009	Beijing, the PRC
Shanghai Shengbin	Provision of technical services relating to professional dental materials and other	September 26, 2001	Shanghai, the PRC
Chongqing Ruisheng	Provision of dental treatment and other	March 10, 2004	Chongqing, the PRC
Chongqing Jiuyue	Provision of dental treatment and other	November 27, 2013	Chongqing, the PRC

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<u>Company</u>	<u>Principal business</u>	<u>Date of establishment</u>	<u>Place of Establishment</u>
Beijing Ruier	WFOE, provision of management consultant services and operation of medical devices	March 25, 1999	Beijing, the PRC
Chengdu Wuhou Ruitai	Holding platform of onshore entities, provision of dental treatment and other	October 16, 2014	Sichuan, the PRC
Shenzhen Ruijian	Management platform of VIE Entities*	October 11, 2005	Guangdong, the PRC
Beijing Ruisheng	Regional management platform in Beijing	February 17, 2015	Beijing, the PRC
Shanghai Ruicheng	Regional management platform in Shanghai	November 11, 2018	Shanghai, the PRC
Shenzhen Ruier	Regional management platform in Guangdong	December 21, 2006	Guangdong, the PRC
Chongqing Ruijing	Regional management platform in Sichuan and Chongqing	January 25, 2021	Chongqing, the PRC

* *Shenzhen Ruijian is a consolidated affiliated entity of us controlled through the Contractual Arrangements.*

For detailed information of shareholding changes of our Company and our major subsidiaries, see “—Pre-[REDACTED] Investments” and “—Reorganization” in this section and “Appendix IV—Statutory and General Information—A. Further Information about Our Company and Our Subsidiaries—2. Changes in share capital of our Company” and “—3. Changes in maximum number of authorised shares or share capital of our subsidiaries.”

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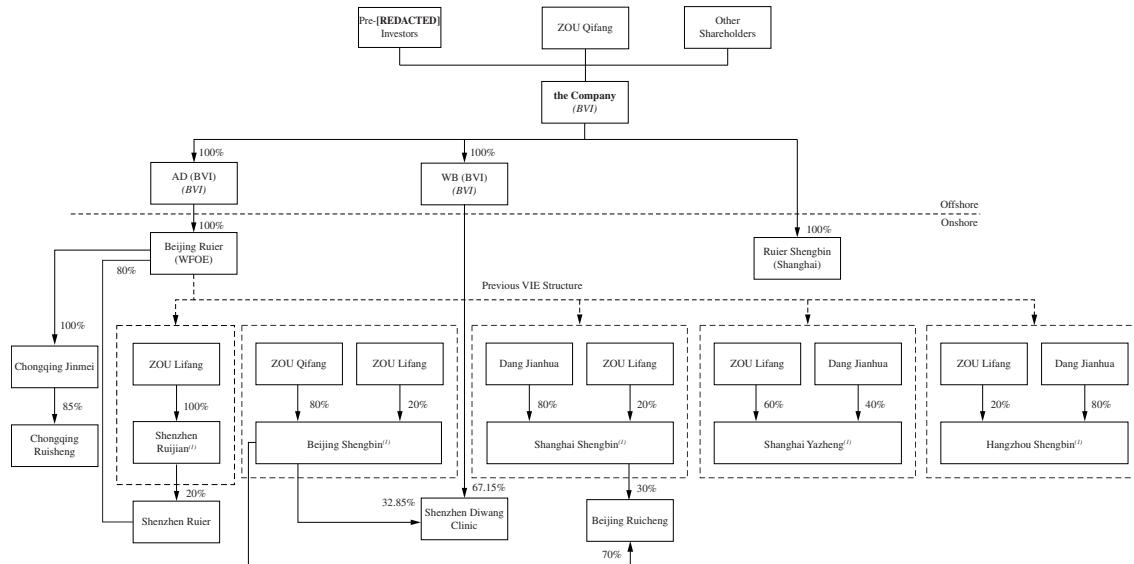
REORGANIZATION

Background Relating to the Previous VIE Structure

Most of our onshore operating entities are primarily engaged in the dental healthcare business. As advised by our PRC Legal Advisers, medical institutions fall within the “restricted” investment category on the Negative List, and therefore may not be wholly owned by foreign investors, and foreign investments are restricted to the form of sino-foreign equity joint venture or cooperative joint venture. Prior to the Reorganization, we operated our business mainly through five sets of contractual arrangements, namely (1) the contractual arrangements among Beijing Ruier, ZOU Lifang, DANG Jianhua (黨建華), who is an Independent Third Party, and Shanghai Yazheng, under which Shanghai Yazheng was the holding company of several operating clinics in Shanghai; (2) the contractual arrangements among Beijing Ruier, DANG Jianhua, ZOU Lifang and Shanghai Shengbin, under which Shanghai Shengbin was the holding company of several operating entities and clinics in Shanghai; (3) the contractual arrangements among Beijing Ruier, ZOU Qifang, ZOU Lifang and Beijing Shengbin, under which Beijing Shengbin was the holding company of several operating entities and clinics mainly in Beijing; (4) the contractual arrangements among Beijing Ruier, DANG Jianhua, ZOU Lifang and Hangzhou Shengbin, under which Hangzhou Shengbin was the holding company of several operating entities and clinics in Hangzhou; and (5) the contractual arrangements among Beijing Ruier, ZOU Lifang and Shenzhen Ruijian, under which Shenzhen Ruijian was the holding company of several operating entities and clinics mainly in Shenzhen, Sichuan and Chongqing (collectively, the “**Previous VIE Structure**”). Each set of the previous contractual arrangements consists of the following agreements: (a) an exclusive business cooperation agreement, pursuant to which the relevant wholly-owned subsidiary of the company (“**Previous WFOE**”) agreed to provide exclusive services to the relevant VIE entities mainly in areas of technology, business operation and employee trainings; (b) an exclusive option agreement, pursuant to which Previous WFOE was granted an irrevocable and exclusive right to purchase all or any part of the equity interests in the relevant VIE entities; (c) a share pledge agreement, pursuant to which the relevant registered shareholders agreed to pledge all of his or her equity interest in the VIE entities to the relevant Previous WFOE; and (d) a proxy agreement, pursuant to which the registered shareholders agreed to appoint Previous WFOE as their respective attorney who shall have the authorization to act on behalf of registers shareholders with respect to all his or her rights at shareholders’ meetings. We had operated our business under the Previous VIE Structure since August 25, 2011, in light of the proposed [REDACTED] on the Stock Exchange and to better comply with the requirements under the Listing Rules, we entered into the new set of Contractual Arrangements on August 20, 2020 and managed to hold the maximum equity interests in all of our operating entities to the extent possible under the prevailing PRC laws and regulations and the requirements under the Listing Rules. In June 2021, given the Contractual Arrangements have been taken effect, the relevant parties over the Previous VIE Structure entered into a termination agreement and dismantled the previous contractual arrangements.

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The following chart sets forth our Group’s simplified corporate and shareholding structure immediately prior to our Reorganization:



Note:

- (1) Each of Shenzhen Ruijian, Beijing Shengbin, Shanghai Shengbin, Shanghai Yazheng and Hangzhou Shengbin held a number of operating entities or clinical branches in the PRC.

In preparation for the [REDACTED] and to streamline our corporate structure, we underwent the following steps for the Reorganization.

(I) Offshore Reorganization

(i) Re-domicile of Our Company from BVI to Cayman Islands

Our Company was originally incorporated in the BVI on May 23, 2001 as a company limited by shares. On November 16, 2020, our Company discontinued as a company incorporated under BVI Business Companies Act 2004 (as amended) and was registered by way of continuation as an exempted company limited by shares under the Cayman Companies Act.

Following the re-domicile, in April 2021, we completed the series E round of financing and all of our existing shareholders entered into a shareholders agreement which set out the shareholders’ rights and obligations in light of the proposed [REDACTED].

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(ii) *Incorporation or Acquisition of Our Offshore Subsidiaries*

Orthodontics Asia (Hong Kong) Limited (“OA (HK)”)

On September 7, 2020, OA (HK) was established as a limited company in Hong Kong and wholly owned by Wisdom Base Investments Ltd. (“**WB (BVI)**”), which is a BVI company with limited liability and in turn directly wholly owned by our Company. WB (BVI) has no substantive business since its incorporation.

Arrail Institute of Advanced Dentistry (AIAD) Limited (瑞爾口腔醫學院有限公司) (“AIAD (HK)”)

On October 30, 2020, Mr. ZOU Qifang transferred all of his equity interest in AIAD (HK), a company incorporated under the laws of Hong Kong and previously wholly owned by him, to Arrail Dental Limited (“**AD (BVI)**”), which is a BVI company with limited liability and in turn directly wholly owned by the Company. AIAD (HK) has become a wholly-owned subsidiary of us since then. The consideration for such acquisition was in a nominal value of HK\$1.0, since AIAD(HK) has no substantive business since its incorporation.

Orthodontics Asia Limited (“OA (BVI)”)

On November 2, 2020, Mr. ZOU Qifang transferred all of his equity interest in OA (BVI), a BVI business company with limited liability and previously wholly owned by him, to our Company for a nominal consideration of US\$1.0 and OA (BVI) has been directly wholly owned by our Company since then. OA (BVI) has no substantive business since its incorporation.

(II) Onshore Reorganization

(i) *Optimization of Operating Structure*

Prior to the Reorganization, we had more than 60 subsidiaries operated in the PRC. In order to optimize our business operations, we underwent a series of reorganizations within the Group to consolidate our operating entities mainly in Sichuan and Chongqing, Beijing, Shanghai, Guangzhou and Shenzhen as well as some other areas.

