

SAINT BELLA

SAINT BELLA Inc.

GLOBAL OFFERING

SAINT BELLA Inc.

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2508

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



UBS 瑞銀集團



CITIC SECURITIES

IMPORTANT

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

SAINT BELLA

SAINT BELLA Inc.

聖貝拉有限公司

(Incorporated in the Cayman Islands with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 95,420,000 Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)
Number of Hong Kong Offer Shares	: 9,542,000 Shares (subject to reallocation)
Number of International Offer Shares	: 85,878,000 Shares (subject to reallocation, the Offer Size Adjustment Option, and the Over-allotment Option)
Offer Price	: HK\$6.58 per Share plus brokerage 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	: US\$0.0001 per Share
Stock code	: 2508

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



Joint Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager



Joint Bookrunners and Joint Lead Managers



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 with the documents specified in "Documents delivered to the Registrar of Companies and Documents on Display — Documents delivered to the Registrar of Companies" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price will be HK\$6.58 per Offer Share, unless otherwise announced. Investors applying for the Hong Kong Offer Shares must pay, on application, the Offer Price of HK\$6.58 for each Offer Share together with 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%.

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

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure subscribers for, the Hong Kong Offer Shares, are subject to termination by the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) if certain events shall occur prior to 8:00 a.m. on the Listing Date. Such grounds are set out in "Underwriting". It is important that you refer to that section for further 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 be offered and sold only (a) in the United States to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and (b) outside the United States in offshore transactions in accordance with Regulation S.

ATTENTION

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

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

June 18, 2025

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.saintbella.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
White Form eIPO service . . .	www.eipo.com.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 Wednesday, June 18, 2025 to 11:30 a.m. on Monday, June 23, 2025 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Monday, June 23, 2025 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) 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.

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.

IMPORTANT

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 **White Form eIPO** service or the **HKSCC EIPO** channel must be for a minimum of 500 Hong Kong Offer Shares and in one of the numbers set out in the table below.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer 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, 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.

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>		<i>HK\$</i>
500	3,323.18	6,000	39,878.16	40,000	265,854.37	400,000	2,658,543.72
1,000	6,646.36	7,000	46,524.51	45,000	299,086.16	500,000	3,323,179.66
1,500	9,969.54	8,000	53,170.87	50,000	332,317.96	600,000	3,987,815.58
2,000	13,292.72	9,000	59,817.24	60,000	398,781.56	700,000	4,652,451.51
2,500	16,615.89	10,000	66,463.60	70,000	465,245.15	800,000	5,317,087.45
3,000	19,939.08	15,000	99,695.39	80,000	531,708.74	900,000	5,981,723.36
3,500	23,262.25	20,000	132,927.19	90,000	598,172.34	1,000,000	6,646,359.30
4,000	26,585.44	25,000	166,158.98	100,000	664,635.94	2,000,000	13,292,718.60
4,500	29,908.61	30,000	199,390.78	200,000	1,329,271.85	3,000,000	19,939,077.90
5,000	33,231.80	35,000	232,622.58	300,000	1,993,907.79	4,771,000 ⁽¹⁾	31,709,780.22

Notes:

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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.saintbella.com of the revised timetable.

Hong Kong Public Offering commences 9:00 a.m. on
Wednesday, June 18, 2025

Latest time for completing electronic applications under the **White Form eIPO** service through the designated website at www.eipo.com.hk⁽²⁾ 11:30 a.m. on
Monday, June 23, 2025

Application lists of the Hong Kong Public Offering open⁽³⁾ 11:45 a.m. on
Monday, June 23, 2025

Latest time for (a) completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (b) giving **electronic application instructions** to HKSCC 12:00 noon on
Monday, June 23, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via FINI in accordance with your instruction 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 of the Hong Kong Public Offering close⁽³⁾ 12:00 noon on
Monday, June 23, 2025

Announcement of 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.saintbella.com⁽⁴⁾ no later than 11:00 p.m. on
Wednesday, June 25, 2025

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) in the announcement to be posted on our website and the website of the Stock Exchange at www.saintbella.com and www.hkexnews.hk, respectively. no later than 11:00 p.m. on Wednesday, June 25, 2025
- (2) the designated results of allocation website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function from 11:00 p.m. on Wednesday, June 25, 2025 to 12:00 midnight on Tuesday, July 1, 2025
- (3) the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. on Thursday, June 26, 2025, Friday, June 27, 2025, Monday, June 30, 2025 and Wednesday July 2, 2025

Share certificates in respect of wholly or partially successful applications to be dispatched or deposited into CCASS on or before⁽⁵⁾⁽⁷⁾ Wednesday, June 25, 2025

EXPECTED TIMETABLE⁽¹⁾

White Form e-Refund payment instructions or refund checks in respect of wholly or partially unsuccessful applications to be dispatched on or before⁽⁶⁾⁽⁷⁾ Thursday, June 26, 2025

Dealings in the Shares on the Stock Exchange to commence at 9:00 a.m. on Thursday, June 26, 2025

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 **White Form eIPO** service through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website 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 Severe Weather Signal(s) (defined in the section headed “How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements.” in this prospectus) in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, June 23, 2025, 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) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (5) The Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date provided that the Global Offering has become unconditional 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.
- (6) **White Form** e-Refund payment instructions or refund checks will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant’s Hong Kong identity card number, national identification document number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number, national identification document number or passport 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 Hong Kong identity card number, national identification document number or passport number before encashment of the refund check. Inaccurate completion of an applicant’s Hong Kong identity card number, national identification document number or passport number may invalidate or delay encashment of the refund check.

EXPECTED TIMETABLE⁽¹⁾

- (7) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. If you are a corporate applicant which is eligible for personal collection, 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 evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through the **HKSCC EIPO** channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus for details.

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

Any uncollected Share certificates and/or refund checks will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Dispatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus.

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.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

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

You should rely only on the information contained in this prospectus to make your investment decision. 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 made in this prospectus must not be relied on by you as having been authorized by us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their respective directors, officers or representatives, or any other person or party involved in the Global Offering.

	<i>Page</i>
EXPECTED TIMETABLE	i
CONTENTS	v
SUMMARY	1
DEFINITIONS	25
GLOSSARY OF TECHNICAL TERMS	43
FORWARD-LOOKING STATEMENTS	44
RISK FACTORS	46
WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES	97

CONTENTS

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING . . .	103
DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING	109
CORPORATE INFORMATION	118
INDUSTRY OVERVIEW	121
REGULATORY OVERVIEW	138
HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE	169
BUSINESS	195
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	304
CONNECTED TRANSACTION	308
DIRECTORS AND SENIOR MANAGEMENT	310
SHARE CAPITAL	323
CORNERSTONE INVESTORS	330
SUBSTANTIAL SHAREHOLDERS	339
FINANCIAL INFORMATION	342
FUTURE PLANS AND USE OF PROCEEDS	421
UNDERWRITING	427
STRUCTURE OF THE GLOBAL OFFERING	445
HOW TO APPLY FOR HONG KONG OFFER SHARES	458
APPENDIX I — ACCOUNTANTS' REPORT	I-1
APPENDIX II — UNAUDITED PRO FORMA FINANCIAL INFORMATION	II-1
APPENDIX III — SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAW	III-1
APPENDIX IV — STATUTORY AND GENERAL INFORMATION	IV-1
APPENDIX V — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND DOCUMENTS ON DISPLAY	V-1

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in “Risk Factors” in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a leading postpartum care and recovery group in China, and we also offer home care services and food products covering women’s needs. We aim to become a leading comprehensive family care group in Asia with an evolving brand portfolio, through enhancing our presence in the existing business segments and operating markets, launching new offerings to tap into new segments such as elderly care services, as well as expanding our service network to promising markets in addition to our established presence in mainland China, Hong Kong, Singapore, and the United States.

According to the Frost & Sullivan Report, we are the largest postpartum care and recovery group both in Asia and in China in terms of revenue from postpartum centers in 2024, the fastest-growing scaled postpartum and recovery group in China in terms of revenue growth rate from 2022 to 2024, and the first postpartum center operator based in mainland China to expand outside of mainland China. In 2024, we had a market share of approximately 1.2% in terms of revenue from postpartum centers in China.

During the Track Record Period, we operated the following major business lines:

- *Postpartum centers:* We offer postpartum care and recovery services at service locations which are mostly in upscale hotels in which we rent the hotel rooms for customer stay, providing postpartum recovery services, and for general use as offices and some other functional rooms. We have three brands of postpartum centers, namely Saint Bella (our flagship ultra-premium postpartum center brand targeting high net worth families), Bella Isla (our premium brand focusing on mental health through providing a soothing environment and targeting middle to high income families), and Baby Bella (our affordable luxury brand targeting young middle class families).
- *Home care services:* We offer home care services under our PrimeCare for Family brand by arranging baby care specialists with the appropriate skills to provide customers with their requested home care services.
- *Food products:* We offer health food products covering different stages of women’s nutritional needs, mostly on e-commerce platforms.

SUMMARY

According to the Frost & Sullivan Report, the total addressable market of family care in China has grown rapidly, among which, the markets of postpartum care and recovery services and home child care services reached RMB67.5 billion and RMB35.8 billion, respectively, in 2024, despite having a significantly lower penetration rate of postpartum care compared with mature markets like South Korea and Taiwan, China. The markets of postpartum care and recovery services and home child care services are expected to reach RMB200.8 billion and RMB105.2 billion by 2030, representing a CAGR of 20.4% and 19.1%, respectively, from 2025 to 2030. In addition, the more premium market segment of postpartum care services is expected to grow at a higher rate than average owing to consumers' more sophisticated needs driving a growing demand for professional and customized service. According to the Frost & Sullivan Report, there is an increasing popularity of self-pampering products and services and this trend marks a significant shift in women's spending pattern toward personal growth and mental fulfillment.

Since our foundation in 2017, we have constantly redefined and transformed how traditional family care is rendered, by pioneering in standardizing, professionalizing, customizing, and digitalizing family care services and products. Along the way, we have nurtured a strong brand portfolio that appeals to a large base of customers, and upgraded our operations to be more scalable and better suited to cater to the end market.

Our postpartum centers are mostly located at upscale hotels and, for some of our Saint Bella centers, standalone villas. The premium lodging experience complements our postpartum services well, exemplifying professional services delivered with consistent high quality, standardized yet with a personal touch. Our asset-light strategy, which includes our flexible rental arrangements with hotels, not only facilitates rapid expansion but also minimizes capital expenditure, leading to a shorter payback period for our new centers.

We believe that we have a track record of successfully incubating premium brands in the family care industry. Leveraging our brand image, we believe that social fission marketing plays a key role in contributing to our continued growth. Among our 4,439 postpartum care service packages sold in 2024, approximately 38% of the sales were either referred by our existing customers or acquired via our self-owned online channels (including our websites and mini-programs). Combined with our marketing strategies, we have built a significant online presence among users on social media platforms.

SUMMARY

Extending our model of professionalized services beyond postpartum care, we offer home care services under our PrimeCare for Family brand. We arrange baby care specialists with the appropriate skills to provide customers with their requested home care services. During the Track Record Period, our home care services witnessed significant revenue growth, as many of our postpartum care service customers started using our home care services or referred our services to their acquaintances. As part of our effort to extend customer lifetime value, we will continue actively promoting our home care services to customers of our postpartum centers, and improving our service quality to retain existing customers.

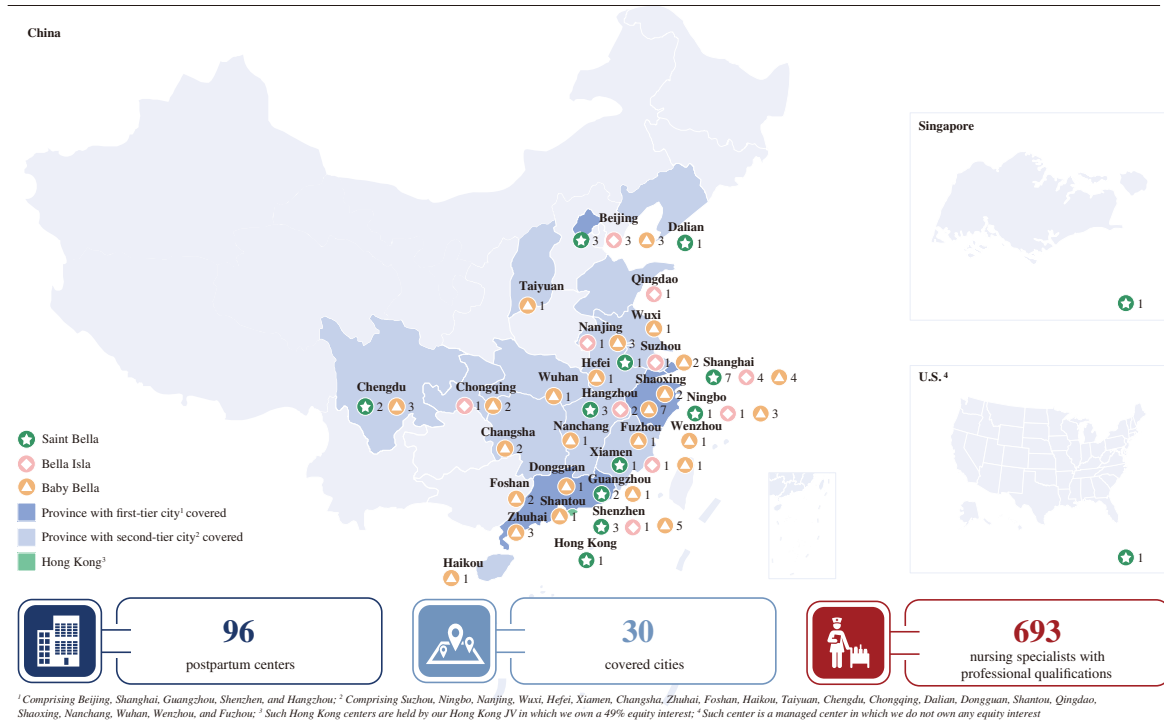
Our food products business is conducted through GuangHeTang, a brand we acquired in October 2021. GuangHeTang is one of the industry leaders in China's women's health food products industry with a history of more than 20 years in the area of nourishment, health, and wellness. With plant extracts and patented formulas at the core, our product innovation efforts draw upon traditional Chinese medicine theories to develop a comprehensive product portfolio. Since our acquisition, we have rejuvenated the brand by shifting its focus from offline to online channels and continuously reformulating its product offerings. Today, GuangHeTang's products help women achieve daily health management at different stages, from menstruation to pregnancy, lactation, postpartum, and post-miscarriage. During the Track Record Period, our food products were primarily sold on our self-operated online stores on e-commerce platforms. In 2024, our GuangHeTang flagship stores ranked first on Tmall and Douyin in terms of sales amount in the category of postpartum nutrition. We have also started exploring to cross sell our products at our postpartum centers, as well as developing our self-owned online channels.