We are advised by our PRC Legal Advisers that considering the business nature of our operating entities, we are not allowed to hold, either directly or indirectly, more than 70% equity interest in each of our medical institutions in the PRC (other than medical institutions in Sichuan Province, where we are allowed to hold up to 90% equity interest in each of the medical institutions). In light of such regulatory restrictions and taking into account the interest held by other minority shareholders in some of our subsidiaries, we sorted out the maximum equity interest we can hold in each of our operating entities, conducted a number of equity transfers of our subsidiaries inside the Group as a step of the internal restructuring and put them under the respective regional management platforms. Upon completion of such structure optimization, most of our onshore operating entities have been reorganized into four groups based on their locations, namely (1) the

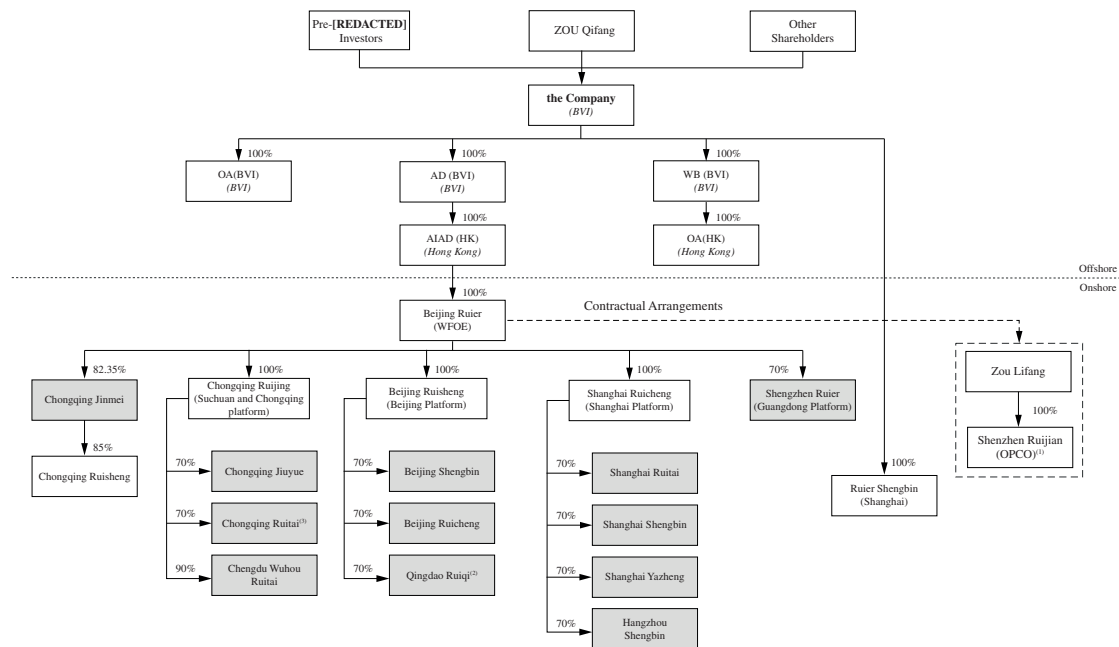
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Sichuan and Chongqing group, of which Chongqing Ruijing is the management platform, (2) the Beijing group, of which Beijing Ruisheng is the management platform, (3) the Shanghai group, of which Shanghai Ruicheng is the management platform, and (4) the Guangdong group, of which Shenzhen Ruier is the management platform.

(ii) Entering into the Contractual Arrangements

As advised by our PRC Legal Advisers, considering the business conducted by our onshore entities are regulated as “restricted” business pursuant to the Negative List and for the purpose of consolidating our interest in such operating entities, we effected a series of Contractual Arrangements among Beijing Ruier (as the WFOE), Shenzhen Ruijian (as the OPCO), ZOU Lifang (as the Registered Shareholder) and each of the subsidiaries whose minority interest are directly held by Shenzhen Ruijian of our VIE Entities on August 20, 2020. For details of the Contractual Arrangements, please see “Contractual Arrangements” in this document.

Our simplified corporate and shareholding structure after the abovementioned reorganization steps is as follows:



Notes:

- (1) denotes the VIE Entities which Shenzhen Ruijian has direct minority interest in. For VIE Entities in which Shenzhen Ruijian has indirect minority interest, please refer to the chart in “Corporate Structure Immediately Prior to the [REDACTED]” below.
- (2) Qingdao Ruiqi is indirectly held by WFOE as to 70% and by Shenzhen Ruijian as to 10%. The remaining 20% interest of which is held by Chengdu Ruibowen Hospital Management LLP (成都瑞勃文醫院管理中心(普通合夥)), a limited partnership set up by some of our employees, including Mr. QU Bo and Mr. HU Yunfan, who are senior management of the Company.
- (3) Chongqing Ruitai is indirectly held by WFOE as to 70% and by Shenzhen Ruijian as to 18%. The remaining 12% interest is held by Chongqing Ruibang Xingtai Hospital Management Center LLP (重慶瑞邦興泰醫院管理中心(普通合夥)), a limited partnership set up by some of our employees, including Mr. HU Xing, who is our senior management.

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POST-TRACK RECORD PERIOD INVESTMENT

Zhuhai Hengqin Ruiertai Hospital Investment Co., Ltd. (珠海橫琴瑞爾泰醫院投資有限公司), a subsidiary of our Company, as purchaser proposed to enter into an investment agreement with Shenzhen Baocheng Dental Hospital (深圳寶城口腔醫院) (the “**Target Company**”) and its existing shareholders, to (i) acquire 6.7% and 3.3% equity interest in the Target Company from Shenzhen Wangyang Dental Management Co., Ltd. (深圳市汪洋齒科管理有限公司) and Shenzhen Sanjiang Chunyuan Trading Co., Ltd. (深圳市三江春源貿易有限公司), as the existing shareholders of the Target Company, at a consideration of RMB10.72 million and RMB5.28 million, respectively, and (ii) subscribe for RMB8.93 million representing 4.4% of the increased registered capital of the Target Company, for the purpose of future business development of our Company (the “**Acquisition**”). Upon completion of the Acquisition, Zhuhai Hengqin Ruiertai Hospital Investment Co., Ltd. will hold 14.4% equity interest in the Target Company in total. The consideration was determined based on arm’s length negotiation between the parties taking into account of comprehensive assessment of the dental service team, location advantage and business performance of the Target Company. The transfer of the 10% equity interest from the existing shareholders of the Target Company and subscription of the 4.4% enlarged registered capital in the Target Company is expected to be completed in April 2022. The Target Company will not be accounted for as a subsidiary of our Company upon completion of the Acquisition.

The principal business activities of the Target Company is provision of comprehensive dental services, including general dentistry, orthodontics, implantology and periodontology. It is a Class II dental specialist hospital located in Baoan District, Shenzhen, Guangdong Province, the PRC. According to the management accounts provided by the Target Company, as of December 31, 2020 (being the most recent financial year of the track record period of the Target Company), the total revenue of the Target Company was approximately RMB33.0 million, and it recorded a loss before tax of approximately RMB1.2 million. The total assets of the Target Company as of September 30, 2021 were approximately RMB35.0 million. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Target Company, Shenzhen Wangyang Dental Management Co., Ltd. (深圳市汪洋齒科管理有限公司) and Shenzhen Sanjiang Chunyuan Trading Co., Ltd. (深圳市三江春源貿易有限公司) is a third party independent of the Company and its connected persons.

The proposed Acquisition is in our ordinary and usual course of business. Our Directors are of the view that (a) the Acquisition, as a key investment project in our expansion plan in Southern China, is aligned with the synergic development of our Company’s dental services business and our growth strategy. The Target Company is a Class II dental specialist hospitals located in Shenzhen. Its fine medical resources, experienced management team and excellent business performance helped built a solid basis of cooperation between us; and (b) the proposed terms of the Acquisition are fair and reasonable and in the interests of our Company and Shareholders as a whole.

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MAJOR ACQUISITIONS AND DISPOSALS

Save as disclosed above in this section, throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers.

EMPLOYEE INCENTIVE PLAN

On June 25, 2021, the Board has approved to set up a platform in the BVI to hold the incentive shares in a total amount of 4,798,904 Shares (or 119,972,600 Ordinary Shares assuming the completion of the Share Subdivision), representing approximately 22.42% of the total issued share capital of the Company immediately before the [REDACTED], for the participants under an RSU Scheme adopted by the Company on August 3, 2021. The purpose of RSU Scheme is to attract, retain and motivate our Directors, employees and such other participants, and to provide a means of compensating them through the grant of awards for their contribution to the growth and profits of the Group, and to allow such Directors, employees and other persons to participate in the growth and profitability of the Group. The Company trust that their employees will be motivated particularly in view of the significant amount of underlying Shares reserved for the employee incentive plan. The number of underlying shares to be granted (i.e. 4,798,904) under the proposed RSU Scheme is the aggregate amount of incentive shares reserved based on resolutions in the previous rounds of Pre-[REDACTED] Investments passed in 2010, 2011, 2014, 2017 and 2020 and agreed by the relevant Shareholders. Such incentive shares have not been granted to any employees in the previous rounds of Pre-[REDACTED] Investments. The ESOP BVI is managed by an independent trustee entrusted by the Company. We believe the RSU Scheme will align the interests of the eligible persons with those of our Group through ownership of Shares to encourage and retain them to make contributions to the long-term growth and profits of our Group. In order to maintain a stable ownership of the Company as well as the dynamics between our founder and the Pre-[REDACTED] Investors, a deed of voting proxy was executed by the ESOP BVI on October 1, 2021, who irrevocably and unconditionally appointed Mr. Zou as its true and lawful attorney and proxy with respect to all the Shares of the ESOP BVI at the Company’s shareholders’ meetings. For further details of the RSU Scheme, see “Appendix IV—Statutory and General Information—A. Further Information about Our Company and Our Subsidiaries—6. RSU Scheme.”