Our Network of Postpartum Centers

We have an extensive network of 96 premium postpartum centers under our brand names of Saint Bella, Bella Isla, and Baby Bella — comprising 62 self-operated centers (namely centers operated by one of our consolidated subsidiaries and in which we own the majority interest) and 34 managed centers (namely centers wholly or majority owned by third parties and managed by us) as of the Latest Practicable Date. According to the Frost & Sullivan Report, we had the largest network of premium postpartum centers in China in 2024, with leading market share in multiple cities in terms of revenue, such as Hangzhou and Shanghai.

SUMMARY

The locations of our network of postpartum centers as of the Latest Practicable Date are illustrated as follows:

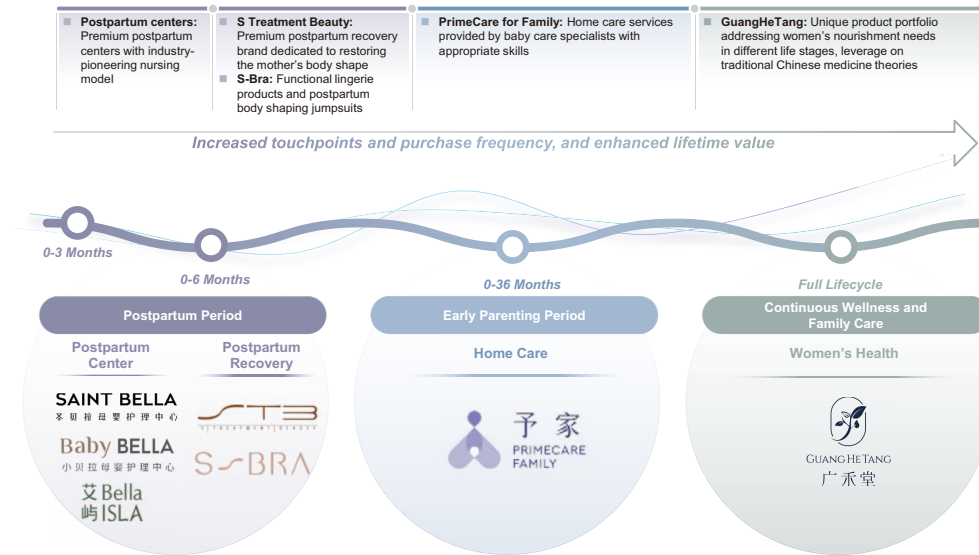


Our footprint expanded significantly during the Track Record Period, having added 11, seven, and 34 self-operated or managed centers, respectively, for the years ended December 31, 2022, 2023 and 2024. Additionally, we extended our reach by adding our first managed center in Hong Kong in January 2022, our first self-operated overseas center in Singapore in October 2023, and our first managed overseas center in the Greater Los Angeles area in the United States in May 2024, being the first postpartum center operator based in mainland China to expand outside of mainland China, according to the Frost & Sullivan Report.

Our Business Model

Our comprehensive family care services cover a wide spectrum of customer needs which extend their lifetime value — throughout the journey of postpartum care and recovery to home child care, and complemented by wellness product offerings such as food products.

SUMMARY






Our Brand Portfolio

We operate a multi-brand strategy with diverse service and product offerings that enable us to capture and develop a strong bond with a wide range of customers.

The following table summarizes our brands as of the Latest Practicable Date:

Brand	Line of Business	Launch Year	Description
SAINT BELLA 圣贝拉母婴护理中心 Saint Bella	Postpartum centers	2017	Our flagship ultra-premium postpartum center brand
艾 Bella 屿 ISLA Bella Isla	Postpartum centers	2024	Our premium postpartum center brand focusing on women's mental health through providing a soothing environment
Baby BELLA 小贝拉母婴护理中心 Baby Bella	Postpartum centers	2019	Our premium postpartum center brand
S Treatment Beauty	Postpartum centers	2022 (Note 1)	Our brand for postpartum recovery services

SUMMARY

Brand	Line of Business	Launch Year	Description
 PrimeCare for Family	Home care services	2018	Our brand for home care services
 广承堂 GUANGHETANG GuangHeTang	Food products	2021 (Note 2)	Our brand for women's health food products
 S-bra	Postpartum centers	2022 (Note 3)	Our brand for lingerie products provided as part of our postpartum recovery services

Notes:

- (1) We rebranded our postpartum recovery services as S Treatment Beauty in April 2022.
- (2) We completed the acquisition of our GuangHeTang brand in October 2021.
- (3) We completed the acquisition of our S-bra brand in May 2022.

Our Business Performance

During the Track Record Period, we operated three major lines of business, namely postpartum centers (including postpartum care services and postpartum recovery services), home care services, and food products.

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
Postpartum centers	407,333	86.4%	467,529	83.5%	678,355	85.0%
Home care services	34,930	7.4%	45,309	8.1%	69,065	8.6%
Food products	29,259	6.2%	47,071	8.4%	51,246	6.4%
Total.	471,522	100.0%	559,909	100.0%	798,666	100.0%

For our postpartum center and home care service businesses, we generally require advance payments from customers. As the revenue generated from these businesses is generally only recognized when we provide service, there is a time delay between entering into a contract with our customer and the recognition of revenue from such contract sales. See “Financial Information — Material Accounting Information and Critical Estimates and Judgments — Material Accounting Policies — Revenue Recognition” for more information.

SUMMARY

The following table sets forth a breakdown of the total contract value of the contracts entered into with customers for our self-operated postpartum centers and home care services business and the total gross merchandise value for our food products business for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Postpartum centers (<i>Note 1</i>)	499,254	640,330	759,964
Home care services (<i>Note 2</i>)	47,733	64,192	122,898
Food products (<i>Note 3</i>)	42,203	70,954	92,866
Total	589,190	775,476	975,728

Notes:

- (1) Revenue from the provision of postpartum care services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group. Revenue from the provision of postpartum recovery services is recognized at the point in time when services are delivered to customers.
- (2) Revenue from the provision of home care services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group.
- (3) “Gross merchandise value” refers to the total monetary value of merchandise sold over a period of time. Revenue from the sale of food products is recognized at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer. There was a difference between the gross merchandise value and revenue for our food products business primarily because (i) the gross merchandise value was inclusive of tax whereas revenue was exclusive of tax; (ii) the corresponding contract value would be included in the gross merchandise value as soon as a customer placed an order, whereas there would be a time gap for revenue recognition; and (iii) revenue would be impacted by refunds from customers.

We believe that a significant portion of such contract value will be recognized as revenue within 12 months. For our postpartum center business, most customers book our services when they are pregnant; for our home care services business, most customers enter into a contract of less than 12 months initially and will look to renew the contract if they continue to have demand for our services. As of December 31, 2024, 94.7% of our contract liabilities as of December 31, 2023 had been recognized as revenue. As of December 31, 2023, 86.0% of our contract liabilities as of December 31, 2022 had been recognized as revenue.

SUMMARY

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Postpartum centers	116,867	28.7%	159,354	34.1%	215,406	31.8%
Home care services	11,488	32.9%	15,445	34.1%	23,473	34.0%
Food products	12,775	43.7%	29,812	63.3%	31,515	61.5%
	141,130	29.9%	204,611	36.5%	270,394	33.9%

The following table sets forth a breakdown of the revenue generated from our postpartum center business by nature of services or products and by brand for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Postpartum care services						
Saint Bella	203,169	49.9%	205,322	43.9%	269,643	39.7%
Bella Isla (<i>Note 1</i>)	—	—	—	—	43,868	6.5%
Baby Bella (<i>Note 1</i>).	141,561	34.8%	173,048	37.0%	222,439	32.8%
	344,730	84.7%	378,370	80.9%	535,950	79.0%
Postpartum recovery services						
Saint Bella	35,949	8.8%	48,564	10.4%	54,752	8.1%
Bella Isla (<i>Note 1</i>)	—	—	—	—	5,352	0.7%
Baby Bella (<i>Note 1</i>).	12,666	3.1%	23,345	5.0%	32,387	4.8%
	48,615	11.9%	71,909	15.4%	92,491	13.6%
Others (<i>Note 2</i>)	13,988	3.4%	17,250	3.7%	49,914	7.4%
Total revenue from our postpartum center business . . .	407,333	100.0%	467,529	100.0%	678,355	100.0%

Notes:

- (1) We rebranded six postpartum centers under the Baby Bella brand to Bella Isla during the year ended December 31, 2024.
- (2) Including mainly management fees from our managed postpartum centers, as well as miscellaneous services and products offered at our postpartum centers.

Our Professionals

As of the Latest Practicable Date, we had 693 nursing specialists who had obtained the relevant professional qualifications providing postpartum care services at our postpartum centers. We recruit nursing specialists primarily through graduate recruitment programs at the more than 30 nursing schools where our employment and internship opportunities are advertised, and a minority

SUMMARY

from other channels including recruitment agencies and recruitment websites. We train nursing specialists based on the standards we have established, instead of using untrained *yuesao* or *yu'ersao* who generally are not trained systematically or professionally, to deliver high quality, professional service. We have also designed an evaluation framework for our nursing specialists and laid out a clear roadmap for their career progression.

Our Technology

Our key IT infrastructure primarily consists of a proprietary nursing service platform and a proprietary CRM platform. We believe that each of our technology platforms is capable of being easily empowered at our new postpartum centers, as well as other service areas such as home care and elderly care, through SaaS. By doing so, we can leverage our technology to improve service quality and efficiency, bringing in additional participants in our ecosystem.

Customers and Suppliers

During the Track Record Period, our customers mainly consisted of individual customers of our postpartum center business, home care services business, and food products business, as well as third-party partners of our managed postpartum centers. For each year in the Track Record Period, revenue from our five largest customers accounted for less than 5% of our total revenue for the respective periods.

For each year in the Track Record Period, our five largest suppliers in terms of total purchase amount consisted of hotel operators in China from which we rented rooms for our postpartum centers, as well as human resources service providers we engaged to recruit and arrange payment to primarily our baby care specialists for our home care services and other service personnel. Procurement from our five largest suppliers in each year of the Track Record Period represented 24.8%, 20.4%, and 26.4% of our total procurement, respectively, and procurement from our largest supplier in each year of the Track Record Period represented 7.1%, 5.9%, and 10.5% of our total procurement, respectively.

Most of our postpartum centers are strategically located at upscale hotels to offer customers with premium lodging experiences. We reserve hotel rooms for our customers' stay, and also for our offices and other uses. We formulate our room reservation strategy for each center on a case-by-case basis including (i) the flexible arrangement which we mostly rely on to rapidly scale the business of individual centers; and (ii) the fixed-term hotel room reservation arrangement we enter into to obtain better rates. See "Business — Our Businesses — Postpartum Centers — Relationship with Cooperating Hotels" for more information.

SUMMARY

STRENGTHS AND STRATEGIES

We believe that the following strengths have contributed to our success to date:

- We are a leading postpartum care and recovery group both in Asia and in China, capturing growing demand for premium services and products
- Premium brand portfolio and comprehensive offerings appealing to a loyal customer base
- Transformative approach to postpartum care and other family care services
- Proprietary technology platform to digitalize services and increase operational efficiency
- Scalable operation enabled by the asset-light approach, unparalleled access to human capital and other resources, and proven success in business expansion and integration
- Visionary management and supportive shareholder base

We plan to implement the following strategies:

- Further expand our family care platform through diversifying our service and product portfolio in order to capture longer lifetime value of customers with increasing high-value customer base
- Strategically expand our postpartum center network in China and selected overseas markets to further scale up our customer base for our family care platform
- Build stronger brand awareness and customer loyalty
- Continue to cultivate nursing talent and build up the team needed for business expansion
- Continue to upgrade our IT infrastructure and explore SaaS offerings for our other businesses

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: (i) the industry in which we operate is highly competitive, and intense competition may harm our business; (ii) we may not be able to implement our growth strategies or manage our growth effectively; (iii) our success depends on the quality of our services and products as well as the market recognition of our services and products; (iv) negative publicity may adversely affect our reputation and thus our business, financial condition, and results of operations; (v) we may not succeed in marketing our brands in a cost-effective way and enhancing our sales and marketing efficiency; (vi) our postpartum center business is highly dependent on our relationship with upscale hotel operators, with which we generally do not enter into long-term agreements; (vii) newly opened and acquired postpartum centers may not achieve operating results as anticipated; (viii) incidents, accidents, injuries, or illness in connection with our services and products may subject us to liability and could negatively impact our reputation; (ix) we may not be able to comply with licensing or other requirements imposed by laws and regulations, in a cost-effective manner or at all; and (x) our services may fail to meet our customers’ expectations or deliver satisfactory results.

OUR INDUSTRY

We operate in the family care industry. According to the Frost & Sullivan Report, the family care industry can be divided into five major industry segments, namely postpartum care services, postpartum recovery services, home child care, health food products, and elderly care. According to the Frost & Sullivan Report, China’s family care industry has shown consistent growth in recent years, expanding from RMB392.8 billion in 2019 to RMB711.3 billion in 2024, at a CAGR of 12.6%. Forecasts suggest a continuing upward trend, projecting the market size to increase from RMB805.3 billion in 2025 to RMB1,443.8 billion by 2030, at a CAGR of 12.4%. Such growth is expected to be driven by the evolving family structure, the delayed age of childbearing, and favorable government policies including the “three-child policy” to boost the birth rate. According to the Frost & Sullivan Report, between 2019 and 2024, mainland China’s postpartum center industry ushered in rapid development in its market size, at a CAGR of 20.1%. In particular, the higher-end market segment experienced and is expected to continue experiencing a higher growth rate than the mass market segment. In particular, driven primarily by the higher consumption capabilities of high net worth families, the ultra-premium and premium segments are expected to be the fastest growing, whose market size is expected to grow at a CAGR of 33.7% and 31.3%, respectively, from 2025 to 2030.

SUMMARY

Due to the nature of our service and product offerings in China, our future success depends, among other things, on the macro-economic conditions and individual income levels in China. Although the number of new births in China has significantly decreased in recent years, from 14.7 million in 2019 to 9.0 million in 2023, before increasing to 9.5 million in 2024, and the number of new births is projected to stabilize due to favorable government policies, according to the Frost & Sullivan Report. However, such projection may not materialize and the birth rate in China may continue to decline. In addition, given the low penetration rate of postpartum centers in China compared to other mature Asian markets, we expect the market size of postpartum centers will continue to grow. However, the penetration rate of postpartum centers in China (which was 6.0% in 2024, according to the Frost & Sullivan Report) may not grow at the rate that we anticipate or at all.

OUR SHAREHOLDERS

Immediately after the completion of the Global Offering (assuming that each of the Offer Size Adjustment Option and the Over-allotment Option is not exercised), Mr. Danny Xiang, Primecare BVI, and Prime Intelligence, who are a group of Controlling Shareholders, will be interested in an aggregate of approximately 35.7% of the issued share capital of our Company and will remain as our Controlling Shareholders upon the Listing. Each of Primecare BVI and Prime Intelligence is a company wholly owned by Mr. Danny Xiang. Mr. Danny Xiang is the founder of our Group, the Chairman, executive Director, and chief executive officer of our Company.

We received several rounds of Pre-IPO Investments from a number of renowned investors. We have benefited from the support from our Shareholders, including strategic shareholders such as Tencent, Swire Properties, SHK Strategic, and Mirae Asset.

SUMMARY

KEY FINANCIAL AND OPERATIONAL DATA

Principal Components of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statement of profit and loss for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	471,522	559,909	798,666
Cost of sales	(330,392)	(355,298)	(528,272)
Gross profit	141,130	204,611	270,394
Other income	10,131	16,589	6,970
Selling and distribution expenses	(58,790)	(81,500)	(94,890)
Administrative expenses	(122,147)	(112,865)	(216,836)
Research and development expenses	(12,931)	(9,148)	(13,261)
Other gains/(expenses), net	783	993	530
Finance costs	(1,837)	(3,005)	(4,812)
Fair value changes in financial instruments issued to investors	(366,863)	(256,092)	(493,749)
Share of profits of associates	—	199	(282)
Share of profits/(losses) of joint ventures	(1,355)	(497)	(637)
Loss before tax	(411,879)	(240,715)	(546,573)
Income tax credit	303	1,821	3,294
Loss for the year	<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>
Attributable to:			
Owners of the parent	(407,496)	(238,965)	(546,577)
Non-controlling interests	(4,080)	71	3,298
	<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented in accordance with HKFRSs, we also use non-HKFRS measures, namely adjusted EBITDA (non-HKFRS measure) and adjusted (loss)/profit for the year (non-HKFRS measure), as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. We define adjusted EBITDA (non-HKFRS measure) as EBITDA (non-HKFRS measure) (which is loss for the year plus income tax credit, net finance cost, depreciation of property, plant, and equipment and right-of-use assets,

SUMMARY

as well as amortization of other intangible assets) for the year adjusted by adding back fair value changes in financial instruments issued to investors, share-based payment expenses (non-cash item), and listing expenses. We define adjusted (loss)/profit as loss for the year (non-HKFRS measure) adjusted by adding back fair value changes in financial instruments issued to investors, share-based payment expenses (non-cash item), and listing expenses. In each case, fair value changes in financial instruments issued to investors are added back because such financial instruments will be reclassified from liabilities to equity upon the Listing due to the termination of the relevant preferred rights.

We believe that the presentation of non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that such measures provide useful information to investors and others in understanding and evaluating our profitability in the same manner as they help our management. The use of these non-HKFRS measures have limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRSs. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies.

The following tables sets forth the reconciliation of our non-HKFRS measures for the years ended December 31, 2022, 2023, and 2024 to the nearest measures prepared in accordance with HKFRSs:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(411,576)	(238,894)	(543,279)
Income tax credit	(303)	(1,821)	(3,294)
Net finance cost	(695)	(5,463)	(374)
Depreciation of property, plant and equipment and right-of-use assets	44,081	38,481	32,795
Amortization of other intangible assets	923	975	1,091
EBITDA (non-HKFRS measure)	(367,570)	(206,722)	(513,061)
<i>Add back:</i>			
Fair value changes in financial instruments issued to investors	366,863	256,092	493,749
Share-based payment expenses	—	—	60,649
Listing expense	85	3,574	31,137
Adjusted EBITDA (non-HKFRS measure)	(622)	52,944	72,474

SUMMARY

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(411,576)	(238,894)	(543,279)
<i>Add back:</i>			
Fair value changes in financial instruments			
issued to investors	366,863	256,092	493,749
Listing expense	85	3,574	31,137
Share-based payment expenses	—	—	60,649
Adjusted (loss)/profit for the year			
(non-HKFRS measure)	(44,628)	20,772	42,256

We recorded adjusted EBITDA (non-HKFRS measure) of negative RMB0.6 million, RMB52.9 million, and RMB72.5 million, respectively, for the years ended December 31, 2022, 2023, and 2024. We turned around an adjusted loss (non-HKFRS measure) of RMB44.6 million for the year ended December 31, 2022 to an adjusted profit (non-HKFRS measure) of RMB20.8 million for the year ended December 31, 2023, and our adjusted profit (non-HKFRS measure) increased to RMB42.3 million for the year ended December 31, 2024, primarily due to the continued growth in our businesses, the improved gross profit margin as more of our postpartum centers became more mature, as well as our ability to control our expenses.

Results of Operations

The growth of our revenue during the Track Record Period was primarily driven by the expansion of our network of postpartum centers, which not only directly resulted in an increase in revenue generated from our postpartum center business, but also the corresponding increase in our customer base also contributed to the growth of our home care business. The increase in revenue generated from our food products business was primarily because of our effort to promote our brand resulting in better acceptance of our products, and our continuing development of our online sales channels by expanding to different e-commerce platforms and launching more new products. Our revenue increased by 18.7% from RMB471.5 million for the year ended December 31, 2022 to RMB559.9 million for the year ended December 31, 2023. As the impact of COVID-19 further subsided, our revenue increased by 42.7% from RMB559.9 million for the year ended December 31, 2023 to RMB798.7 million for the year ended December 31, 2024.

SUMMARY

Our gross profit margin increased from 29.9% for the year ended December 31, 2022 to 36.5% for the year ended December 31, 2023, primarily because the gross profit margin for many of our postpartum centers improved following the initial ramp-up stage. Our gross profit margin decreased to 33.9% for the year ended December 31, 2024 primarily because we added more centers in 2024 and there were more centers that were at the initial ramp-up stage as of December 31, 2024.

We incurred net losses during the Track Record Period primarily because we incurred fair value losses in financial instruments issued to investors, which are our Shares with preferred rights and warrants issued to our Pre-IPO Investors from time to time. Immediately prior to the Listing, all the preferred rights in our Shares will be terminated. In addition, our profitability during the Track Record Period was also impacted by certain non-cash items such as share-based payment expenses, as well as the significant proportion of our postpartum centers which were in the initial ramp-up stage, particularly for the years ended December 31, 2022 and 2024.

Adverse Impact of COVID-19

During the Track Record Period, our results of operations and same-store sales growth were affected by the COVID-19 pandemic in the following ways: (i) the outbreak of COVID-19 in Shanghai between April and June 2022 directly affected the occupancy rate of our postpartum centers located in Shanghai; (ii) according to the Frost & Sullivan Report, the increase in infection rate of COVID-19 throughout China from late 2022 to early 2023 caused a delay in the pregnancy plan of many families, and studies have found that maternal infection with COVID-19 is associated with an elevated risk of adverse birth outcomes, including preterm birth and stillbirth, and may be associated with preeclampsia. As a result, the birth rate in the last quarter of 2023 was affected; and (iii) the outbreak of COVID-19 throughout China from time to time caused temporary suspension of operations for some of our centers and affected the occupancy rate of our postpartum centers generally up to the first quarter of 2023. See “Financial Information — Results of Operations” for more information.

SUMMARY

Summary Financial Data from Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report set out in Appendix I to this prospectus:

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	103,309	210,459	351,049
Total current assets	301,869	258,123	270,491
Total assets	405,178	468,582	621,540
 Total current liabilities	 271,880	 252,638	 2,022,729
Total non-current liabilities	849,521	1,171,074	58,531
Total liabilities	1,121,401	1,423,712	2,081,260
 Net current assets/(liabilities)	 29,989	 5,485	 (1,752,238)
Net liabilities	(716,223)	(955,130)	(1,459,720)
 Share capital	 —	 3	 4
Reserves	(711,526)	(950,057)	(1,460,409)
Non-controlling interests	(4,697)	(4,626)	685
Net deficiency in assets	(716,223)	(955,130)	(1,459,720)

As of December 31, 2022, 2023, and 2024, we had a net liabilities position because we recognized liabilities from our financial instruments issued to investors, namely our Shares with preferred rights and warrants amounting to RMB836.4 million, RMB1,162.5 million, and RMB1,656.3 million, respectively. As a result, we had significant accumulated losses, amounting to RMB1,494.9 million as of December 31, 2024. For more information, see our consolidated statements of changes in equity in the Accountants' Report set out in Appendix I to this prospectus. Immediately prior to the Listing, all the preferred rights associated with our financial instruments issued to investors will be terminated. Upon the Listing, all our financial instruments issued to investors which are recognized as liabilities will be reclassified as equity due to the termination of the preferred rights, and we expect that our net liabilities position will turn into a net assets position.

SUMMARY

We also recognized significant contract liabilities as of December 31, 2022, 2023, and 2024. We generally require payment in advance for our postpartum center business (including both postpartum care services and postpartum recovery services) and home care services business. Our contract liabilities represented prepayments related to such services which were not yet rendered.

Our net current assets decreased from RMB30.0 million as of December 31, 2022 to RMB5.5 million as of December 31, 2023, primarily because (i) we made fixed-term deposits with terms over one year; and (ii) the recognition of various items of current liabilities, including accrued listing expenses and acquisition consideration payable. We turned a net current liabilities position of RMB1,752.2 million as of December 31, 2024 primarily because we reclassified our financial instruments issued to investors from non-current liabilities to current liabilities, given that such financial instruments had a maturity date of less than 12 months as of December 31, 2024.

Going forward, we will continue to conduct strategic planning on the term of our fixed deposits after taking into account our working capital requirements and our net current assets/liabilities position.

Summary Financial Data from Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash flows from operating activities . . .	24,105	56,703	49,078
Net cash flows used in investing activities .	(44,287)	(28,717)	(82,428)
Net cash flows from/(used in) financing activities	21,351	3,339	(21,528)
Cash and cash equivalents at beginning of year.	88,355	89,524	120,849
Cash and cash equivalents at end of year . .	89,524	120,849	65,971

SUMMARY

Key Operating Data

The following table sets forth our selected operating data:

	As of or for the year ended December 31,		
	2022	2023	2024
Self-operated postpartum centers:			
Average contract value of postpartum care services per room night (<i>Note 1</i>)			
— Saint Bella centers	RMB6,740	RMB6,887	RMB7,015
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB4,423
— Baby Bella centers (<i>Note 2</i>)	RMB3,328	RMB3,478	RMB3,298
Average contract value per postpartum recovery customer (<i>Note 3</i>)			
— Saint Bella centers	RMB47,183	RMB45,765	RMB41,880
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB19,257
— Baby Bella centers (<i>Note 2</i>)	RMB18,844	RMB19,223	RMB16,822
Number of hotel rooms reserved for self-operated postpartum centers as of the end of the period	405	459	867
Number of postpartum care customers for self-operated postpartum centers (<i>Note 4</i>)			
— Saint Bella centers	1,082	1,145	1,387
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	303
— Baby Bella centers (<i>Note 2</i>)	1,574	1,977	2,726
Average number of postpartum care customers per self-operated postpartum center (<i>Note 5</i>)			
— Saint Bella centers	92	90	84
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	70
— Baby Bella centers (<i>Note 2</i>)	97	100	100
Average revenue per postpartum care customer at self-operated postpartum centers (<i>Note 6</i>)			
— Saint Bella centers	RMB224,781	RMB225,275	RMB239,155
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB167,197
— Baby Bella centers (<i>Note 2</i>)	RMB100,631	RMB101,690	RMB96,246
Average revenue per postpartum recovery customer at self-operated postpartum centers (<i>Note 7</i>)			
— Saint Bella centers	RMB38,531	RMB35,217	RMB33,003
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB13,182
— Baby Bella centers (<i>Note 2</i>)	RMB11,631	RMB11,874	RMB12,686
Average advertising expenses per postpartum care and recovery customer (<i>Note 8</i>)	RMB5,601	RMB5,617	RMB5,423

SUMMARY

	As of or for the year ended December 31,		
	2022	2023	2024
Home care services:			
Number of service packages for home care services (<i>Note 9</i>)	815	815	2,045
Average contract value per service package for home care services (<i>Note 10</i>)	RMB58,568	RMB78,763	RMB60,097
Average revenue per home care services customer (<i>Note 11</i>)	RMB54,493	RMB58,313	RMB65,651
Average advertising expenses per home care services customer (<i>Note 12</i>)	RMB878	RMB1,167	RMB1,444
Food products:			
Number of orders placed by customers on our GuangHeTang online stores	33,974	74,837	115,105
Average contract value per online order (<i>Note 13</i>)	RMB740	RMB799	RMB796

Notes:

- (1) Calculated as the total contract value of all the contracts entered into with postpartum care customers during the period, divided by the total number of room nights of postpartum care services we provided during the period.
- (2) We rebranded six Baby Bella Deluxe centers (originally a sub-brand under the Baby Bella brand) to Bella Isla during the year ended December 31, 2024. Such rebranded centers offered more premium services than our Baby Bella centers and had a higher average contract value per customer. This resulted in decreases in the average contract value and revenue per customer at our self-operated Baby Bella centers in 2024.
- (3) Calculated as the total contract value of all the contracts entered into with postpartum recovery customers during the period, divided by the total number of postpartum recovery service customers who purchased postpartum recovery services at our self-operated postpartum centers. The average contract value per postpartum recovery customer at our self-operated Saint Bella centers decreased in 2024 primarily because we offered certain discounted service packages to acquire more customers.
- (4) The number of customers who commenced their stay at our self-operated postpartum centers during the period.
- (5) Calculated as the number of signed customers of our postpartum care services at our self-operated postpartum centers during the period, divided by the average number of self-operated centers that commenced operation at the beginning of the period and the end of the period. The decrease in the average number of postpartum care customers per self-operated Saint Bella center in 2024 was attributable to the fact that two Saint Bella centers newly opened during the year only began acquiring most customers in the second half of the year, and the majority of such customers have not yet commenced their stay by the end of 2024.
- (6) Calculated as the total revenue generated from our self-operated postpartum centers, divided by the number of customers who commenced their stay at such self-operated postpartum centers during the period.
- (7) Calculated as the total revenue generated from our postpartum recovery services divided by the number of customers who purchased postpartum recovery services at our self-operated postpartum centers during the period. The average revenue per postpartum recovery customer at our self-operated Saint Bella centers decreased in 2024 primarily because we offered certain discounted service packages to acquire more customers.