On October 1, 2021, 616 employees (of which, (i) 8 of them are Directors and senior management with a total of 1,076,799 underlying shares granted, representing 29.35% of the total underlying shares granted, (ii) 272 of them are dentists with a total of 1,476,033 underlying shares granted, representing 40.23% of the total underlying shares granted, (iii) 100 of them are nurses with a total of 108,660 underlying shares granted, representing 2.96% of the total underlying shares granted, and (iv) the remaining 236 grantees are other supporting staff with a total of 1,007,449 underlying shares granted, representing 27.46% of the total underlying shares granted) were approved by the Board to be grantees under the RSU Scheme with a total of 3,668,941 underlying Shares (or 91,723,525 underlying Shares assuming the completion of the Share Subdivision), representing approximately 76% of the underlying Shares to be granted under the proposed RSU Scheme. None of such grantees has interest in the underlying Shares of more than 2% of our total issued share capital upon completion of the

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[REDACTED]. For details of the awards granted to Directors and senior management, please refer to “Appendix IV Statutory and General Information—A. Further Information About Our Company and Our Subsidiaries—6. RSU Scheme—Awards Granted under the RSU Scheme”. Despite the grant of approximately 76% of the underlying shares to Directors, senior management and employees on October 1, 2021, the RSU Scheme may still incentivize their Directors, senior management and employees as the granted RSUs will only become realizable in four equal installments after each of the sixth months starting from the [REDACTED], provided that the respective grantee holding such RSUs passes the annual performance review administered by the Board for each of the immediately preceding calendar years. Currently, we do not have plans on granting RSUs in the near future. If the Company has plan to allocate the remaining incentive shares, the allocation among the Directors/senior management and the employees will be in similar proportion as those granted on October 1, 2021. Such allocation plan will effectively incentivize employees and also retain talents who held different positions in the Group including dentists, nurses and other supporting staff with sufficient amount of underlying Shares as incentive awards.

Taking into account the Shares held by the ESOP BVI, Mr. Zou will be interested in approximately 34.29% of the total share capital of the Company, and therefore he will become a controlling shareholder (as defined under the Listing Rules) as at the date of this document. Following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Zou will be interested in an aggregate of approximately [REDACTED]% of the total issued share capital of our Company. Irrespective of the composition of the shareholding of ESOP BVI, as long as the deed of voting proxy conferring the voting power of ESOP BVI upon Mr. Zou is still in effect and the underlying Shares are still held in escrow, it will not affect Mr. Zou’s controlling stake in the Company.

Share-based payment expenses relating to the RSUs granted under the RSU Scheme amounted to not less than RMB90 million, RMB120 million and RMB30 million will be recognised in profit or loss in the financial years of 2022, 2023 and 2024 respectively.

FAMILY TRUST OF THE FOUNDER

On June 10, 2021, Mr. Zou transferred 1 share of Rise Day Holdings Limited, being the total share capital of it, to United Culture Assets Limited, which is a BVI company wholly owned by an independent trustee entrusted by Mr. Zou. A family trust was established over United Culture Assets Limited for the benefits of Mr. Zou and his family members accordingly, of which Mr. Zou acts as the protector and settlor.

SHARE SUBDIVISION

We expect to conduct the Share Subdivision immediately before the [REDACTED], pursuant to which each Ordinary Share and Preferred Share with par value US\$0.50 in our issued and unissued share capital was subdivided into 25 Shares with par value US\$0.02 each, following which our issued share capital consisted of (i) 160,064,300 Class 1 Ordinary Shares with par value of US\$0.02 each, (ii) 29,729,575 Class 2 Ordinary Shares with par value of US\$0.02 each, (iii) 24,343,925 Series A-1 Preferred Shares with par value of US\$0.02 each,

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(iv) 17,834,725 Series A-2 Preferred Shares with par value of US\$0.02 each, (v) 18,794,550 Series B Preferred Shares with par value of US\$0.02 each, (vi) 87,577,250 Series C Preferred Shares with par value of US\$0.02 each, (vii) 37,395,900 Series D-1 Preferred Shares with par value of US\$0.02 each, (viii) 19,132,800 Series D-2 Preferred Shares with par value of US\$0.02 each, (ix) 31,412,525 Series D-3 Preferred Shares with par value of US\$0.02 each and (x) 108,778,900 Series E Preferred Shares with par value of US\$0.02 each. All Preferred Shares will be converted into Shares on a one to one basis by way of re-designation to Shares on the [REDACTED].

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PRE-[REDACTED] INVESTMENTS

To fund our rapid business expansion and to diversify our shareholder base, we have conducted eight rounds of Pre-[REDACTED] Investments, particulars of which are as follows:

Principal terms of the Pre-[REDACTED] Investments

	Series A	Series B	Series C	Series D-1	Series D-2	Series D-3	Series E
Date of initial relevant agreement with the Pre-[REDACTED] Investors	January 23, 2010 and April 9, 2010	July 29, 2011	March 5, 2014	July 14, 2017 and July 23, 2017	July 14, 2017, July 24, 2017, December 13, 2017 and January 31, 2018	December 22, 2017	January 8, 2021, March 1, 2021, March 5, 2021, March 8, 2021 and March 22, 2021
Date of settlement	April 10, 2010, April 27, 2010 and April 28, 2010	August 30, 2011, September 1, 2011 and September 23, 2011	April 3, 2014, April 4, 2014 and April 7, 2014	July 29, 2017 and July 31, 2017	February 8, 2018 and February 9, 2018	December 29, 2017 and January 9, 2018	February 1, 2021, March 4, 2021, April 7, 2021, April 8, 2021, April 22, 2021 and April 30, 2021
Total amount of Pre-[REDACTED] Investments	US\$16,811,278.63	US\$20,000,007.46	US\$68,500,000.00	US\$45,000,014.00	US\$30,000,000.00	US\$55,264,349.00 ⁽⁴⁾	US\$188,740,119.00 ⁽⁶⁾
Total number of Preferred Shares/ Shares under the Pre-[REDACTED] Investments	3,024,614 Series A-1 Preferred Shares 853,321 Series A-2 Preferred Shares	1,975,245 Series B Preferred Shares	4,323,633 Series C Preferred Shares	1,495,836 Series D-1 Preferred Shares	765,312 Series D-2 Preferred Shares	1,256,501 Series D-3 Preferred Shares 396,827 Class 1 Ordinary Shares ⁽⁵⁾	4,351,156 Series E Preferred Shares ⁽⁷⁾
Cost per Preferred Share/Share ⁽¹⁾	US\$0.17	US\$0.41	US\$0.63	US\$1.20	US\$1.57	US\$1.34	US\$1.74
Post valuation of our Group at the time of the Pre-[REDACTED] Investments ⁽²⁾	US\$29.98 million	US\$87.88 million	US\$208.50 million	US\$494.94 million	US\$735.00 million	US\$601.16 million	US\$980.21 million
Discount to the [REDACTED] ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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Basis of Considerations

The consideration for the Pre-[REDACTED] Investments were determined based on arm’s length negotiation among our Company and the Pre-[REDACTED] Investors after taking into consideration of, among others, (1) the timing of investments, (2) the status and prospect of our business at the time of investment, and (3) the business resources, strategic cooperation opportunities and benefits that the Pre-[REDACTED] Investors could bring to our Company.

Use of Proceeds from the Pre-[REDACTED] Investments

The proceeds from the Pre-[REDACTED] Investment were to fund the Company’s expansion of its business, capital expenditure, operations, sales and working capital needs. As of the Latest Practicable Date, approximately US\$103.6 million of the net proceeds received by us from the Pre-[REDACTED] Investments had not yet been utilized, among which approximately 80% of the net proceeds is expected to be used to repay commercial loans, termination fee of the Warrants, new hospitals and clinics opening expenses, research and development expenses, [REDACTED] and acquisition expenses and approximately 20% will be used to fund the Company’s daily operations and working capital needs.

Lock-up

The Shares held by Pre-[REDACTED] Investors will be subject to lock-up for a period ending on, and including, the date that is six months from the [REDACTED], subject to the respective lock-up undertaking entered into by the Pre-[REDACTED] Investors before the date of this document.

Special rights⁽⁸⁾

Certain rights were granted to the Pre-[REDACTED] Investors, including, but not limited to, information rights, appointment of Directors, right of first refusal, veto rights, tag-along rights and redemption rights. No special rights granted to our Pre-[REDACTED] Investors will survive upon consummation of the [REDACTED]⁽⁸⁾.

Strategic benefits of the Pre-[REDACTED] Investors

Our Directors are of the view that our Company can benefit from the Pre-[REDACTED] Investors’ commitment to our Company, and their investments demonstrate their confidence in the operation of our Group and serve as an endorsement of our Company’s performance, strengths and prospects. Our Company also benefited from the knowledge and experience of certain Pre-[REDACTED] Investors.

Notes:

- (1) Equals the total equity value at the time of the investment divided by the number of Shares in issue upon completion of the Share Subdivision and the [REDACTED] and assuming the [REDACTED] is not exercised.
- (2) The corresponding valuation is calculated based on the proposed post-money capitalization of our Company at the time of investment (on an as-converted and non-diluted basis).
- (3) Assuming the [REDACTED] is fixed at HK\$[REDACTED], being the mid-point of the indicative [REDACTED] range, based on the number of Shares in issue immediately upon completion of the Share Subdivision and the [REDACTED] and assuming the [REDACTED] is not exercised.
- (4) Including purchase price of US\$42,000,000 and US\$13,264,349 paid to selling shareholders for re-designated Series D-3 Preferred Shares and Class 1 Ordinary Shares, respectively.
- (5) Including 1,256,501 Shares acquired from certain selling shareholders and re-designated as Series D-3 Preferred Shares and 396,827 Shares acquired from certain selling shareholders and re-designated as Class 1 Ordinary Shares.
- (6) Including purchase price of US\$71,098,032 paid to certain selling shareholders for re-designated Series E Preferred Shares and US\$117,642,087 for issuance of new Series E Preferred Shares, respectively.
- (7) Including 1,819,497 ordinary and preferred shares acquired from certain selling shareholders and re-designated as Series E Preferred Shares and issuance of 2,531,659 new Series E Preferred Shares.
- (8) Under the amended and restated shareholders’ agreement dated January 29, 2021, the holder of Preferred Shares may request that the Company redeem the outstanding preferred shares held by such holder if there is any material breach of transactional documents or no qualified IPO occurs by December 31, 2021 (“Redemption Date”). A qualified IPO means an IPO acceptable to the majority of Shareholders with a pre-money market capitalization no less than US\$1 billion. A shareholders’ resolution to extend the Redemption Date to December 31, 2023 was executed on August 12, 2021. Notwithstanding the foregoing, pursuant to the shareholders agreement dated January 29, 2021, such redemption right shall cease to be exercisable immediately upon the Company’s [REDACTED] application with the Stock Exchange.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series A Pre-[REDACTED] Investment

On January 23, 2010, KPCB China Fund, L.P. (“*KPCB CF*”), KPCB China Founders Fund, L.P. (“*KPCB CFF*”, together with KPCB CF, collectively, the “*KPCB Investors*”), Rise Day Holdings Limited (“*Rise Day*”), ZOU Qifang, Mingda International Limited (“*Mingda*”) entered into a bond subscription agreement (the “*BSA*”). On April 9, 2010, KPCB Investors, East Venture, Ltd. (a company established under the laws of the Cayman Islands), Rise Day, ZOU Qifang, Mingda, Qiming Venture Partners II, L.P. (“*QVP*”), Qiming Venture Partners II-C, L.P. (“*QVPC*”), Qiming Managing Directors Fund II, L.P. (“*QMDF*”, together with QVP and QVPC, the “*Qiming Parties*”) entered into a supplemental and amendment deed to the BSA (“*BSA Amendment Deed*”). Under the BSA and the BSA Amendment Deed, an aggregate of 3,024,614 Series A-1 Preferred Shares were subscribed, details of which are as follow:

Name of Investor	Number of Preferred Shares	Consideration (US\$)
QVP, QVPC and QMDF	946,836	4,500,000.00 ⁽¹⁾
KPCB CF, KPCB CFF and East Venture, Ltd. ⁽²⁾ (First Issuance)	526,020	2,500,000.00
KPCB CF and KPCB CFF (Second Issuance)	1,551,758	6,250,000.00 ⁽³⁾
Total	3,024,614	13,250,000.00

Notes:

- (1) The consideration includes US\$3.5 million in cash and assignment to the Company a US\$1 million loan.
- (2) East Venture, Ltd. and KPCB China Management Fund, L.P. are investment vehicles under common control of Tina Lin-chi Ju, the shares held by East Venture in the Company was transferred to KPCB China Management Fund, L.P. at cost on June 22, 2011.
- (3) The consideration includes the transfer to the Company 1,551,758 Class 2 Ordinary Shares by Rise Day.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Under the BSA Amendment Deed, ZHANG Xiaoming was issued the 64,291 Series A-2 Preferred Shares by the Company in exchange for the 64,291 Class 2 Ordinary Shares held by him. In addition, the Company repurchased from Rise Day 2,034,284 Class 2 Ordinary Shares in consideration for: (a) allotting and issuing to Rise Day and/or Robert Zou an aggregate of 1,455,662 Class 1 Ordinary Shares and 789,030 Series A-2 Preferred Shares and (b) paying to Rise Day US\$1,500,000 in cash. Rise Day then had the Company issue the aforementioned 789,030 Series A-2 Preferred Shares directly to the third party investors, details of which are as follow:

<u>Name of Investor</u>	<u>Number of Preferred Shares</u>	<u>Consideration</u> (US\$)
ZHANG Xiaoming	64,291	261,278.63
CSP Venture Holdings Ltd.	95,640	400,000.00
Grand Sunshine Holdings Limited	95,640	400,000.00
MA Chen ⁽¹⁾	95,640	400,000.00
DANG Xinhua ⁽¹⁾	95,640	400,000.00
CAI, Patrick	95,640	400,000.00
ZHANG Yi Kevin	95,640	400,000.00
HUNG Yin ⁽¹⁾	95,640	400,000.00
GUAN Yinjie ⁽¹⁾	119,550	500,000.00
Total	853,321	3,561,278.63

Note:

- (1) Each of MA Chen and DANG Xinhua is an individual investor who was introduced to our Group by Mr. Zou’s acquaintances. Hung Yin and GUAN Yinjie are individual investors who were Mr. Zou’s alumni in Wharton School of University of Pennsylvania. The shares held by DANG Xinhua was transferred to LI Yanming on June 22, 2018. On December 29, 2017, HUNG Yin transferred 20,079, 20,079, 2,008 and 13,316 shares of the Company to HH AGL Holdings Limited, Infinite Benefits Limited, CEC Healthcare Fund L.P. and Beier Holdings Limited, respectively. The remaining 40,158 shares of the Company held by HUNG Yin was repurchased by the Company on the same date. The shares held by GUAN Yinjie was transferred to JC International Company Limited on August 23, 2012.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

During this round of financing, an aggregate of up to 210,408 ordinary Shares (followed by subsequent adjustment to 107,308), were approved by the shareholders to be issued as incentive shares for the benefits of our employees, which have been counted into the total number of ordinary Shares to be issued to the ESOP BVI.

Series B Pre-[REDACTED] Investment

On July 29, 2011, GL CP Life Investment Limited (“*GL Capital*”), KPCB Investors, Qiming Parties agreed to invest in our Company as Pre-[REDACTED] Investors by executing a share subscription agreement to subscribe a total of 1,975,245 Series B Preferred Shares for a total consideration of approximately US\$20 million, details of which are as follow:

<u>Name of Investor</u>	<u>Number of Preferred Shares</u>	<u>Consideration</u> <i>(US\$)</i>
GL Capital	987,622	9,999,998.67
KPCB CF	631,098	6,390,075.51
KPCB CFF	47,356	479,495.13
QVP	280,523	2,840,387.95
QVPC	24,564	248,718.61
QMDF	4,082	41,331.60
Total	<u>1,975,245</u>	<u>20,000,007.46</u>

During this round of financing, an aggregate of up to 441,831 ordinary Shares were approved by the shareholders to be issued as incentive shares for the benefits of our employees, which have been counted into the total number of ordinary Shares to be issued to the ESOP BVI.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series C Pre-[REDACTED] Investment

On March 5, 2014, Qiming Parties, KPCB Investors, Total Success Investment Ltd. (“*Total Success*”), Commonfund Capital Venture Partners X, L.P. (“*CVP 10*”), Commonfund Capital Emerging Markets 2013, L.P. (“*CEM 2013*”, and together with CVP 10, collectively, “*Commonfund*”), Prometheus Capital (International) Co., Ltd. (“*Prometheus*”, an investment company founded in 2012 that focuses on early to growth-stage investment opportunities within the TMT and consumer sectors) and Elite Capital Limited (“*Elite Capital*”) agreed to invest in our Company as Pre-[REDACTED] Investors by executing a share subscription agreement to subscribe a total of 4,323,633 Series C Preferred Shares for a total consideration of approximately US\$68.5 million, details of which are as follow:

Name of Investor	Number of Preferred Shares	Consideration <i>(US\$)</i>
QVP	400,893	6,351,412.64
QVPC	35,104	556,158.35
QMDF	5,834	92,429.01
KPCB CF	791,004	12,531,993.41
KPCB CFF	29,540	468,006.59
Total Success	2,209,156	35,000,000.00
CVP 10	189,356	3,000,003.17
CEM 2013	126,237	1,999,996.83
Prometheus	220,916	3,500,000.00
Elite Capital	315,593	5,000,000.00
Total	4,323,633	68,500,000.00

During this round of financing, an aggregate of up to 990,557 ordinary Shares were approved by the shareholders to be issued as incentive shares for the benefits of our employees, which have been counted into the total number of ordinary Shares to be issued to the ESOP BVI.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series D-1 Pre-[REDACTED] Investment

On July 14, 2017, Broad Street Investments Holding (Singapore) Pte. Ltd. (“*Broad Street*”) and Stonebridge 2017 (Singapore) Pte. Ltd. (“*Stonebridge*”), and on July 23, 2017, HH AGL Holdings Limited (“*HH AGL*”) agreed to invest in our Company as pre-[REDACTED] Investors by executing share subscription agreements to subscribe a total of 1,495,836 Series D-1 Preferred Shares for a total consideration of approximately US\$45.0 million, details of which are as follow:

Name of Investor	Number of Preferred Shares	Consideration (US\$)
Broad Street	831,020	25,000,011.70
Stonebridge	166,204	5,000,002.30
HH AGL	498,612	15,000,000.00
Total	1,495,836	45,000,014.00

Series D-2 Pre-[REDACTED] Investment

Under the share subscription agreement dated July 14, 2017 in relation to Series D-1 investment of Broad Street and Stonebridge and its deed of amendment dated January 31, 2018, Broad Street and Stonebridge were granted an option to subscribe for a total of 765,312 Series D-2 Preferred Shares for a total consideration of approximately US\$30.0 million, details of which are as follow:

Name of Investor	Number of Preferred Shares	Consideration (US\$)
Broad Street	637,760	25,000,000
Stonebridge	127,552	5,000,000
Total	765,312	30,000,000

During this round of financing, an aggregate of up to 1,530,622 ordinary Shares were approved by the shareholders to be issued as incentive shares for the benefits of our employees, which have been counted into the total number of ordinary Shares to be issued to the ESOP BVI.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series D-3 Pre-[REDACTED] Investment

On December 22, 2017, HH AGL, CEC Healthcare Fund L.P., Infinite Benefits Limited and Beier Holdings Limited agreed to purchase sale shares from certain then existing shareholders of our Company, which were re-designated by our Company at the completion as Series D-3 Preferred Shares or Class 1 Ordinary Shares (as applicable). The selling shareholders were Rise Day, ZHANG Xiaoming, KPCB Investors, GL Capital, HUNG Yin, Commonfund, Prometheus and HU Xiaofei, and details of the acquired and re-designated shares are as follow:

Name of Investor	Number of Preferred Shares/ Ordinary Shares	Purchase Price Paid to Sellers	Class of Shares Immediately upon Re-designation
		(US\$)	
HH AGL	598,334	20,000,000	Series D-3 Preferred Shares
CEC Healthcare Fund L.P.	59,833	2,000,000	Series D-3 Preferred Shares
Infinite Benefits Limited	598,334	20,000,000	Series D-3 Preferred Shares
Beier Holdings Limited	396,827	13,264,349	Class 1 Ordinary Shares
Total	1,653,328	55,264,349	–

Note:

- (1) As Mr. Zou was very confident in the prospects and long term goal of the Company, he decided to take up the remaining shares to be disposed of by the existing shareholders in Series D-3 round financing through Beier Holdings Limited (the “**Borrower**”) by obtaining loans from the Company to finance such acquisition. As (i) Mr. Zou’s acquisition of interests in the Company shows support and commitment to the Company; (ii) the Company will receive interest for the loans; and (iii) there is no substantial negative impact to the Company’s operation and financial performance for granting the loans, the Company is willing to grant the loans to the Borrower to finance the acquisition.