SUMMARY

- (8) Calculated as the advertising expenses for our postpartum care and recovery business, divided by the number of newly signed postpartum care and recovery customers during the period. The major customer acquisition costs for postpartum care and recovery business are advertising expenses.
- (9) The number of contracts entered into with home care service customers during the period.
- (10) Calculated as the total contract value for our home care service business, divided by the number of contracts entered into with home care service customers during the period. In 2024, the average contract value per service package for home care services decreased primarily because we launched a shorter-term home care services package targeting the customers of our postpartum care services.
- (11) Calculated as the total revenue generated from our home care services, divided by the number of customers who consumed our home care service packages during the period. In 2024, contract renewals by existing customers contributed to higher average revenue per home care services customer.
- (12) Calculated as the advertising expenses for our home care services, divided by the number of newly signed home care service customers who purchased our home care service packages on a standalone basis during the period. The major customer acquisition costs for home care service are advertising expenses.
- (13) Calculated as the total contract value generated from our food products business through online channel divided by the number of orders placed by customers on our GuangHeTang online stores during the period.

Key Financial Ratios

The following table sets forth our key financial ratios as of the date or for the year indicated:

	As of or for the year ended December 31,		
	2022	2023	2024
Gross profit margin (<i>Note 1</i>)	29.9%	36.5%	33.9%
Current ratio (<i>Note 2</i>)	1.1	1.0	0.1
Quick ratio (<i>Note 3</i>)	1.1	1.0	0.1

Notes:

- (1) Calculated as gross profit divided by revenue.
- (2) Calculated as total current assets divided by total current liabilities.
- (3) Calculated as total current assets (less inventories) divided by total current liabilities.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(2) of the Listing Rules and we satisfy the market capitalization/revenue/cash flow test, among other things, with reference to (i) our expected market capitalization at the time of Listing, which, based on the Offer Price of HK\$6.58 per Share, significantly exceeds HK\$2 billion required by Rule 8.05(2); (ii) our revenue for the year ended December 31, 2024 of RMB798.7 million, which exceeds HK\$500 million required by Rule

SUMMARY

8.05(2); and (iii) our net cash flows from operating activities in aggregate for the three years ended December 31, 2022, 2023, and 2024 of RMB129.9 million, which exceeds HK\$100 million required by Rule 8.05(2).

DIVIDEND

During the Track Record Period, we did not declare or pay any dividend. Going forward, we may distribute dividends by way of cash or by other means that we consider appropriate. We currently do not have a fixed dividend payout ratio or a fixed dividend policy. Any future determination to distribute any interim dividends or recommend any final dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to the Shareholders' approval.

GLOBAL OFFERING STATISTICS

All statistics in the following table are based on the assumptions that (i) the Global Offering has been completed and 95,420,000 Shares are issued pursuant to the Global Offering; and (ii) the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

	Based on the Offer Price of HK\$6.58
Market capitalization ⁽¹⁾	HK\$3,917.9 million
Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽²⁾	HK\$1.14

Notes:

- (1) The calculation of market capitalization is based on 595,420,000 Shares expected to be in issue immediately after completion of the Capitalization Issue and the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.
- (2) The unaudited pro forma adjusted net tangible assets per Share is arrived at after the adjustment referred to in Appendix II to this prospectus and on the basis that 595,420,000 Shares were in issue, representing (i) the total of 10,000,000 Shares in issue as of the Latest Practicable Date; (ii) 490,000,000 Shares to be issued under the Capitalization Issue; and (iii) 95,420,000 Offer Shares to be issued upon the completion of the Global Offering, assuming that the Global Offering had been completed on December 31, 2024 but does not take into account any Shares which may be allotted and issued by the Company pursuant to the exercise of the Offer Size Adjustment Option and Over-allotment Option.

SUMMARY

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions, and other fees incurred in connection with the Global Offering. We expect to incur total listing expenses of RMB80.0 million (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on the Offer Price of HK\$6.58 per Share), of which RMB0.1 million, RMB3.6 million, and RMB31.1 million, respectively, has been charged to profit or loss for the years ended December 31, 2022, 2023, and 2024. The total listing expenses consist of RMB21.6 million in underwriting fees and RMB58.4 million in non-underwriting fees (including fees and expenses of legal advisers and accountants of RMB35.3 million and other fees and expenses of RMB23.1 million). Among the total listing expenses, RMB50.1 million is expected to be charged to profit or loss, and RMB29.8 million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the Global Offering. Our total listing expenses are estimated to account for 13.9% of the gross proceeds of the Global Offering. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$540.5 million (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), after deducting underwriting commissions, fees, and estimated expenses payable by us in connection with the Global Offering, based on the Offer Price of HK\$6.58 per Share. We currently intend to apply these net proceeds for the following purposes:

- approximately 29%, or HK\$157.6 million, will be used for postpartum care network expansion, opening new postpartum centers in cities where we already have presence or new to us, and consolidation of competitors;
- approximately 37%, or HK\$202.6 million, will be used in launching new services and products to expand comprehensive offerings to meet the life-time demand from our customers, including developing our elderly care business, retail businesses, and postpartum recovery services;
- approximately 6%, or HK\$35.0 million, will be used in the training of professional family care specialists;
- approximately 18%, or HK\$97.6 million, will be used in research and development activities, including upgrading our existing IT systems, investing in artificial intelligence, investing in R&D for elderly care services, and upgrading our data servers; and

SUMMARY

- approximately 9%, or HK\$47.8 million, will be used in working capital and other general corporate purposes.

LEGAL COMPLIANCE MATTERS

According to our PRC Legal Adviser, during the Track Record Period, certain of our PRC subsidiaries did not make full contributions to social insurance and housing provident fund. In addition, during the Track Record Period, we did not complete the fire safety filings in a timely manner for the renovation work at some of the leased properties for our postpartum centers. See “Business — Legal Compliance Matters” for more information.

RECENT DEVELOPMENTS

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change in our financial and trading positions or prospects since December 31, 2024, this being the end of the period reported on in the Accountants’ Report set out in Appendix I to this prospectus. While our business has continued to grow after the Track Record Period, we may continue to incur a net loss for the year ending December 31, 2025, primarily due to the expected fair value loss in financial instruments issued to investors and the expected recognition of certain share-based compensation expenses as we continue to adopt share incentive plans to attract and retain talents.

DEFINITIONS

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

“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this prospectus
“ACI”	American Certification Institute
“AFRC”	the Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the third amended and restated articles of association of our Company conditionally adopted on June 12, 2025, and with effect from the Listing Date, a summary of which is set out in Appendix III to this prospectus, and as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Beijing Beikang Ze’en”	Beijing Beikang Ze’en Health Management Co. Ltd. (北京貝康澤恩健康管理有限公司), a company established in the PRC on July 4, 2018 and an indirect wholly-owned subsidiary of our Company
“Beikang Enhu”	Hangzhou Beikang Enhu Housekeeping Service Co., Ltd. (杭州貝康恩護家政服務有限公司), a company established in the PRC on March 24, 2020 and an indirect wholly-owned subsidiary of our Company
“Beikang Guanghe”	Hangzhou Beikang Guanghe Technology Co., Ltd. (杭州貝康廣禾科技有限公司), a company established in the PRC on August 9, 2021 and a subsidiary indirectly owned as to 90% by our Company
“Beikang Hanlian”	Hangzhou Beikang Hanlian Technology Co., Ltd. (杭州貝康韓蓮科技有限公司), a company established in the PRC on February 22, 2022 and a subsidiary indirectly owned as to 80% by our Company

DEFINITIONS

“Beikang Nanshan”	Hangzhou Beikang Nanshan Health Management Co., Ltd. (杭州貝康南山健康管理有限公司), a company established in the PRC on April 28, 2023 and a joint venture owned as to 51% by our Company
“Beikang Shantou”	Shantou Beikang Enze Health Management Co., Ltd. (汕頭貝康恩澤健康管理有限公司), a company established in the PRC on January 6, 2023 and a joint venture owned as to 30% by our Company
“Beikang Technology”	Hangzhou Beikang Ze’en Technology Co., Ltd. (杭州貝康澤恩科技有限公司), a company established in the PRC on September 11, 2018 and an indirect wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the board of directors of our Company
“Bourn Well”	Bourn Well Investment Limited, a company incorporated in Hong Kong with limited liability on June 6, 2019, and one of our Pre-IPO Investors
“Brainalone”	Brainalone Holdings Limited, a company incorporated in the BVI with limited liability on June 30, 2023 and wholly owned by Mr. Han Jiwen
“business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands
“C Capital”	C Ventures SP I Ltd., a company incorporated in the BVI with limited liability on July 19, 2022, and one of our Pre-IPO Investors
“CAGR”	compound annual growth rate
“Capital Market Intermediaries”	the capital market intermediaries participating in the Global Offering and has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Capitalization Issue”	the issue of 490,000,000 Shares to be made upon capitalization of certain sums standing to the credit of the share premium account of our Company referred to in the section headed “Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of our Shareholders Passed on June 12, 2025” in Appendix IV to this prospectus
“CCASS”	the Central Clearing and Settlement System operated by HKSCC
“Chairman”	the chairman of our Board
“China”, “mainland China”, or “PRC”	the People’s Republic of China, but for the purpose of this prospectus and for geographical reference only and except where the context requires otherwise, references in this prospectus to “China” and “the PRC” do not apply to Hong Kong, Macau, and Taiwan
“China Life”	Beijing China Life Pension Industry Investment Fund (LP) (北京國壽養老產業投資基金(有限合夥)), one of our Pre-IPO Investors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Act” or “Cayman Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented, or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented, or otherwise modified from time to time
“Company” or “our Company”	SAINT BELLA Inc. 聖貝拉有限公司, a company incorporated in the Cayman Islands with limited liability on July 4, 2023

DEFINITIONS

“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
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules, and unless the context otherwise requires, refers to Mr. Danny Xiang, Primecare BVI and Prime Intelligence
“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)
“Deltacare”	DELTACARE Holdings Limited, a company incorporated in the BVI with limited liability on June 30, 2023 and wholly owned by Ms. Yang Jian
“Designated Bank”	HKSCC Participant’s EIPO Designated Bank
“Director(s)”	the directors of our Company, including all executive, non-executive, and independent non-executive Directors
“EIT Law”	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法), as enacted by the NPC on March 16, 2007 and effective on January 1, 2008, as amended, supplemented, or otherwise modified from time to time
“Elegant Riverine”	Elegant Riverine Limited, a company incorporated in Hong Kong with limited liability on August 31, 2020, and one of our Pre-IPO Investors
“Exchange Participant(s)”	a person (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong

DEFINITIONS

“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 issues
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our independent industry consultant
“Frost & Sullivan Report”	an industry report prepared by Frost & Sullivan which was commissioned by us in relation to, among other things, the family care industry in Asia
“Gaorong Capital”	Ulanqab Gaorong Phase III Investment Partnership (LP) (烏蘭察布市高榕三期投資合夥企業(有限合夥)), one of our Pre-IPO Investors
“General Rules of HKSCC”	the terms and conditions regulating the use of HKSCC’s services, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Global Offering”	the Hong Kong Public Offering and the International Offering
“Gotham Equity”	Gotham Equity Limited, a company incorporated in Hong Kong with limited liability on September 28, 2022, and one of our Pre-IPO Investors
“Group” or “our Group”	our Company and all of our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of its present subsidiaries, the businesses operated by such subsidiaries or their predecessors (as the case may be)
“GuangHeTang”	our brand of food products “廣禾堂”
“GuangHeTang Catering”	Shanghai GuangHeTang Catering Co., Ltd. (上海廣禾堂餐飲管理有限公司), a company established in the PRC on December 5, 2006

DEFINITIONS

“GuangHeTang Foods”	Shanghai GuangHeTang Foods Co., Ltd. (上海廣禾堂食品有限公司), a company established in the PRC on June 23, 2008 and a subsidiary of our Company wholly owned by Beikang Guanghe
“Hainan Shengdan”	Hainan Shengdan Jinsheng Venture Capital Partnership (LP) (海南聖誕金晟創業投資合夥企業(有限合夥)), one of our Pre-IPO Investors
“Hangzhou Beikang”	Hangzhou Beikang Health Technology Group Co., Ltd. (杭州貝康健康科技集團有限公司), a company established in the PRC on December 29, 2016 and an indirect wholly-owned subsidiary of our Company
“Hangzhou Meihua”	Hangzhou Beiruisi Meihua Women and Children’s Hospital Co., Ltd. (杭州貝瑞斯美華婦兒醫院有限公司), a company established in the PRC on January 29, 2013, in which our Group holds an approximately 7.8% interest
“HK\$”, “Hong Kong Dollars”, or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“HKSCC Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“HKSCC Custodian Participant”	a person admitted to participate in CCASS as a custodian participant