Pursuant to a loan agreement originally dated December 22, 2017 (as amended by an amendment agreement dated January 29, 2021) and entered into between the Company as lender and the Borrower as borrower, the Company granted to the Borrower a US\$ term loan facility (the “**Original Facility**”) in the aggregate principal amount of US\$12 million to finance the Borrower’s acquisition of 359,000 Class 1 Ordinary Shares. The Original Facility was utilised in full on December 29, 2017.

On June 28, 2021, the Company and the Borrower executed a loan agreement to confirm the terms of an additional US\$ term loan facility (the “**Second Facility**”) in the aggregate principal amount of US\$1,264,349, which was granted by the Company to the Borrower on December 29, 2017 to finance the Borrower’s purchase of the additional 37,827 Class 1 Ordinary Shares. Such Second Facility was utilized in full on December 29, 2017. For details, please refer to “Relationship with our Controlling Shareholders – Independence from Controlling Shareholders – Financial Independence”.

The Company’s legal advisors as to the Cayman Islands laws confirmed that the granting of such loans to the Borrower did not violate, conflict with or result in a breach of any law applicable to the Company in the Cayman Islands currently in force.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

In December 2017, our Company redeemed Class 1 Ordinary Shares, Class 2 Ordinary Shares, Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series B Preferred Shares and Series C Preferred Shares in an aggregate of 1,196,668 shares from certain selling shareholders with a total consideration of US\$40.0 million (“**Repurchased Shares**”). The Repurchased Shares have been cancelled by the Company simultaneously.

Series E Pre-[REDACTED] Investment

On January 8, 2021, Elbrus Investments Pte. Ltd. agreed to invest in our Company as Pre-[REDACTED] Investors by executing share subscription agreement to subscribe a total of 510,010 Series E Preferred Shares for a consideration of approximately US\$23.7 million, and purchased Class 1 Ordinary Shares, Class 2 Ordinary Shares, Series A-1 Preferred Shares, Series B Preferred Shares and Series C Preferred Shares in an aggregate of 1,819,497 shares from certain selling shareholders with a total consideration of US\$71,098,032 which were re-designated as Series E Preferred Shares.

On March 1, March 5, March 8 and March 22, 2021, certain Series E Pre-[REDACTED] Investors agreed to invest in our Company as Pre-[REDACTED] Investors by executing share subscription agreement to subscribe a total of 2,021,649 Series E Preferred Shares for a consideration of approximately US\$93.9 million. Details of the new Series E Preferred Shares are as follow:

Name of Investor	Number of Preferred Shares	Consideration (US\$)
Elbrus Investments Pte. Ltd.	510,010	23,699,344
WF Asian Reconnaissance Fund Limited	430,400	20,000,000
Worldwide Healthcare Trust PLC	451,921	21,000,020
OrbiMed Genesis Master Fund, L.P.	86,080	3,999,995
OrbiMed New Horizons Master Fund, L.P.	107,600	4,999,994
MIRAE ASSET NEW ECONOMY FUND L.P.	215,200	9,999,987
Grand Sunshine Holdings Limited	33,200	1,542,749
SHI Yaping	8,608	400,000
CAI, Patrick	21,520	999,999
JC International Company Limited	21,520	999,999
Hina Group Fund VII, L.P.	231,555	10,760,000
Hina Growth Opportunities Fund, L.P. ⁽¹⁾	215,200	10,000,000
Shanghai Xing Tou Han Rui Corporate Management Centre (Limited Partnership) 上海興投漢睿企業管理中心(有限合夥)	165,475	7,689,350
Shenzhen HanNeng New Economy Equity Investment Fund Corporation (Limited Partnership) 深圳漢能新經濟股權投資基金合夥企業(有限合夥)	33,370	1,550,650
Total	2,531,659	117,642,087

Note:

(1) Formerly known as Hina New Economic Fund, L.P.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On March 20, 2021, CHU Sze Pun acquired 95,640 Series A-2 Preferred Shares from CSP Venture Holdings Ltd., a company wholly owned by CHU Sze Pun, at nil consideration and on April 22, 2021, SHI Yaping acquired 95,640 Series A-2 Preferred Shares from MA Chen, husband of SHI Yaping, at nil consideration.

During this round of financing, an aggregate of up to 187,501 ordinary Shares were approved by the shareholders to be issued as incentive shares for the benefits of our employees, which have been counted into the total number of ordinary Shares to be issued to the ESOP BVI.

Pre-[REDACTED] Bond Financing

On March 16, 2020, Shenzhen Boquan Enterprise Management Center (Limited Partnership) (深圳博泉企業管理中心(有限合夥)) (the “**Bond Investor**”) as the investor, Beijing Ruier as the issuer, the Company and AASPCF3 Project Arrail Ltd, entered into a bond investment agreement (the “**Original Bond Investment Agreement**”), pursuant to which the Bond Investor granted a loan in the amount of RMB200 million (the “**Bond**”) to Beijing Ruier. On June 29, 2021, the same parties entered into a new bond investment agreement in the same amount (the “**New Bond Investment Agreement**”) to supersede the terms of the Original Bond Investment Agreement. The Bond (as amended by the New Bond Investment Agreement) will become mature on the fourth anniversary of the issuance date (i.e. April 9, 2020). If a qualified IPO occurs before December 31, 2022, the Bond Investor is entitled to request Beijing Ruier to repay the loan and the accrued interests within 15 days from the date of such listing. As of the Latest Practicable Date, the proceeds has been fully utilized for the procurement of assets and repayment of bank loans.

The Bond Investor is a limited partnership established under the laws of the PRC on 4 November 2019. whose general partner is Panshi Investment Consultant (Suzhou Industry Park) Co., Ltd (盤實投資顧問(蘇州工業園區)有限公司), a limited liability company established under the laws of the PRC and is wholly-owned by Abax Global Capital (Hong Kong) Limited. Abax Global Capital (Hong Kong) Limited and its affiliates advise and manage a number of private equity funds, including a Cayman Islands domiciled exempted limited partnership named Abax Asian Structured Private Credit Fund III, LP. Shenzhen Boquan is an onshore investment platform of Abax Asian Structured Private Credit Fund III, LP. Abax Global Capital (Hong Kong) Limited is an alternative investment manager founded in February 2007. It is licensed with the Hong Kong Securities and Futures Commission to conduct type 9 regulated activities. It currently has a firm asset under management of approximately US\$700 million and has 20 employees including 13 investment professionals based mainly in Hong Kong, Shanghai and Beijing. It manages and/or advises a number of private funds, most of which adopted a structured private credit strategy, aiming to provide growth capital in the form of structured private credit to profitable and growing middle-market companies in developing Asian countries, especially those with key operating exposure to China. These funds seek to invest in a diversified and actively-managed portfolio, typically consisting of fixed income instruments such as convertible debt, or loans or notes combined with equity options or

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warrants, and other equity-linked credit instruments. These funds have invested in a broad spectrum of industries such as the consumer, pharmaceutical and healthcare, urbanization, education, industrial, telecommunications and renewable energy sectors.

For details of the Pre-[REDACTED] bond financing, please refer to “Financial Information—Indebtedness, Contingent Liabilities and Off-Balance Sheet Commitments and Arrangements—Bond” and “Financial Information—Indebtedness, Contingent Liabilities and Off-Balance Sheet Commitments and Arrangements—Warrants”.

Information Regarding the Pre-[REDACTED] Investors

KPCB China Fund, L.P. (“KPCB CF”), KPCB China Founders Fund, L.P. (KPCB CFF) and KPCB China Management Fund, L.P.

KPCB CF and KPCB CFF are exempted limited partnerships established under the laws of Cayman Islands and are venture capital funds. The general partner of KPCB CF and KPCB CFF is KPCB China Associates, Ltd., which is a Cayman Islands exempted company. The voting and investment power of shares held by KPCB CF and KPCB CFF is exercised by the board of KPCB China Associates, Ltd. (“**KPCB China**”), which consists of Tina Lin-chi Ju, Theodore Schlein, Brook Byers, L. John Doerr and Raymon Lane.

KPCB CF and KPCB CFF were founded in 2007 with the goal of building a dialog between outstanding entrepreneurs and investors in the PRC, with a focus on identifying and promoting innovation and supporting entrepreneurs and portfolio companies for long-term, sustained growth and success.

KPCB China Management Fund, L.P. is an exempted limited partnership established under the laws of Cayman Islands in 2010 whose general partner is KPCB China Holdings, Ltd. Tina Lin-chi Ju is the sole director of KPCB China Holdings, Ltd.

The beneficial owners of KPCB CF include 74 limited partners, which are mainly university endowment funds and fund of funds (“**FoF**”) in the United States. None of the investors of KPCB CF is a core connected person of the Company or other Pre-[REDACTED] Investors, except for the seven FoFs, representing 6.81% of the limited partnership, managed by Commonfund Capital, who is a Series C investor. The beneficial owners of KPCB CFF and KPCB China Management Fund, L.P. are the general partners of KPCB CF.

Qiming Venture Partners II, L.P. (“QVP”), Qiming Venture Partners II-C, L.P. (“QVPC”), and Qiming Managing Directors Fund II, L.P. (“QMDF”)

QVP, QVPC and QMDF (collectively the “**Qiming Funds**”) are venture capital funds which are operated under Qiming Venture Partners and registered as exempted limited partnerships in the Cayman Islands, focusing on investments in companies in the telecommunication, media and technology (TMT) and healthcare sectors across China. Qiming

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

GP II, L.P. is the general partner of both QVP and QVPC, whereas Qiming Corporate GP II, Ltd. is the general partner of both Qiming GP II, L.P. and QMDF. The voting and investment power of shares held by the Qiming Funds is exercised by Qiming Corporate GP II, Ltd..

QVP has 51 limited partners which comprised reputable U.S. university endowment funds, U.S. pension funds, U.S. family trusts, U.S. limited liability companies, U.S. and U.K. fund-of-fund professional investment companies. No single limited partner owns 30% or more in equity interests of QVP. QVPC has one limited partner which is an investment company established in the U.K.. QMDF has 23 limited partners which comprised U.S. and Hong Kong citizens, U.S. limited liability companies and U.S. family trusts. No single limited partner owns 30% or more in equity interests of QMDF. The limited partners of QVP, QVPC and QMDF are independent from the Group.

Qiming Venture Partners is a leading China venture capital firm with over US\$5.9 billion of assets under management, and its portfolio companies include some influential brands in their respective sectors, such as Xiaomi Corporation (stock code: 1810 (HKSE)), Meituan Dianping (stock code: 3690 (HKSE)), Beijing Roborock Technology Co., Ltd. (stock code: 688169 (SHSE)), Bilibili Inc. (stock code: BILI (NASDAQ), 9626 (HKSE)), Gan & Lee Pharmaceuticals (stock code: 603087 (SHSE)), Venus Medtech (Hangzhou) Inc. (stock code: 2500 (HKSE)), Hangzhou Tigermed Consulting Co., Ltd. (stock code: 300347 (SZSE), 3347 (HKSE)), Zai Lab Limited (stock code: ZLAB (NASDAQ), 9688 (HKSE)), Shanghai Sanyou Medical Co., Ltd. (stock code: 688085 (SHSE)) and Amoy Diagnostics Co., Ltd. (stock code: 300685 (SZSE)).

OrbiMed New Horizons Master Fund, L.P. (“ONH”), OrbiMed Genesis Master Fund, L.P. (“Genesis”) and Worldwide Healthcare Trust PLC (“WWH”)

WWH is a publicly listed trust organized under the laws of England. OrbiMed Capital LLC is the portfolio manager of WWH. ONH and Genesis are each exempted limited partnership established under the laws of Cayman Islands with OrbiMed Advisors LLC acting as the investment manager. OrbiMed Capital LLC and OrbiMed Advisors LLC exercise voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho and W. Carter Neild, each of whom has beneficial ownership of the Shares held by WWH, OGF and ONH and is independent from the Company.

Elbrus Investments Pte. Ltd.

Elbrus Investments is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Temasek is wholly owned by the Singapore Minister for Finance. Under the Singapore Minister for Finance (Incorporation) Act (Chapter 183), the Minister for Finance is a body corporate. As a commercial investment company, Temasek has its own Board of Directors and professional management team. Temasek owns and manages its portfolio with full commercial discretion and flexibility under the guidance of its Board. The Singapore Government is not involved in Temasek’s investment, divestment, or any other business or operational decisions.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Total Success Investment Ltd.

Total Success Investment Ltd. is an investment holding company incorporated in the Cayman Islands and is wholly owned by 19 Growth Capital Fund LP, a limited partnership registered in the State of Delaware with 19 Growth Capital Fund GP Inc. acting as the general partner and Empire Choice International Limited acting as the limited partner. 19 Growth Capital Fund GP Inc. is held by John Buckley and Zheng Zhang, both of whom are members of investment committee of 19 Growth Capital Fund LP, as to 60% and 40%, respectively. Empire Choice International Limited is wholly owned by Young Roger K C, an experienced investor with years of experience in developing strong investment portfolios. All of such beneficial owners are independent from the Company. 19 Growth Capital Fund LP is a growth-stage private equity fund with strong track record. Leveraging its rich experience investing into growth-stage companies in North America, Asia and Australia, the fund specializes in investment sectors such as consumer services, consumer goods, advanced manufacturing, technology and innovation and healthcare.

Broad Street Investments Holding (Singapore) Pte. Ltd. (“Broad Street”) and Stonebridge 2017 (Singapore) Pte. Ltd. (“Stonebridge”)

Broad Street is a company incorporated under the laws of the Republic of Singapore and is ultimately owned by The Goldman Sachs Group, Inc, a company incorporated under the laws of Delaware and whose shares are listed on the NYSE (stock code: GS).

Stonebridge is a company incorporated under the laws of the Republic of Singapore. Stonebridge is held by multiple employee funds of The Goldman Sachs Group, Inc., among which, the general partner of the funds is a wholly-owned subsidiary of The Goldman Sachs Group, Inc..

WF Asian Reconnaissance Fund Limited

WF Asian Reconnaissance Fund Limited is managed by Ward Ferry Management (BVI) Limited (“**Ward Ferry**”), a boutique investment management firm founded in 2000. Based in Hong Kong, Ward Ferry manages long-only equity funds that invest across Asia for global institutional investors. Ward Ferry’s fundamentals-driven investment strategy follows a “private equity” approach to public markets investing by performing intensive on-the-ground primary research and targeting a multi-year investment horizon. WF Asian Reconnaissance Fund Limited is incorporated under the laws of the Cayman Islands with 75 registered shareholders, the largest investor is a university public pension and endowment fund in the US, representing 42% of the assets under management. There is no other shareholders holding more than one third of the assets in WF Asian Reconnaissance Fund Limited. It is independent from the Group.

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HH AGL Holdings Limited

HH AGL Holdings Limited (“**HH AGL**”) is an exempted company with limited liability incorporated under the laws of Cayman Islands and is engaged in investment holding. HH AGL is ultimately managed and controlled by Hillhouse Capital Management, Ltd. (“**Hillhouse**”), an exempted company incorporated under the laws of Cayman Islands. Founded in 2005, Hillhouse is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse’s investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse invests in the healthcare, consumer, telecommunications, media, technology (TMT), consumer technology, financial and business services sectors in companies across all equity stages. Hillhouse and its group members manage assets on behalf of global institutional clients.

Infinite Benefits Limited

Infinite Benefits Limited is an investment company incorporated in the Cayman Islands. Infinite Benefits Limited is controlled by CITIC Capital Holdings Limited (“**CCHL**”) which is a global alternative investment management and advisory company whose core businesses include private equity, real estate, structured investment and finance, special situations, and asset management. Its assets under management comes from institutional investors in North America, Europe, Asia and the Middle East.

Elite Capital Limited

Elite Capital Limited is an exempted company with limited liability registered in the Cayman Islands. Elite Capital Limited has 12 shareholders, among which, Liang Bin, Gong Huimin, Wang Weiwei and Fu Quansheng each holding over 10% of the equity interest therein. No single shareholder owns 30% or more of the equity interest in Elite Capital Limited. Elite Capital Limited primarily invests in early to growth stage companies in Greater China. It is independent from the Group.

Hina Growth Opportunities Fund, L.P. and Hina Group Fund VII, L.P.

Hina Growth Opportunities Fund, L.P., formerly known as Hina New Economic Fund, L.P., is an exempted limited partnership registered in the Cayman Islands, whose general partner is The Hina Group Holdings. The limited partners of Hina Growth Opportunities Fund, L.P. include New Hope International (Hong Kong) Limited, Risun Holding Limited, Lynn Ya-lin Liu and Blue Pool Capital Limited. Hina Growth Opportunities Fund, L.P. is a private equity fund with a focus on investment in growth to late-stage new economy companies in Greater China.

Hina Group Fund VII, L.P. is an exempted limited partnership registered in the Cayman Islands, whose general partner is The Hina Group Holdings, which is affiliated with Hina Growth Opportunities Fund, L.P.. The limited partners of Hina Group Fund VII, L.P. include MARBLE CAPITAL PTE. LTD., Dong Xianshun, Chen Chuxin and Zhang Wei.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Mirae Asset New Economy Fund L.P.

Mirae Asset New Economy Fund L.P. is an exempted limited partnership registered in the Cayman Islands whose general partner is Mirae Asset General Partners. Mirae Asset Securities (HK) Limited holds 30% or more limited partnership interests in Mirae Asset New Economy Fund L.P. The shareholder of Mirae Asset Securities (HK) Limited is Mirae Asset Securities Co Ltd. which is a company listed on the Korea Exchange (stock code 006800). Mirae Asset New Economy Fund L.P. mainly invests in growth stage companies in healthcare, consumer, telecommunications, media and technology (TMT) sectors in Greater China.

Shanghai Xing Tou Han Rui Corporate Management Centre (Limited Partnership) (上海興投漢睿企業管理中心(有限合夥))

Shanghai Xing Tou Han Rui Corporate Management Centre (Limited Partnership) is a limited partnership established in March 2021 in the PRC with Zhuhai Hanrui Investment Management Limited Liability Company (珠海漢睿投資管理有限責任公司) and Xing Tou (Beijing) Capital Management Limited Company (興投(北京)資本管理有限公司) and Fuzhou Economic Technology Development Area Xingrui Hesheng Equity Investment Partnership (Limited Partnership) (福州經濟技術開發區興睿和盛股權投資合夥企業(有限合夥)) acting as the limited partner, and Zhuhai Hanrui Investment Management Limited Liability Company as the managing partner.

Shenzhen HanNeng New Economy Equity Investment Fund Corporation (Limited Partnership) (深圳漢能新經濟股權投資基金合夥企業(有限合夥))

Shenzhen HanNeng New Economy Equity Investment Fund Corporation (Limited Partnership) is a limited partnership established in October 2018 in the PRC with Shenzhen Qianhai Hanrui Investment Center (Limited Partnership) (深圳前海漢睿投資中心(有限合夥)) acting as the general partner and Shenzhen Qianhai Hanrui Investment Center (Limited Partnership), Xixian New District Hanneng Investment Partnership (西鹹新區漢能投資合夥企業(有限合夥)), Jiaxing Xunran Equity Investment Partnership (Limited Partnership) (嘉興循然股權投資合夥企業(有限合夥)), Jiaxing Hanrui Equity Investment Partnership (Limited Partnership) (嘉興翰睿股權投資合夥企業(有限合夥)), Jiangsu Gaokai Investment Development Group Limited (江蘇皋開投資發展集團有限公司), Liu Kaiyang, Lhasa Economic Technology Development Area Xinzhan Investment Center (Limited Partnership) (拉薩經濟技術開發區新展投資中心(有限合夥)), Tibet Kuoda Investment Management Consultancy Co., Ltd. (西藏闊達投資管理諮詢有限公司) and Huang Haihui as limited partners.

JC International Company Limited

JC International Company Limited is an investment company with a focus on investment in early stage companies. It is incorporated in the BVI and jointly owned by Tanglin Chen and Yinjie Guan.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Grand Sunshine Holdings Limited

Grand Sunshine Holdings Limited is an investment holding company incorporated in the BVI and is wholly owned by Zhang Xiaoming, who is also the sole director of Grand Sunshine Holdings Limited.