DEFINITIONS

“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
“HKSCC Systems”	CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong JV”	Kid Garden Limited, a company incorporated in Hong Kong with limited liability on November 1, 2021 and owned as to 49% by Hangzhou Beikang and 51% by Humansa
“Hong Kong Offer Shares”	the 9,542,000 Shares being initially offered by our Company for subscription at the Offer Price 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, subject to and in accordance with the terms and conditions set out in this prospectus
“Hong Kong Share Registrar”	Computershare Hong Kong Investor Services 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 June 17, 2025 relating to the Hong Kong Public Offering entered into by our Company, our Controlling Shareholders, the Sponsor-Overall Coordinators, and the Hong Kong Underwriters
“Humansa”	Humansa Health (HK) Limited, a company incorporated in Hong Kong with limited liability, and a shareholder holding 51% of the issued share capital of the Hong Kong JV. Humansa is a wholly-owned subsidiary of New World Development Company Limited, the shares of which are listed on the Stock Exchange (stock code: 17)
“IBCLC”	International Board Certified Lactation Consultant
“Independent Third Party(ies)”	party or parties that, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is or are not a connected person or connected persons of our Company within the meaning of the Listing Rules
“International Offer Shares”	the 85,878,000 Shares being initially offered for subscription under the International Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in this prospectus), together (where applicable) with any additional Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option

DEFINITIONS

“International Offering”	the offer of the International Offer Shares at the Offer Price, in the United States to QIBs only in reliance on Rule 144A and outside the United States in offshore transactions in accordance with Regulation S or any other available exemption from registration under the U.S. Securities Act, as further described in the section headed “Structure of the Global Offering” in this prospectus
“International Underwriters”	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering to be entered into by, among other parties, our Company, the Sponsor-Overall Coordinators, and the International Underwriters, as further described in the section headed “Underwriting” in this prospectus
“Joint Bookrunners”	the joint bookrunners as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Global Coordinators”	the joint global coordinators as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Lead Managers”	the joint lead managers as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Overall Coordinators”	the joint overall coordinators as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“Joint Sponsors”	UBS Securities Hong Kong Limited and CITIC Securities (Hong Kong) Limited
“KOL”	key opinion leader
“Kunshan Tanglu”	Kunshan Tanglu Investment Management Partnership (LP) (昆山唐陸投資管理合夥企業(有限合夥)), one of our Pre-IPO Investors

DEFINITIONS

“Latest Practicable Date”	June 10, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of our Shares on the Main Board
“Listing Date”	the date, expected to be on or around Thursday, June 26, 2025, on which dealings in our Shares first commence on the Main Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“M&A Rules”	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), which were jointly promulgated by MOFCOM, the State Assets Supervision and Administration Commission, the SAT, the SAIC, the CSRC, and the SAFE on August 8, 2006, and came into effect on September 8, 2006 and subsequently amended on June 22, 2009, as amended, supplemented, or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the second amended and restated memorandum of association of our Company adopted on June 12, 2025 with immediate effect, a summary of which is set out in Appendix III to this prospectus, and as amended, supplemented or otherwise modified from time to time
“Minee Holdings”	Minee Holdings Limited, a company incorporated in the BVI with limited liability on June 30, 2023 and wholly-owned by Ms. Minee Lin
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部)

DEFINITIONS

“Mr. Danny Xiang”	Mr. Xiang Hua (向華), our founder, executive Director, chief executive officer, Chairman and a Controlling Shareholder
“Ms. Minee Lin”	Ms. Lin Wanyi (林宛頤), our co-founder and chief operating officer
“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)
“New Listing Guide”	Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Nexus Media”	Nexus Media Limited, a company incorporated in Hong Kong with limited liability on September 16, 2021 in which our Group has a 6.3% interest
“Ningbo Tangzhu”	Ningbo Liansu Tangzhu Investment Management Partnership (LP) (寧波聯塑唐竹投資管理合夥企業(有限合夥)), one of our Pre-IPO Investors
“Nomination Committee”	the nomination committee of the Board
“NPC”	the National People’s Congress (全國人民代表大會)
“Offer Price”	the 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%) of HK\$6.58
“Offer Shares”	the Hong Kong Offer Shares and the International Offer Shares together, where relevant, with any additional Shares to be issued by our Company pursuant to the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option

DEFINITIONS

“Offer Size Adjustment Option”	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters and exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) on or before the second business day prior to the Listing Date, pursuant to which our Company may be required to issue and allot up to an aggregate of 14,313,000 additional Shares, representing 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, details of which are described in the section headed “Structure of the Global Offering” in this prospectus
“Over-allotment Option”	the option expected to be granted by our Company under the International Underwriting Agreement to the International Underwriters and exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 16,459,500 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 14,313,000 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised), at the Offer Price to cover, among other things, over-allocations in the International Offering (if any), details of which are described in the section headed “Structure of the Global Offering” in this prospectus
“overall coordinator(s)”	has the meaning ascribed to it under the Listing Rules
“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) and five ancillary interpretive guidelines released by the CSRC on February 17, 2023

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行)
“Pegasus Capital”	Wuxi Shenqi Haohui Venture Capital Partnership (LP) (無錫神騏好匯創業投資合夥企業(有限合夥)), one of our Pre-IPO Investors
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented, or otherwise modified from time to time
“PRC Legal Adviser”	Commerce & Finance Law Offices, or DeHeng Law Offices, as the case may be, each being our legal adviser as to PRC laws
“PRC Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented, or otherwise modified from time to time
“Pre-IPO Investments”	the pre-IPO investments in our Company, details of which are set out in “History, Reorganization, and Corporate Structure — Pre-IPO Investments” in this prospectus
“Pre-IPO Investors”	the investors of the Pre-IPO Investments, details of which are set out in “History, Reorganization, and Corporate Structure — Pre-IPO Investments” in this prospectus
“Prime Intelligence”	Prime Intelligence Holdings Limited, a company incorporated in the BVI with limited liability on June 17, 2024 and wholly owned by Mr. Danny Xiang; and one of our Controlling Shareholders
“Primecare Alpha”	Primecare Investment Alpha Holdings Limited, a company incorporated in the BVI with limited liability on June 17, 2024. Primecare Alpha is a substantial shareholder of our Company and is held as to 30.91%, 53.18%, 9.09% and 6.82% by Primecare Investment, Minee Holdings, Brainalone and Deltacare, respectively

DEFINITIONS

“Primecare BVI”	Primecare International Holdings Limited, a company incorporated in the BVI with limited liability on June 30, 2023 and wholly owned by Mr. Danny Xiang; and one of our Controlling Shareholders
“PrimeCare International”	PrimeCare International Holdings Limited (貝康國際控股有限公司), a company incorporated in Hong Kong with limited liability on March 22, 2017 and an indirect wholly-owned subsidiary of our Company
“Primecare Investment”	Primecare Investment Holdings Limited, a company incorporated in the BVI with limited liability on June 30, 2023 and wholly-owned by Ms. Hua Xiangli
“Principal Share Registrar”	Conyers Trust Company (Cayman) Limited
“QIB”	a qualified institutional buyer within the meaning of Rule 144A
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Relevant Persons”	the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Capital Market Intermediaries, any of their or our Company’s respective directors, officers, or representatives or any other parties involved in the Global Offering
“Remuneration Committee”	the remuneration committee of our Board
“Reorganization”	the reorganization conducted by our Group in preparation for the Listing as described in “History, Reorganization, and Corporate Structure — Reorganization” in this prospectus
“River Delta”	River Delta Capital SPC, a segregated portfolio company incorporated in the Cayman Islands with limited liability on August 10, 2021, and one of our Pre-IPO Investors

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“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)
“Saint Bella BVI”	Saint Bella Holdings Limited, a company incorporated in the BVI with limited liability on July 20, 2023 and a direct wholly-owned subsidiary of our Company
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“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
“SGD” or “S\$”	Singapore dollars, the lawful currency of the Republic of Singapore
“Share Award Scheme”	the share award scheme conditionally approved and adopted by our Company on June 25, 2024, the principal terms of which are summarized in “Statutory and General Information — D. Share Award Scheme” in Appendix IV to this prospectus
“Share(s)”	ordinary shares in the share capital of our Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of our Share(s)
“SHK Strategic”	Sun Hung Kai Strategic Capital Limited, a company incorporated in Hong Kong with limited liability on February 29, 1980 and one of our Pre-IPO Investors

DEFINITIONS

“Sponsor-Overall Coordinators”	the sponsor-overall coordinators as named in “Directors and Parties Involved in the Global Offering” in this prospectus
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Borrowing Agreement”	the stock borrowing agreement expected to be entered into between the stabilizing manager and Primecare BVI on or about Monday, June 23, 2025
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchange and Clearing 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
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented, or otherwise modified from time to time
“Tencent Mobility”	Tencent Mobility Limited, a company incorporated in Hong Kong with limited liability on February 29, 2012, one of our Pre-IPO Investors, and a wholly-owned subsidiary of Tencent Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 700)
“Track Record Period”	the period comprising the three financial years ended December 31, 2022, 2023, and 2024
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America, its territories, its possessions, and all areas subject to its jurisdiction
“US\$” or “USD”	United States dollars, the lawful currency of the United States

DEFINITIONS

“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented, or otherwise modified from time to time
“White Form eIPO”	the application process for Hong Kong Offer Shares with applications issued in the applicant’s own name and submitted online through the designated website of the White Form eIPO Service Provider at www.eipo.com.hk
“White Form eIPO Service Provider”	Computershare Hong Kong Investor Services Limited
“Zhuhai Beikang”	Zhuhai Beikang Investment Management Partnership (Limited Partnership) (珠海貝康投資管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 12, 2017 and jointly owned by Ms. Hua Xiangli, Ms. Minee Lin, Mr. Han Jiwen, and Ms. Yang Jian
“Zhuji Jiantou”	Zhuji Jiantou Qihang Equity Investment Partnership (LP) (諸暨健投啓航股權投資合夥企業(有限合夥)), one of our Pre-IPO Investors
“%”	per cent
“‰”	per mille

In this prospectus, unless expressly stated or the context requires otherwise:

- *all information and data is of the Latest Practicable Date;*
- *certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them;*
- *all references to any shareholdings in our Company assume no exercise of the Offer Size Adjustment Option or the Over-allotment Option unless otherwise specified;*
- *for ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons, or other entities (including certain of our subsidiaries) have been included in this prospectus in both the Chinese and English*

DEFINITIONS

languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only; and

- *references to “provinces” of China include provinces, municipalities under direct administration of the central government, and provincial-level autonomous regions.*

GLOSSARY OF TECHNICAL TERMS

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 correspond to standard industry meaning or usage of these terms.

“CRM”	customer relationship management
“directly-operated postpartum center”	a postpartum center operated using the owner’s own employees, facilities, and resources rather than outsourced to other entities
“room night”	a statistical metric for our postpartum center business, meaning a night a customer stays at a room of one of our postpartum centers
“SaaS”	software as a service
“SKU”	stock keeping unit
“SOP”	standard operating procedure
“standalone villa-style postpartum center”	a major type of postpartum centers whose premises are located in standalone villas, usually fully-equipped with facilities
“yu’ersao”	individuals engaged to take care of children aged 0 to 3
“yuesao”, or “postpartum doula”	individuals traditionally engaged to take care of women and their babies after childbirth
“yuezi” or “postpartum confinement”	a practice originating in China since ancient times whereby women undergo a period of confinement for recuperation after childbirth

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “project”, “seek”, “should”, “will”, “would”, and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- our operations and business prospects;
- our strategies, plans, and goals and our ability to implement such strategies, plans, and goals;
- general political and economic conditions in China and other countries and regions in which we operate or plan to operate;
- the development of the family care industry in China and other countries and regions in which we operate or plan to operate;
- future developments, competition, trends, regulatory environment, and conditions in and technology affecting the family care industry and other industries we plan to operate;
- our dividend policy;
- projects under development;
- our future capital needs and capital expenditure plans;
- capital markets developments;
- volumes, operations, margins, overall market trends, and risk management;
- other statements in this prospectus that are not historical facts;
- exchange rate fluctuations and developing legal system, in each case pertaining to China and other countries and regions in which we operate or plan to operate;
- financial condition and performance;

FORWARD-LOOKING STATEMENTS

- macroeconomic measures taken to manage economic growth, and
- other factors beyond our control.

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.

Subject to the requirements of applicable laws, rules, and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events, or otherwise. As a result of these and other 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 information.

In this prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

An investment in our Shares involves various risks. You should consider carefully all the information set out in this prospectus and, in particular, the risks described below before making an investment in our Shares. The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations, or prospects. If any of these events occurs, the trading price of our Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The industry in which we operate is highly competitive, and intense competition may harm our business

We operate in China's family care industry which is evolving rapidly and highly competitive. Our postpartum center business is our largest line of business by revenue, and our home care services business and food products business also contribute significantly to our results of operation. According to the Frost & Sullivan Report, the postpartum center industry is in a stage of rapid development that is not fully mature. There are still a large number of regional and small-scale postpartum centers in the industry and a dominant nationwide market player has yet to emerge. This makes the current market fairly dispersed. Similarly, the home child care industry in China currently exhibits a highly decentralized nature with distinctive regional characteristics. Accordingly, we expect that there will be significant consolidation in the markets in which we operate, and in the meantime, we might face intense competition to remain as one of the leaders in the industry.

Some of our competitors may have strong brand recognition, robust technological capabilities, significant financial resources, and established customer bases. They may be continuously investing to innovate, grow their businesses, and enhance user engagement, and can outcompete us in any of these areas. Additionally, some of our competitors may obtain certain licenses or permits that we are unable to obtain, which would hinder our ability to offer certain products or services.

RISK FACTORS

Increased investments, lower prices, or innovative services and products offered by our competitors may require us to divert significant managerial, financial, and human resources to remain competitive. Our ability to compete effectively also depends on factors beyond our control, including alliances, acquisitions, or consolidations within our industry that may result in stronger competitors, and changes in the regulatory environment in the markets in which we operate. Mergers and acquisitions in the industry may lead to the emergence of even larger competitors with more resources and integrated solutions.

We are also required to compete for a number of scarce resources with our competitors in order to maintain our growth and expand successfully into key markets. For example, according to the Frost & Sullivan Report, all of the top five operators of postpartum centers in China in terms of the number of directly-operated centers in 2024 (including us) operated hotel-style postpartum centers. As the supply of upscale hotels is limited in any given city, our ability to expand into that city may be limited if our competitors have already engaged with the upscale hotel operators ahead of us. In addition, we also face competition for nursing talents and baby care specialists with the relevant qualifications. We expect that such competition will intensify as the market size of China's family care industry is expected to grow rapidly.

We expect competition to intensify in the future as existing and new competitors introduce new services or enhance existing services. If we are unable to compete effectively, we may not be able to attract and retain customers and partners, and our market share, revenue growth, profitability, and reputation may be negatively affected, which could materially and adversely affect our business, financial condition, results of operations, and prospects.

We may not be able to implement our growth strategies or manage our growth effectively

Our future success depends, to a large extent, on our ability to implement our future plans. We intend to, among other things, further diversify our service and product portfolio within the family care industry, strategically expand our postpartum center network in China and selected overseas markets, build stronger brand awareness and customer loyalty, continuously upgrade our IT infrastructure and explore SaaS offerings to other businesses, and continue to cultivate nursing talents and build up the team needed for business expansion. See “Business — Our Strategies” and “Future Plans and Use of Proceeds” for detailed information of our future plans.

As we derive substantially all of our revenue from providing services and products in China, and we expect to continue expanding our network of postpartum centers and develop our other businesses in China, our future success depends on the condition and growth of the Chinese market, which in turn depends on macro-economic conditions and individual income levels in China. However, according to the Frost & Sullivan Report, the number of new births in China has significantly decreased in recent years, from 14.7 million in 2019 to 9.5 million in 2024 due to

RISK FACTORS

factors such as the delay in first marriages for women of childbearing age, the rising costs of childbearing, and housing affordability pressure. If the birth rate in China continues to decrease, the market size of China's family care industry may not grow at the rate we currently anticipate, or at all. We also believe that consumer spending habits could be adversely affected during a period of recession in the economy or economic downturn and that uncertainties regarding future economic prospects could also affect consumer spending habits, any of which may have an adverse effect on enterprises operating within the family care industry in China, including us. This could have an adverse impact on our business, financial condition, and results of operations.

Moreover, due to the nature of our postpartum care services, there is limited potential for recurring purchases of the same services from the same customer and we may not be able to increase a customer's lifetime value. In addition, given the low penetration rate of postpartum centers in China compared to other mature Asian markets, we expect the market size of postpartum centers will continue to grow. However, the penetration rate of postpartum centers in China (which was 6.0% in 2024, according to the Frost & Sullivan Report) may not grow at the rate that we anticipate or at all. In particular, some of the economic policies introduced by the Chinese government are expected to promote common prosperity or to narrow the wealth gap. These policies may have an impact on wealthy individuals' willingness to pay for luxury services and products. While we have launched and developed our home care services business and food products business to complement our postpartum center business, there is no assurance that such businesses will be as successful as our postpartum center business. Any failure to provide customers of our postpartum care services with other high-quality services or products that address their family care needs as their children grow may adversely affect our business, financial condition, results of operations, and prospects.

We may also be unable to realize our future plans in accordance with the expected timetable, or at all, due to other risks and uncertainties which include, among others, intensifying competition, our ability to retain key employees and maintain favorable labor relations, our financial stability, and our relationships with major business partners. The execution of our future plans may also be hindered by other factors beyond our control, such as general market conditions and the domestic and international economic and political environment. Our ability to grow and implement our future plans will also be subject to a wide range of operational and financial requirements, including, among others, appropriate allocation of capital investments in implementing various plans and adequate human resources. Moreover, our overseas expansion plan may be hindered by laws and regulations of the relevant markets which may differ significantly from those of China. In addition, overseas customers may differ significantly from those in the market we operate such as their preferences, experiences and expectation, and we may not successfully leverage our experience when providing services and products to them.

RISK FACTORS

Furthermore, as our organization grows and evolves, it might become increasingly difficult to maintain effective standards across a large enterprise and effectively institutionalize our knowledge or to effectively change the strategy, operations, or culture of our Company in a timely manner. It might also become more difficult to maintain our culture; effectively manage and monitor our people and operations; effectively communicate our core values, policies, procedures, strategies, and goals; and motivate, engage, and retain our people. As of December 31, 2022, 2023, and 2024 and the Latest Practicable Date, we had 36, 43, 77, and 96 postpartum centers (including self-operated and managed centers) under our brands, respectively. The growing size and scope of our operations increase the possibility that our employees may engage in unlawful or fraudulent activity, misconduct, or otherwise expose us to unacceptable business risks, despite our efforts to train them and maintain internal controls to prevent such instances. If we do not continue to develop and implement the right processes and tools to manage our enterprise and instill our culture and core values into all of our employees, our ability to compete successfully and achieve our business objectives could be impaired. In addition, from time to time, we may make changes to our operating model, including how we are organized, as the needs and size of our business change, and if we do not successfully implement the changes, our business and results of operation may be negatively impacted.

If we fail to implement our growth strategies or manage our growth effectively, this may hinder our ability to capture new business opportunities and maintain our competitive edge, and hence, our business, financial condition, results of operations, and prospects may be materially and adversely affected.

Our success depends on the quality of our services and products as well as the market recognition of our services and products

We recognize the importance of consistent high-quality and premium brand positioning across different business lines. In particular, for our postpartum center business which was our largest line of business during the Track Record Period, we are positioned as an operator of premium postpartum centers under the Saint Bella, Bella Isla, and Baby Bella brands. Therefore, we depend on the integrity and image of our brands. Our ability to provide high-quality service is key to maintaining our reputation and brand image, which in turn play a significant role in our business success. In addition, customer referrals and word-of-mouth marketing have significantly contributed to our ability to acquire new customers.

Therefore, we believe that our business growth depends heavily on customers' perception of us and we anticipate that we will continue to rely on market recognition of our services in our future business. Maintaining consistent service quality depends significantly on the effectiveness of our quality assurance systems, which in turn depends on a number of factors, including the design of our quality control systems and employees' implementation and compliance with those

RISK FACTORS

quality control policies and guidelines. Due to the expanding scale of our operations, we also face the risk that certain of our employees may not adhere to our mandatory quality procedures and requirements. There can be no assurance that our quality assurance systems will prove to be effective.

If we fail to provide high-quality services and products for any reason, this could result in a loss of trust from our customers and potential damage to our customer referrals and our ability to rely on word-of-mouth marketing. If we fail to promote our business or to maintain or enhance the recognition and awareness of our business among our customers, our business, results of operations, financial conditions, and prospects could be adversely affected.

Negative publicity may adversely affect our reputation and thus our business, financial condition, and results of operations

We, our shareholders, directors, officers, employees, business partners, associates, and suppliers may be subject to negative media coverage and publicity from time to time. We cannot assure you that such negative publicity would not damage our brand image or have a material adverse effect on our business, financial condition, and results of operations.

For example, our postpartum centers are mostly located at upscale hotels. In addition, we rely on word-of-mouth marketing, including introduction of our services by online influencers and KOLs; we also invest in promotional content on social media platforms such as Xiaohongshu. If such hotel operators, influencers, KOLs, or online channels are subject to negative publicity caused by any reason, including but not limited to their engagement in illegal, fraudulent, improper, or unethical conduct, potential customers may become less willing to use our services, and our business, results of operations, and financial conditions could be adversely affected.

In addition, some postpartum centers under our brands are wholly or majority owned by third parties and while we provide management services to these centers, we do not control and may fail to monitor every aspect of their management or operations. Firstly, we cooperate with third parties to operate a number of postpartum centers under our brands. The equity interests in these centers are either wholly or majority owned by third parties. As of the Latest Practicable Date, we had (i) one managed postpartum center located in Hong Kong and operated by our Hong Kong JV in which we had a 49% equity interest; (ii) 32 managed postpartum centers in mainland China and we owned equity interests ranging from approximately 14.5% to 30% in nine of those centers; and (iii) one managed postpartum center in the Greater Los Angeles area in which we did not have an equity interest. Accordingly, any negative publicity regarding these centers which are wholly or majority owned by third parties, even though we may not be directly involved, may have a negative impact on our brand image, and our business, results of operations, and financial conditions could be adversely affected.

RISK FACTORS

Moreover, if any of our brands is used by other companies or if we are unsuccessful in promoting our brand image or fail to maintain our brand recognition, our brand may be damaged. As a result, any negative publicity about us or any of our affiliates or any damage to our brand could adversely affect our ability to retain our existing customers or attract new customers, either of which could have an adverse effect on our business, results of operations, financial conditions, and prospects.

Our postpartum center business is highly dependent on our relationship with upscale hotel operators, with which we generally do not enter into long-term agreements, as well as our ability to rent hotel rooms at favorable rates and pass on increased rental costs to customers

Most of our postpartum centers are located at upscale hotels. We reserve hotel rooms for our customers' stay, providing postpartum recovery services, and for general use as offices and some other functional rooms. We formulate our room reservation strategy for each center on a case-by-case basis including (i) the flexible arrangement which we mostly rely on to rapidly scale the business of individual centers and (ii) the fixed-term hotel room reservation arrangement we enter into to obtain better rates. See "Business — Our Businesses — Postpartum Centers — Relationship with Cooperating Hotels" for more information.

The operations of our postpartum centers depend on readily-available accommodation provided by hotel operators. As a result, we do not have to invest significantly to renovate or fit out the hotel rooms. This helped us to grow our network of postpartum centers quickly during the Track Record Period and achieve a short payback period for our new centers.

If our business relationship with hotel operators, particularly the operators of the major hotel groups, deteriorates for any reason, the hotel operators may decide to terminate such hotel agreements with us, or not to extend such agreements upon their expiry. As the market supply for upscale hotels is limited, we may not be able to identify suitable locations for our new centers or alternative locations for our existing centers.

Moreover, since all our postpartum centers are currently located at third-party properties, primarily at upscale hotels, our financial conditions are particularly susceptible to fluctuations in rents. For the years ended December 31, 2022, 2023, and 2024, rental and related costs (including depreciation of right-of-use assets) recognized as cost of sales (which primarily represented the rental costs and labor costs for our postpartum centers) amounted to RMB122.9 million, RMB125.8 million, and RMB194.0 million, respectively, representing 37.2%, 35.4%, and 36.7% of our total cost of sales for the respective periods. Hence, our business relies, in part, on our ability to rent hotel rooms at favorable rates. There is a risk that we may not be able to continue securing hotel rooms at rates that are as favorable as those currently available. Factors contributing to this risk include increased demand for hotel accommodations, changes in the hotel industry,

RISK FACTORS

fluctuations in market rates, and the potential for reduced bargaining power against hotel operators. Furthermore, we may not be able to fully or partially pass on any increased rental costs to customers through higher service fees or prices. Market competition, customers' price sensitivity, and regulatory constraints may limit our ability to adjust pricing in response to increased costs. As a result, any substantial increase in our rental and related costs may affect our business, results of operations, and financial conditions.

Hotel operators also provide us with high-quality services such as catering, room keeping, as well as other daily services at reasonable costs. During the Track Record Period, most of the postpartum meals served to customers of our postpartum centers were supplied by hotel operators and prepared at the hotel properties. For the years ended December 31, 2022, 2023, and 2024, the cost of postpartum meals amounted to RMB38.5 million, RMB42.3 million, and RMB64.1 million, respectively, representing 11.7%, 11.9%, and 12.1% of our total cost of sales for the respective periods.

If we fail to identify alternative venues to relocate our postpartum centers in the event that our business relationship with hotel operators is terminated, or to open new centers, at a reasonable upfront cost or at all, or if we fail to identify alternative suppliers of necessary services or products (such as our customized postpartum meals) for the operations of our postpartum centers at a reasonable cost or at all, there will be a significant adverse effect on our business, results of operations, financial conditions, and prospects.

We may not succeed in marketing our brands in a cost-effective way and enhancing our sales and marketing efficiency

We believe that maintaining, promoting, and enhancing our brands through marketing efforts in a cost-effective way is critical to the maintenance and expansion of our business. Maintaining, promoting, and enhancing our brands requires us to continue to provide high-quality services and products, which we cannot assure you we will do successfully.

We believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide high-quality services and products, the successful promotion of our brands will also depend on the effectiveness of our marketing efforts. We primarily market our services and products online, including on shopping information platforms, social media platforms, and e-commerce platforms, in addition to relying on word-of-mouth marketing. For each year in the Track Record Period, our selling and distribution expenses were RMB58.8 million, RMB81.5 million, and RMB94.9 million, respectively, and the average advertising expenses per newly signed customer amounted to RMB5,601, RMB5,617, and RMB5,423, respectively, for our postpartum care and recovery business and RMB878, RMB1,167, and RMB1,444, respectively, for our home care services business with standalone packages

RISK FACTORS

purchased. We cannot assure you that our selling and distribution expenses will lead to increasing revenue, and even if they did, such increases in revenue might not be sufficient to offset the expenses incurred.

Meanwhile, China's family care industry including the postpartum care industry is in an early stage of development and is constantly evolving. This may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to introduce new marketing approaches in an efficient and effective manner could reduce our market share and materially and adversely affect our business, results of operations, financial conditions, and prospects.

Newly opened and acquired postpartum centers may take time to ramp up and may not achieve operating results as anticipated

It typically takes newly opened and acquired postpartum centers a period of time to achieve the same level of profitability comparable to our existing centers, due to factors such as the time needed to build customer awareness and to integrate such centers' operations into our existing infrastructure, as well as any costs to ramp up operations and utilization. In addition, the operating results generated at the newly opened and acquired centers may not be comparable to the operating results generated at any of our existing centers. The new centers may even operate at a loss, which could materially and adversely affect our results of operations and financial conditions.

Incidents, accidents, injuries, or illness in connection with our services and products may subject us to liability and could negatively impact our reputation

There are inherent risks of incidents, accidents, or injuries at our postpartum centers or in connection with our services and products, including on the premises of the customers of our home care services and as a result of consumption of our food products. Customers of our postpartum care services typically reside at our postpartum centers for the entire duration of the service term. We provide personal services to mothers and babies as part of our postpartum care services and home care services.