Commonfund Capital

Commonfund Capital is part of Commonfund, a group of companies owned directly or indirectly by The Common Fund for Nonprofit Organizations (“TCF”). TCF is a tax-exempt membership corporation that offers investment fund interests to certain eligible educational and educational support organizations. As of June 30, 2020, Commonfund Capital manages approximately \$16,118,760,892 of committed capital on a discretionary basis and approximately \$100,000,000 of committed capital on a non-discretionary basis.

CEC Healthcare Fund L.P.

CEC Healthcare Fund L.P. is an exempted limited partnership registered in the Cayman Islands, whose general partner is CEC Healthcare Fund GP Limited, which is affiliated with China eCapital Holdings Ltd.. CEC Healthcare Fund L.P. primarily invests in growth stage healthcare companies in Greater China. CEC Healthcare Fund L.P. has 10 limited partners and no single limited partner owns 30% or more in equity interests thereof. The largest limited partner is Glory Bright International Limited, which holds 25.7% of the equity interest in CEC Healthcare Fund L.P. and is ultimately controlled by Zhong Shi.

Each of our individual investors, namely HU Xiaofei, CAI Patrick, CHU Sze Pun, LI Yanming, SHI Yaping, ZHANG Yi Kevin and ZHANG Xiaoming, is an Independent Third Party and was introduced to our Group by Mr. Zou’s acquaintances. Mr. Hu Xiaofei is a retired person. Before his retirement, he was the general manager of the sales department of China Galaxy Securities Chongqing Linjiang Road Branch (中國銀河證券重慶臨江路營業部) and has personal connection with the management team of the Company. CHU Sze Pun is the sole shareholder of CSP Venture Holdings Ltd.. LI Yanming is the spouse of DANG Xinhua. SHI Yaping is the spouse of MA Chen. Zhang Xiaoming is the sole director of Grand Sunshine Holdings Limited. Each of CSP Venture Holdings Ltd., DANG Xinhua, MA Chen, CAI Patrick, ZHANG Yi Kevin, ZHANG Xiaoming and Grand Sunshine Holdings Limited is a Series A pre-[REDACTED] Investor of our Company.

Save as disclosed above, to the best knowledge of the Directors, all the Pre-[REDACTED] Investors are independent from the Group and none of the Pre-[REDACTED] Investors is a core connected person of the other investors.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Public Float

Since Rise Day Holdings Limited, Beier Holdings Limited and Mingda International Limited are wholly owned by Mr. ZOU Qifang, who is a Director of the Company, the Shares held by Mr. ZOU Qifang, Rise Day Holdings Limited, Beier Holdings Limited and Mingda International Limited will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the [REDACTED]. Since the voting rights in aggregate of approximately [REDACTED]% immediately upon completion of the [REDACTED] of the ESOP BVI is held by Mr. Zou by way of proxy, Shares held by the ESOP BVI will also not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the [REDACTED].

As Ms. Qin Jessie XIN is also a Director of the Company, the Shares held by her will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the [REDACTED].

Except for Mr. ZOU Qifang, Rise Day Holdings Limited, Beier Holdings Limited, Mingda International Limited, Ms. Qin Jessie XIN and the ESOP BVI, none of the other Shareholders (i) is a core connected person of the Group; (ii) has been financed directly or indirectly by a core connected person of the Group for the subscription of Shares; or (iii) is accustomed to take instructions from a core connected person of the Group in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it, therefore the Shares held by other shareholders representing approximately [REDACTED]% of our issued share capital immediately following the [REDACTED] (assuming the [REDACTED] is not exercised) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the [REDACTED].

Compliance with Guidance Letter on Pre-[REDACTED] Investments

The Joint Sponsors have confirmed that the Pre-[REDACTED] Investments are in compliance with the Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and as updated in March 2017, the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017 and the Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The table below sets forth a summary of the shareholding of our shareholders in the Company as of the Latest Practicable Date:

Our Shareholders	Class 1 Ordinary Shares ⁽⁵⁾	Class 2 Ordinary Shares ⁽⁵⁾	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D-1 Preferred Shares	Series D-2 Preferred Shares	Series D-3 Preferred Shares	Series E Preferred Shares	Total number of shares held by Shareholder ⁽¹⁾	Shareholding in our Company as of the Latest Practicable Date ⁽²⁾	Shareholding in our Company upon completion of the [REDACTED] ^{(2),(3)}
ESOP BV ⁽²⁾	4,798,904	-	-	-	-	-	-	-	-	-	4,798,904	22.42%	[REDACTED]
RISE DAY HOLDINGS LIMITED	1,206,841	-	-	-	-	-	-	-	-	-	1,206,841	5.64%	[REDACTED]
Mingda International Limited	-	740,000	-	-	-	-	-	-	-	-	740,000	3.46%	[REDACTED]
Beier Holdings Limited	396,827	-	-	-	-	-	-	-	-	-	396,827	1.85%	[REDACTED]
ZOU Qiang	-	196,659	-	-	-	-	-	-	-	-	196,659	0.92%	[REDACTED]
Elbrus Investments Pte. Ltd.	-	-	-	-	-	-	-	-	-	2,329,507	2,329,507	10.88%	[REDACTED]
Total Success Investment Ltd.	-	-	-	-	2,209,156	-	-	-	-	-	2,209,156	10.32%	[REDACTED]
BROAD STREET INVESTMENTS HOLDING (SINGAPORE) PTE. LTD.	-	-	-	-	-	-	831,020	637,760	-	-	1,468,780	6.86%	[REDACTED]
STONEBRIDGE 2017 (SINGAPORE) PTE. LTD.	-	-	-	-	-	-	166,204	127,532	-	-	293,736	1.37%	[REDACTED]
KPCB CHINA FUND, L.P.	-	-	-	-	465,254	791,004	-	-	-	-	1,256,258	5.87%	[REDACTED]
KPCB CHINA FOUNDERS FUND, L.P.	-	-	6,142	-	47,356	29,540	-	-	-	-	83,038	0.39%	[REDACTED]
KPCB China Management Fund, L.P.	-	-	20,778	-	-	-	-	-	-	-	20,778	0.10%	[REDACTED]
Qiming Venture Partners II, L.P.	-	-	859,107	-	217,012	-	-	-	-	-	1,076,119	5.03%	[REDACTED]
Qiming Venture Partners II-C, L.P.	-	-	75,228	-	19,002	-	-	-	-	-	94,230	0.44%	[REDACTED]
Qiming Managing Directors Fund II, L.P.	-	-	12,502	-	3,158	-	-	-	-	-	15,660	0.07%	[REDACTED]
HH AGL Holdings Limited	-	-	-	-	-	-	498,612	-	598,334	-	1,096,946	5.13%	[REDACTED]
Infinite Benefits Limited	-	-	-	-	-	-	-	-	598,334	-	598,334	2.80%	[REDACTED]
Worldwide Healthcare Trust PLC	-	-	-	-	-	-	-	-	-	451,921	451,921	2.11%	[REDACTED]
Hina Group Fund VII, L.P.	-	-	-	-	-	-	-	-	-	231,555	231,555	1.08%	[REDACTED]
Hina Growth Opportunities Fund, L.P.	-	-	-	-	-	-	-	-	-	215,200	215,200	1.01%	[REDACTED]
WF Asian Reconnaissance Fund Limited	-	-	-	-	-	-	-	-	-	430,400	430,400	2.01%	[REDACTED]
Elite Capital Limited	-	-	-	-	-	315,593	-	-	-	-	315,593	1.47%	[REDACTED]
MIRAE ASSET NEW ECONOMY FUND L.P.	-	-	-	-	-	-	-	-	-	215,200	215,200	1.01%	[REDACTED]
OrbiMed New Horizons Master Fund, L.P.	-	-	-	-	-	-	-	-	-	107,600	107,600	0.50%	[REDACTED]
OrbiMed Genesis Master Fund, L.P.	-	-	-	-	-	-	-	-	-	86,080	86,080	0.40%	[REDACTED]
HU Xiaofei ⁽⁶⁾	-	170,418	-	-	-	-	-	-	-	-	170,418	0.80%	[REDACTED]
上海興投漢業企業管理中心(有限合伙) ⁽⁶⁾ (Shanghai Xing Tou Han Rui Corporate Management Centre (Limited Partnership))	-	-	-	-	-	-	-	-	-	-	165,475	0.77%	[REDACTED]

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Our Shareholders	Class 1 Ordinary Shares ⁽⁵⁾	Class 2 Ordinary Shares ⁽⁵⁾	Series A-1 Preferred Shares	Series A-2 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Series D-1 Preferred Shares	Series D-2 Preferred Shares	Series D-3 Preferred Shares	Series E Preferred Shares	Total number of shares held by Shareholder ⁽⁶⁾	Shareholding in our Company as of the Latest Practicable Date ⁽²⁾	Shareholding in our Company upon completion of the [REDACTED] ⁽²⁾⁽³⁾
COMMON FUND CAPITAL VENTURE PARTNERS X, L.P.	-	-	-	-	-	94,677	-	-	-	-	94,677	0.44%	[REDACTED]
Commonfund Capital Emerging Markets 2013, L.P.	-	-	-	-	-	63,120	-	-	-	-	63,120	0.29%	[REDACTED]
JC International Company Limited	-	-	-	119,550	-	-	-	-	-	21,520	141,070	0.66%	[REDACTED]
Grand Sunshine Holdings Limited	-	-	-	95,640	-	-	-	-	-	33,200	128,840	0.60%	[REDACTED]
CAI Patrick	-	-	-	95,640	-	-	-	-	-	21,520	117,160	0.55%	[REDACTED]
SHI Yaping	-	-	-	95,640	-	-	-	-	-	8,608	104,248	0.49%	[REDACTED]
Yanning LI	-	-	-	95,640	-	-	-	-	-	-	95,640	0.45%	[REDACTED]
CHU Sze Pun	-	-	-	95,640	-	-	-	-	-	-	95,640	0.45%	[REDACTED]
ZHANG Yi Kevin	-	-	-	95,640	-	-	-	-	-	-	95,640	0.45%	[REDACTED]
CEC Healthcare Fund L.P.	-	-	-	-	-	-	-	-	59,833	-	59,833	0.28%	[REDACTED]
ZHANG Xiaoming	-	32,106	-	19,999	-	-	-	-	-	-	52,105	0.24%	[REDACTED]
Mismic Limited ⁽⁴⁾ 深圳德能諮詢投資基金合夥企業(有限合伙) (Shenzhen HanYang New Economy Equity Investment Fund Corporation (Limited Partnership))	-	50,000	-	-	-	-	-	-	-	-	50,000	0.23%	[REDACTED]
Total	6,402,572	1,189,183	973,757	713,389	751,782	3,503,090	1,495,836	765,312	1,256,501	4,351,156	21,402,578	100%	[REDACTED]