If any incidents or accidents occur at any of our premises or our customers' premises, or if our customers or their babies become ill or injured, as a result of medical malpractice, employee misconduct, or otherwise, we could be subject to complaints and may be liable to compensate our customers, even in cases where we are not responsible for such incidents, accidents, injuries, or illness. In addition, if incidents, accidents, injuries, or outbreaks of diseases occur at any of our premises, we may face damages or delays that could impact the delivery of our services and we

RISK FACTORS

could be held liable for costs related to such incidents. As a result, incidents, accidents, injuries, or illness in connection with our services and products could negatively impact our reputation, which could harm our business, financial condition, and results of operations.

We maintain insurance of the types and in the amounts that we believe are commercially reasonable and that are available to businesses in our industry, but there can be no assurance that we will be able to recover all or any of the losses we suffer. In particular, we only maintained public liability insurance and property insurance for a minority of our postpartum centers. Our business, financial condition, and results of operations could be harmed to the extent claims and associated expenses resulting from incidents, accidents, or injuries exceed our insurance recoveries.

We may not be able to comply with licensing or other requirements imposed by laws and regulations, in a cost-effective manner or at all

Our business operations are subject to legal and regulatory requirements, including those relating to advertising, food safety, protection of consumers, and environmental protection. See “Regulatory Overview” for further information about the legal and regulatory requirements to which we are subject.

As of the Latest Practicable Date, there were no laws or regulations in China that require licensing of postpartum centers, or impose qualification requirements of operators of postpartum centers or professionals working at postpartum centers or providing home care services. If such laws or regulations were introduced in the future, we or our cooperating hotel operators may not be able to satisfy the requirements for obtaining the licenses for the operations of postpartum centers, at a reasonable cost or at all, or within a reasonable period of time or at all. In general, we have no contractual rights to require hotel operators to make improvements to the properties. If we or the hotel operators fail to obtain the required licenses, we may be forced to close the relevant postpartum centers, and there will be a significant adverse effect on our business, results of operations, financial conditions, and prospects.

In addition, loss of or failure to renew or obtain necessary approvals, licenses, permits, registrations, certificates, or filings could delay or prevent us from expanding our network, meeting customers’ demand, or introducing new services and products and could materially and adversely affect our operating results. If we are found to be in violation of applicable laws and regulations, or if we fail to adhere to the requirements under the relevant approvals, licenses, permits, registrations, certificates, or filings, we could be subject to civil remedies, including fines, injunctions, asset seizures, suspension of operations, as well as potential criminal sanctions, any of which could have a material adverse effect on our business, financial condition, results of

RISK FACTORS

operations, and prospects. In addition, future material changes in industry standards, laws, and regulations could result in increased operating costs or affect our ordinary operations, which could also have a material adverse effect on our business, financial condition, results of operations, and prospects.

Our services may fail to meet our customers' expectations or deliver satisfactory results

Our customers may have high expectations regarding the outcome of our services. However, we cannot guarantee the results of our services, in particular our postpartum recovery services, since results vary depending on various factors, such as the health history of our customers, their respective responses to procedures, and other factors beyond our control. It is also an inherent risk that the results of our services may lead to undesirable or unexpected outcomes, such as complications and injuries, or otherwise fail to meet our customers' expectations. Such undesirable or unexpected outcomes may result in customer dissatisfaction, which may in turn lead to requests for refunds, complaints, claims, legal actions against us. Customers may also publish negative feedback on social media platforms or share negative comments about us within their social circles, regardless of whether such negative feedback or comments are justified or not. Any such negative publicity may adversely harm our brand image and reputation and cause a deterioration in the level of market recognition of and trust in our services.

Our revenue has historically been dependent on, and will remain dependent on, our operations in certain key cities

During the Track Record Period, our postpartum center business derived most revenue from postpartum centers located in a number of first- and second-tier cities in China, including Hangzhou, Shanghai, and Beijing. Going forward, due to our positioning as a premium postpartum care services provider, we expect that a large part of our revenue in China will remain dependent on our operations in these cities, rather than in lower-tier cities. We are therefore highly sensitive to the social, regulatory, economic, environmental, and competitive conditions as well as the industry landscape in these cities. In the event that the average spending power of the population in these regions decreases or the economic growth in these regions slows down, demand for our services and products may substantially decrease and our results of operation and profitability may be adversely affected.

We may fail to expand our postpartum center network in a timely and cost-effective manner

During the Track Record Period, we significantly expanded our network of postpartum centers. Our other businesses also grew significantly. Our organization may become larger and more complex with our intended plans to expand our network, through a combination of organic growth and business consolidation. The execution of our expansion plans is expected to require

RISK FACTORS

management attention and efforts and incur additional expenditures. Our ability to successfully expand our network, both in China and abroad, depends on many factors including, among others, our ability to:

- identify potential geographic markets for the type of services and products we offer;
- identify suitable locations of our postpartum centers and negotiate acceptable terms with the property owners;
- identify local consumer preferences;
- address local market competition;
- avoid potential cannibalization;
- hire, train, and retain a growing workforce;
- successfully integrate new centers into our existing network; and
- secure financing or maintain sufficient capital to invest in new centers or making acquisitions.

We cannot assure you that we will be able to implement our expansion plans in new geographic areas effectively and efficiently, and any failure to do so may adversely affect our ability to capitalize on new business opportunities, which in turn may have an adverse effect on our business and financial results, and prospects.

Furthermore, as we expand our operations through business consolidation, we may be subject to unexpected liabilities underlying the acquired businesses. For example, during the Track Record Period, we acquired Yuezige (Shanghai) Health Services Co., Ltd., a postpartum center operator. Certain postpartum centers owned by the target company which had ceased operations had been subject to complaints and claims by customers, suppliers, employees, and contract workers, but such allegations were unknown to us at the time of acquisition. To the best of our knowledge, after due and reasonable enquiry, the total amount of wages and damages claimed by customers, suppliers, employees, and contract workers of such centers amounted to approximately RMB8.1 million, of which approximately RMB3.2 million had been settled by our Group in the form of cash compensation and gratuitous services provided to affected customers (of which RMB3.0 million was reimbursed to the Group under the indemnity provided by the operator of such centers). Except for such one-off relief measures already offered to affected stakeholders of such

RISK FACTORS

centers, we have ceased to offer any further compensation and expect the risk exposure or liabilities that our Group might be subject to, either directly or indirectly, arising from such incident to be minimal.

Increased labor costs could affect our profitability

Our operations require a sufficient number of employees, service providers, and other personnel, including nursing specialists, baby care specialists, and other qualified personnel. For the years ended December 31, 2022, 2023, and 2024, our total labor costs (which included, among other things, the costs of our employees and service providers for our postpartum center business and home care services business) amounted to RMB109.2 million, RMB122.0 million, and RMB177.4 million, respectively, representing 33.1%, 34.3%, and 33.6% of our total cost of sales for the respective periods. As the average wages in China have increased in recent years and are expected to continue to grow, we expect that our labor costs will also continue to increase.

The labor market for nursing specialists, baby care specialists, and other qualified staff with relevant experience is highly competitive and we may need to pay more in salaries, benefits in kind, or retirement benefits in order to recruit and retain appropriate staff. We may also need to recruit additional personnel to enhance our internal control, financial reporting, and compliance functions after the Global Offering. We cannot assure you that our employee costs will not continue to increase. Any substantial increase in our labor costs may affect our business, results of operations, and financial conditions.

We are exposed to challenges and risks related to our expansion outside mainland China

During the Track Record Period, we had expanded our postpartum center network outside mainland China into Hong Kong, Singapore, and the Greater Los Angeles area. We plan to continue to expand our postpartum center network in selected overseas markets. We also plan to expand our food products business outside mainland China.

We therefore face risks in managing our existing operations and we face risks associated with expanding into markets in which we have limited or no prior experience and in which our Company may be less well known. If we fail to attract sufficient customers, fail to anticipate competitive conditions, or fail to deploy, manage, or oversee our operations successfully in existing markets we operate in and these new markets, our business and financial results could be materially and adversely affected.

Expanding into new markets also requires us to carefully navigate and adapt to the regulatory landscape in those markets, particularly laws and regulations that govern the operations and management of postpartum centers in hotels or on other premises, in addition to laws and

RISK FACTORS

regulations generally applicable to the operation of businesses. While we make every effort to ensure compliance, there may be instances where we unintentionally or inadvertently do not fully adhere to all applicable laws and regulations in these new markets. In such cases, we could be subject to civil remedies, including fines, injunctions, suspension of operations or other remedies, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, our success in expanding our business and providing products and services internationally, and competing in international markets is subject to our ability to manage various risks and difficulties, including, but not limited to:

- difficulties in gaining an in-depth understanding of local markets and cultures;
- higher levels of payment fraud, legal, and compliance risks;
- requirement to adapt to possible import and export controls, sanctions, trade embargoes, and other heightened regulatory requirements;
- challenges and increased expenses associated with staffing and managing international and cross-border operations and managing an organization spread over various jurisdictions;
- ability to recruit international talent and challenges in replicating or adapting our policies and procedures to operate in new markets;
- difficulties of integrating any foreign acquisitions, strictly complying with all procedures prescribed under foreign laws and regulations in respect of foreign acquisition and investments, and managing our foreign operations;
- ability to provide sufficient levels of technical support in different locations or provide sufficient oversight over the management of our overseas subsidiaries;
- difficulties in establishing cooperative relationships with international partners, including local hotel operators;
- ability to develop and maintain relationships with customers and other local stakeholders; and

RISK FACTORS

- potential damage to our brand and reputation if we are unable to provide optimal products and services to our customers or properly oversee the management of our operations in such local markets.

As we expand further into new regions and markets, these risks could intensify. If one or more of these factors were to materialize, it could adversely impact our international operations, and our efforts to expand our operations internationally may not be successful.

We may be unable to identify or execute acquisition opportunities as planned

We intend to continue customer cultivation and conversion through expansion of our postpartum center network. When opportunities arise, we intend to strategically acquire and integrate high-quality postpartum centers in targeted markets, in order to quickly ramp up market share. See “Business — Our Strategies — Strategically expand our postpartum center network in China and selected overseas markets to further scale up our customer base for our family care platform” for more information.

We may not be able to identify suitable acquisition targets, negotiate commercially acceptable terms for acquisitions, or successfully integrate any acquired assets or businesses in the future. We may also face competition for potential acquisition targets, as the family care industry in China remains fragmented and is in a stage of consolidation, and therefore many of our competitors may also be seeking to expand their businesses through acquisitions. Even if we are able to identify suitable targets, such acquisitions can be difficult, time consuming, and costly to execute and integrate, and we may not be able to secure necessary financing for the acquisitions. Unsuccessful acquisition may have an adverse effect on our business and financial condition. Businesses that we have acquired or may acquire in the future may have unknown or contingent liabilities, including liabilities for failure to comply with the relevant laws, regulations, and rules.

We may also suffer reputational and financial harm for actual or alleged inferior service or harm that occurred at the acquired stores prior to our acquisition, and need to respond to claims initially as unsatisfied customers will likely pursue their claims against us. In addition, future acquisitions and subsequent integration of newly acquired assets and businesses into our own would require 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. Acquired assets or businesses may not generate the financial results we expect. Going forward, from time to time, we may evaluate various acquisition opportunities, and any future acquisition through equity, asset purchase or business transfer, or investment in an associate may entail numerous risks. These risks include increased cash requirements, additional indebtedness, and contingent or unforeseen liabilities.

RISK FACTORS

The provision of services by medical practitioners on-site at our postpartum centers may involve legal compliance risks

While our postpartum centers are not medical institutions, we engage with certain medical practitioners to provide health and non-medical consultation services to our postpartum center customers as part of our postpartum care service packages, covering topics such as basic knowledge on health science, lifestyle habits, common health issues for newborn babies and mothers, as well as daily living and exercise health guidance. We engage such medical practitioners via third-party human resources service providers, who match our job requests and specific requirements with the relevant medical practitioners on their online platforms. The medical practitioners we engage are required to abide by our internal policies. According to our internal policies, medical practitioners who provide services at our postpartum centers (i) must not issue prescriptions or provide medications to our customers; (ii) must not perform invasive procedures such as removing stitches or administering injections; (iii) must not make any medical diagnoses and may only give advice and suggestions for health issues; and (iv) must communicate with our head nurse to ensure a consistent approach when speaking with customers. In addition, while most of the nursing specialists working at our postpartum centers possess the relevant professional qualifications, they are required to follow our SOPs in the delivery of postpartum care services and are not permitted to perform any medical acts for customers.

During the Track Record Period, Beijing Beikang Ze'en, the operating entity of one of our postpartum centers in Beijing, was subject to two administrative penalties in the form of fines of RMB3,000 and RMB150,100, respectively, by the competent authorities for engaging in unlicensed practice of medicine in two incidents which took place in September 2021 and June 2022, respectively, involving the provision of medical diagnosis and medical prescriptions by a Chinese medical practitioner in the respective cases and such activities were reported to competent authorities and were found to have violated applicable laws and regulations. As confirmed by our Directors, the administrative penalties for the two cases have been fully settled and the required rectification actions have been completed. Moreover, the medical practitioner involved in the second penalty was also subject to administrative penalties in the form of fines of RMB10,000 and the required rectification actions. We have since ceased the cooperation with this medical practitioner, who no longer provides health consultation services at any of our postpartum centers.

According to Article 23 of the Regulations on the Administration of Medical Institutions (醫療機構管理條例), any person who has not obtained a medical institution practice license or has not filed for record shall not carry out medical activities. According to Article 88(1) of the Implementation Rules for the Regulations on the Administration of Medical Institutions (醫療機構管理條例實施細則), medical activities refer to activities that involve making judgments and eliminating diseases, alleviating conditions, reducing pain, improving functions, prolonging life, and helping patients recover health by way of various examinations, drugs, instruments, and

RISK FACTORS

surgeries. According to Article 2 of the Reply on the Issues of Supervision of Traditional Chinese Medicine in the Special Action to Crack Down on Illegal Medical Practice (關於打擊非法行醫專項行動中有關中醫監督問題的批覆), non-medical institutions and their personnel shall not issue prescriptions for drugs or advertise therapeutic effects in their business activities.