Notes:

- (1) Calculated on an as-converted basis without taking into account the Share Subdivision.
- (2) The ESOP BVI was established on July 21, 2021 as a platform to hold the underlying incentive shares in a total amount of 4,798,904 Class 1 Ordinary Shares. Such incentive Shares are to be issued and granted to eligible participants under the RSU Scheme, subject to relevant approval from the Board and/or Shareholders.
- (3) Assuming the [REDACTED] is not exercised.
- (4) Mismic Limited is a BVI company wholly owned by an independent trustee entrusted by Ms. Qin Jessie Xin, one of our executive Directors, for a family trust established for the benefits of Ms. Xin and her family members. Her shareholding was approved by the Board and relevant Shareholders in July 2015 (followed by re-designation of Shares during subsequent Pre-[REDACTED] Investments) as an incentive for her contribution to the Group.
- (5) Class 1 Ordinary Shares have the same rights as Class 2 Ordinary Shares except for the liquidation preference right, of which Class 1 Ordinary Shareholders shall have priority over Class 2 Ordinary Shareholders in case of occurrence of any liquidation event. Such liquidation preference will be canceled and all the Class 1 and Class 2 Ordinary Shares will be converted into Shares on a one to one basis by way of re-designation on the [REDACTED].
- (6) Hu Xiaofei first invested in our Company as a pre-[REDACTED] investor on January 29, 2016.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRC LEGAL COMPLIANCE

Our PRC Legal Advisers confirms that as of the Latest Practicable Date, each of our subsidiaries in the PRC had been duly established and all regulatory approvals and permits in respect of the share changes in the Reorganization of these subsidiaries, in so far as PRC laws are concerned, had been obtained in accordance with PRC laws.

M&A Rules

On August 8, 2006, six PRC regulatory agencies, including MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, SAT, SAIC, CSRC and SAFE, jointly issued the Regulations 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) (the “M&A Rules”), which became effective on September 8, 2006, and was amended on June 22, 2009. Pursuant to the M&A Rules, a foreign investor is required to obtain necessary approvals when (1) a foreign investor acquires equity in a domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise through an increase of registered capital thereby converting it into a foreign-invested enterprise; or (2) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise (the “Regulated Activities”).

Furthermore, according to Article 11 of the M&A Rules, where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it/them, acquires a domestic company that is related to or connected with it/them, approval from MOFCOM is required.

As advised by our PRC Legal Advisers, the MOFCOM approvals under the M&A Rules are not required because Beijing Ruier, Beijing Kangtai Jianrui Dentistry Co., Ltd, Ruier Shengbin (Shanghai) Financial Leasing Co., Ltd and Zhuhai Ruier Investment Co., Ltd were established at the beginning as foreign-invested enterprises in the PRC, rather than become foreign-invested enterprises through merger or acquisition under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and whether the MOFCOM and other related government authorities would promulgate future PRC laws, regulations or rules contrary to the M&A Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) On June 25, 2021, the Board has approved to set up a platform in the BVI to hold incentive shares in a total amount of 4,798,904 Ordinary Shares for the participants under an RSU Scheme adopted by the Company on August 3, 2021. The ESOP BVI is managed by an independent trustee entrusted by the Company and the voting rights is held by Mr. Zou by way of proxy.
- (2) Comprising: (i) Shares representing approximately 5.64%, 3.46% and 1.85% of the share capital of our Company held through Rise Day Holdings Limited, Mingda International Limited and Beier Holdings Limited, respectively, and (ii) Shares representing approximately 0.92% of the share capital of our Company held by Mr. Zou directly. On June 10, 2021, Mr. Zou transferred 1 share of Rise Day Holdings Limited, being the total share capital of it, to United Culture Assets Limited, which is a BVI company wholly owned by an independent trustee entrusted by Mr. Zou. A family trust was established over United Culture Assets Limited for the benefits of Mr. Zou and his family members accordingly, of which Mr. Zou acts as the protector and settlor.
- (3) Including BROAD STREET INVESTMENTS HOLDING (SINGAPORE) PTE. LTD. and STONEBRIDGE 2017 (SINGAPORE) PTE. LTD..
- (4) Including KPCB CHINA FUND, L.P., KPCB CHINA FOUNDERS FUND, L.P. and KPCB China Management Fund, L.P..
- (5) Including Qiming Venture Partners II, L.P., Qiming Venture Partners II-C, L.P. and Qiming Managing Directors Fund II, L.P..
- (6) the remaining 15% equity interest is held by Chengdu Huaxi Dental Implant Hospital (成都華西牙種植醫院) (currently known as Chengdu Anyu Dental Implant Hospital Co. Ltd. (成都安玉牙種植醫院有限公司)), a third party independent to the Company;
- (7) the remaining 12% equity interest is held by Chongqing Ruibang Xingtai Hospital Management Center (Limited Partnership) (重慶瑞邦興泰醫院管理中心(普通合夥)), a limited partnership set up by some of our employees, including Mr. HU Xing, who is our senior management;
- (8) the remaining equity interest is held by AN Lu (安聯) and Fan Wenwu (樊文武) as to 18% and 15%, respectively. AN Lu is a third party independent to the Company and Fan Wenwu is an employee of the Group;
- (9) the remaining 30% equity interest is held by XIE Hongwei (謝宏偉), an employee of the Group;
- (10) the remaining 20% equity interest is held by SUN Jindong (孫勁東), an employee of the Group;
- (11) the remaining 20% equity interest is held by Chengdu Hospital Management Center (Limited Partnership) (成都瑞勃文醫院管理中心(普通合夥)), a limited partnership set up by some employees, including Mr. QU Bo and Mr. HU Yunfan, who are senior management of the Company;
- (12) the remaining equity interest is held by CAO Guodong (曹國棟) and HU Meirong (胡美榮) as to 15% and 25%, respectively. CAO Guodong is an employee of the Group and HU Meirong is his spouse;
- (13) the remaining equity interest is held by CAO Guodong and HU Meirong as to 20% and 10%, respectively. CAO Guodong is an employee of the Group and HU Meirong is his spouse;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (14) the remaining 25% equity interest is held by LI Jianye (李建業), an employee of the Group;
- (15) the remaining 40% equity interest is held by XIAO Xiangang (肖湘安) and XIE Yueshi (謝躍世). XIAO Xiangang is a third party independent to the Company and XIE Yaoshi is an employee of the Group;
- (16) the remaining 40% equity interest is held by XIAO Xiangang and XIE Yueshi. XIAO Xiangang is a third party independent to the Company and XIE Yaoshi is an employee of the Group;
- (17) the remaining 40% equity interest is held by SUN Chaohui (孫朝輝), an employee of the Group;
- (18) the remaining 40% equity interest is held by Beijing Songbai Langqin Dental Clinic Co., Ltd. (北京松柏朗琴口腔診所有限公司), which was set up by the employees of the Group;
- (19) the remaining 48.78% equity interest is held by Dalian Hehe Zhuoer Technology Development Co., Ltd. (大連和和卓爾科技發展有限公司), which was set up by the employees of the Group;
- (20) the remaining 35% equity interest is held by Shanghai Zheyue Investment Management Co., Ltd. (上海喆悅投資管理有限公司), a third party independent to the Company;
- (21) the remaining 30% equity interest is held by SHAO Ying (邵瑛), an employee of the Group;
- (22) the general partner of Chongqing Ruikun Hospital Management Center (Limited Partnership), Chongqing Ruideng Hospital Management Center (Limited Partnership), Chongqing Ruiyu Hospital Management Center (Limited Partnership), Chongqing Ruirong Hospital Management Center (Limited Partnership), Chongqing Ruixin Hospital Management Center (Limited Partnership), Chongqing Ruihuan Hospital Management Center (Limited Partnership), Chongqing Ruizheng Hospital Management Center (Limited Partnership), Chongqing Ruichen Hospital Management Center (Limited Partnership) and Chongqing Ruiang Hospital Management Center (Limited Partnership), each of which is a limited partnership set up by some employees of the Group, is Chongqing Ruijing;
- (23) the general partner of Zhuhai Ruizhong Enterprise Management Partnership (Limited Partnership), Zhuhai Ruiju Enterprise Management Partnership (Limited Partnership) and Zhuhai Ruimao Enterprise Management Partnership (Limited Partnership), each of which is a limited partnership set up by some employees of the Group, is Beijing Ruter.
- (24) the remaining 35% equity interest is held by Chongqing Ruixin Hospital Management Center (Limited Partnership) as to 25% and Chongqing Ruirong Hospital Management Center (Limited Partnership) as to 10%, each of which is a limited partnership set up by some employees of the Group and with Chongqing Ruijing acting as the general partner;
- (25) the remaining 35% equity interest is held by Chongqing Ruihuan Hospital Management Center (Limited Partnership) as to 25% and Chongqing Ruirong Hospital Management Center (Limited Partnership) as to 10%, each of which is a limited partnership set up by some employees of the Group and with Chongqing Ruijing acting as the general partner; and
- (26) the remaining 35% equity interest is held by Chongqing Ruizheng Hospital Management Center (Limited Partnership) as to 25% and Chongqing Ruirong Hospital Management Center (Limited Partnership) as to 10%, each of which is a limited partnership set up by some employees of the Group and with Chongqing Ruijing acting as the general partner;
- (27) the remaining 35% equity interest is held by Chongqing Ruichen Hospital Management Center (Limited Partnership) as to 25% and Chongqing Ruiyu Hospital Management Center (Limited Partnership) as to 10%, each of which is a limited partnership set up by some employees of the Group and with Chongqing Ruijing acting as the general partner;
- (28) the remaining 49% equity interest is held by ZHANG Chaobiao (張朝標), a third party independent to the Company;
- (29) the remaining 20% equity interest is held by Haiman Yongrui Enterprise Management Center (Limited Partnership) (海南雍瑞企業管理中心(有限合夥)), a third party independent to the Company.