According to our PRC Legal Adviser, taking into account the administrative penalties imposed on Beijing Beikang Ze'en, if the health consultation services provided by our postpartum centers are deemed to be medical activities by the competent authorities, we may be subject to administrative penalties. As the medical practitioners we may engage to deliver health knowledge educational sessions at our postpartum centers are not our employees, we have no control over their practice other than through our internal policies. We also cannot assure you that the services provided by the medical practitioners at our postpartum centers, or the procedures performed by our nursing specialists in the course of providing nursing services, will not be challenged or penalized by the competent authorities as unlawful medical activities, or that we will not be subject to any administrative sanctions, civil claims, or criminal liabilities as a result of such services. Any such challenge, penalty, sanction, claim, or liability may adversely affect our reputation, business, financial condition, and results of operations.

We may be unable to attract, train, and retain qualified personnel

Our existing operations and future growth require a sizeable and competent workforce. As of December 31, 2024, we had a workforce of 1,559 full-time employees, including 885 nursing staff. We also maintain a team of baby care specialists for our home care services business who are not our employees. The effective operation of our sales and marketing, legal, financial, and other functions also depends in part on our employees. See “Business — Employees” for more information.

Therefore, our future success depends, to a significant extent, on our ability to attract, train, and retain qualified personnel, particularly nursing and other professionals, management, and marketing personnel with expertise in the family care industry; inability to do so may materially and adversely affect our business, financial condition, results of operations, and prospects.

According to the Frost & Sullivan Report, the ability for new entrants to establish a professional staff team and an effective training system presents an entry barrier for the postpartum care industry. In order to retain talents, we may need to offer higher compensation, better training, more attractive career opportunities and other benefits to our employees, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our future growth. We may also fail to manage our relationship with our employees, and any disputes between us and our employees, or any labor-related regulatory or legal proceedings may divert management and financial resources,

RISK FACTORS

negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the increasing demands of our business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

Our operations may be interrupted by operational difficulties due to the outbreak of diseases, acts of God, acts of war, terrorist attacks, disasters, or other causes at or near our premises

As of the Latest Practicable Date, we had 96 postpartum centers (including self-operated and managed centers) under our brands primarily in hotels; we leased 17 properties in China, including for our headquarters and the production facilities of our food products business. Material damage or disruptions to any of our significant leased properties due to the outbreak of diseases, acts of God, acts of war, terrorist attacks, disasters, or other causes, such as extreme weather conditions, floods, fires, earthquakes, workforce actions, riots, and other disruptions such as mechanical failures and utility shortages or stoppages will disrupt our operation activities.

During the Track Record Period, the operations of our postpartum centers in China were affected by the COVID-19 outbreak. During the outbreak of COVID-19 in Shanghai between April and June 2022, and during the spread of the pandemic in the second half of 2022, the occupancy rate of our postpartum centers decreased significantly but we continued to incur certain fixed costs for those centers, including rental and related costs for unoccupied rooms reserved for customers, as well as labor costs. We believe that our results of operations in 2023 continued to be affected by the COVID-19 outbreak. See “Financial Information — Key Factors Affecting our Results of Operations — Adverse Impact of COVID-19” for more information.

Any similar disruption in our operation and/or production activities could have an adverse impact on our ability to continue to do business, and it could materially and adversely impair our business and financial condition that we cannot currently predict. Such damage or disruptions may not be adequately covered by proceeds of our insurance coverage, if any, and could materially and adversely affect our business, results of operations, financial conditions, and prospects.

Misconduct of our personnel, suppliers, and business partners could harm our reputation and business

Misconduct of our personnel, suppliers, and business partners could result in violation of laws by us, regulatory sanctions against us, and material reputational or financial harm. Such misconduct includes conducting unauthorized or unsuccessful activities resulting in unknown and unmanaged risks or losses, improperly using or disclosing confidential information, engaging in fraudulent acts, or otherwise not complying with laws or our internal control procedures. We cannot assure you that there will not be any misconduct of our personnel, including baby care

RISK FACTORS

specialists who are not our employees, and the precautions we take to prevent and to detect such activity may not be effective in all cases. We could also suffer from adverse publicity, reputational damage, or litigation losses that may arise from the misconduct by our personnel, which may have a material adverse effect on our business, results of operations, and financial condition.

In addition, we are vulnerable to adverse market perception as we operate in an industry where integrity, customer trust, and confidence are critical. Litigation and disputes, misconduct of our personnel, changes in senior personnel, customer complaints, outcome of regulatory investigations, or penalties on us may harm our reputation. Any harm to our reputation may cause our existing and potential customers to be reluctant to procure services from us in the future and therefore may have a material adverse impact on our business, results of operations, financial conditions, and prospects.

Our staff may be incentivized to adopt inappropriate and excessive sales practices in advising customers to purchase unnecessary or unsuitable services or products

The remuneration package of our employees includes basic salary, allowance, and bonus. In particular, our service personnel may be remunerated with bonus that is assessed mainly based on their performance of contributing to our sales. Therefore, our staff may be incentivized to adopt inappropriate and excessive sales practices unknown to us, which may involve advising customers to purchase unnecessary or unsuitable services or products, in order to boost their sales.

We were not involved in any material litigation or legal proceedings in relation to inappropriate or excessive sales practices during the Track Record Period and up to the Latest Practicable Date. However, any such incidents may result in complaints, claims and legal actions to be brought by dissatisfied customers. Such dissatisfied customers may request for refunds, complain on the internet or media, or to his/her peers, or file legal claim against us, where such actions may materially and adversely affect our market reputation and consumer perception, thereby weakening their affinity to our brand, causing deterioration in the level of trust among our customers and potential customers in our services and resulting in reduced sales and potential loss of customers. In addition, unscrupulous sales practices are regulated and restricted by PRC laws and regulations, the violations of which would subject us to penalties and/or other legal consequences. Any changes in the existing laws and regulations, or any changes of interpretation thereof, or any promulgation of new laws and regulations in the PRC in relation to unscrupulous sales practices could require us to incur additional compliance costs, or result in us being regarded as not in compliance with the relevant laws and regulations thereby subjecting us to penalties and/or other legal consequences.

RISK FACTORS

We are subject to complaints, claims, and legal proceedings in the regular course of our operations

We rely on our professionals in our postpartum centers and baby care specialists at our customers' homes for home care services business, to make appropriate decisions and actions to take care of our customers. However, we cannot assure you that all of them will always act in accordance with our standard operating procedures and with the appropriate standard of care. Any deviation from the appropriate standard of care, or any failure to properly manage our postpartum centers' activities, or our baby care specialists' performance of their duties at our customers' premises, may result in unsatisfactory customer experience, injuries or, in extreme cases, deaths. Given the subjectiveness of the level of customer satisfaction with our services, we are also susceptible to other types of complaints associated with our services from time to time. These include claims relating to (i) dissatisfaction with the quality of our services and products; (ii) disputes over charges; and (iii) dissatisfaction with our customer service. In addition, as our business grows, the absolute number of such complaints, allegations, and other claims, regardless of merit, may continue to increase.

In addition, in the course of our operations, we may be subject to claims and legal proceedings brought by our competitors for unfair competition relating to our advertising claims or otherwise. For example, during the Track Record Period and up to the Latest Practicable Date, certain members of our Group had been involved in a number of disputes with one of our competitors (the "**Competitor**") over unfair competition. Under one of the cases, we were ordered by a Beijing court to issue a public clarification statement and pay the Competitor compensation for economic loss suffered of RMB500,000 and reasonable fee of RMB625 in aggregate. We have already satisfied the order. Under another case, we were ordered by a Beijing court on first trial to issue a public clarification statement and pay the Competitor compensation for economic loss suffered of RMB100,000 and reasonable fee of RMB20,000 in aggregate. We have already satisfied the order.

Any complaint, allegation, claim, or legal proceeding brought by our customers, competitors, or business partners, regardless of merit, if widely disseminated, could damage our corporate image and reputation in the industry, divert management and financial resources, and cause us to incur extra costs to handle these complaints and litigation matters. A settlement or successful claim against us can also result in significant costs, damages, compensation, and reputational damage, which may adversely affect our business, results of operations, and financial condition.

RISK FACTORS

We cannot assure you that the existing shift systems for nursing specialists at our postpartum centers may not be regarded by the relevant authorities as overtime work and hence are subject to the relevant labor-related laws and regulations

The nursing specialists at our postpartum centers work under different shift systems depending on the brand of the postpartum center they are assigned to. In our postpartum centers, there are shift schedules exceeding eight hours. In particular, such shift schedules may involve either 24-hour or 12-hour shifts. In each case, the period between 18:00 to 09:00 on the next day is the standby period during which our nursing specialists would have ample rest time. As of the Latest Practicable Date, we had 681 nursing specialists working under either one of these shift systems.

According to the relevant provisions of the Labor Law, the working hours of workers shall not exceed eight hours per day and the average working hours per week shall not exceed 44 hours.

We have been advised by our PRC Legal Adviser that the standby period, namely the working hours for nursing specialists at our postpartum centers beyond eight hours a day during which they are required to perform care work in accordance with our standard procedures, is more likely to be regarded as “on duty” (值班) on the basis of local judicial documents and cases in the jurisdictions where our Group operates our business.

For example, according to Article 56 of the “Answers to Questions on the Trial of Labor Dispute Cases (1)” issued by the Beijing High People’s Court and the Beijing Labor and Personnel Dispute Arbitration Commission: “In the following circumstances, employees’ requests for overtime pay are generally not supported: (1) the employer arranges for employees to perform on-duty tasks unrelated to their primary work due to safety, fire prevention, or holiday needs; or (2) the employer arranges for employees to perform on-duty tasks related to their primary work, but the employees can rest during the on-duty period.”

Article 3 of the “Answers to Several Questions on the Trial of Labor Dispute Cases” issued by the Shanghai High People’s Court states: “In the following circumstances, the labor dispute handling agencies shall not support overtime pay requests from employees if: (1) employees are assigned on-duty tasks unrelated to their primary work due to the employer’s needs for safety, fire prevention, holidays, etc.; or (2) employees are assigned on-duty tasks related to their primary work, but they can rest during the on-duty period.”

For regions without specific local judicial documents, based on the key points of judgments in relevant cases, the courts may regard working hours exceeding eight hours as “on duty” if the following three conditions are met: (1) the workload during the on-duty period is lower than

RISK FACTORS

during normal working hours; (2) the employer provides necessary rest venues and facilities; and (3) the employees have actual rest time. As such, the employer is not required to pay additional overtime wages for on-duty employees.

Specifically, due to the nature of postpartum care, our nursing SOPs are only required to be carried out at specified periods of the day, and there are periods in which our nursing specialists are on standby, during which they only need to perform relatively simple routine tasks such as temperature monitoring for mothers and infants and measuring jaundice levels. Other than such low-intensity tasks, our nursing specialists only need to attend to the customers or infants when needed. Additionally, our nursing specialists have ample rest time during the standby period, and we also provide the necessary places and facilities for rest during such period.

Therefore, it is likely that the scheduling system and shift schedules for our nursing staff that exceed eight hours of work time will be considered “on duty” for the purpose of PRC law. Consequently, our PRC Legal Adviser is of the view that the risk of being required to pay overtime and the risk of being subject to administrative penalties due to working overtime are also considered remote. However, there is no assurance that our understanding of the relevant labor laws and regulations would be consistent with that of the relevant authorities.

If we are found to have violated the provisions of the Labor Law by extending the working hours of the workers, we may face the risks of being warned, ordered to make corrections, and fined according to the standard of RMB100 to RMB500 per affected worker by the labor administrative department. If we are found to have violated the labor-related laws and regulations, we may face legal liabilities, administrative penalties, reputational damage, and labor disputes, which may adversely affect our business, financial condition, and results of operations.

Failure to comply with labor laws and regulations may adversely affect our business and results of operations

We are required by the local laws and regulations to comply with various requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee’s probation, and unilaterally terminating labor contracts. In the event that we decide to terminate employment contracts with some of our employees or otherwise change our employment or labor practices, the relevant local laws and regulations, such as the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

RISK FACTORS

In accordance with relevant PRC laws and regulations, an employer shall pay basic pension insurance, basic medical insurance, work related injury insurance, unemployment insurance, maternity insurance, and housing provident fund (collectively, the “**Employee Benefits**”) for its employees in accordance with the rates and bases provided under relevant regulations and shall withhold the Employee Benefits that should be assumed by its employees.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. We cannot assure you that the relevant governmental authorities will not require us to rectify any such non-compliance and/or impose late fees or fines on us, which may adversely affect our business, financial condition, and results of operations.

We may incur losses resulting from product liability claims or product recalls

We may incur losses resulting from product liability claims with respect to our products, including our food products, S-bra products, as well as miscellaneous products supplied at our postpartum centers. Such claims may arise, for example, in case of unexpected food safety issues for our food products, or for our products generally, if there exist any defects in quality of these products or any of these products are deemed or proven to be unsafe, defective, or contaminated. In the event that the consumption, use, or misuse of any of our products results in illness, personal injury, or death, product liability and/or indemnity claims may be brought against us. Such product liability claims, regardless of merit, may lead to negative publicity and have a negative impact on our reputation among consumers, which may adversely affect our business, financial condition, and results of operations.

In addition, we may be required to conduct product recalls, and the relevant regulatory authorities in China or elsewhere may close down some of our related operations and take administrative or other actions against us. If we experience any business disruption and litigation, we may incur additional costs and have to divert our management’s attention and resources on such matters, which may adversely affect our business, financial condition, and results of operations.

RISK FACTORS

Our IT infrastructure may experience unexpected system failure, interruption, inadequacy, or security breaches

Our IT infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. We may encounter problems when upgrading our systems or services and undetected programming errors, which could adversely affect the performance of our operating systems and user experience.

Our business depends on the performance and reliability of the internet infrastructure in China, which is mainly maintained by state-owned telecommunication operators under the MIIT's control and supervision. We rely on this infrastructure to provide data communications primarily through local telecommunication lines and wireless networks. We cannot assure you that a sophisticated internet infrastructure will be developed in China or other markets in which we operate, and we may not have access to alternative networks on a timely basis, if at all, in case of disruptions, failures, or other problems.

We also utilize information technology systems, including third-party systems, to process operational and financial information and to comply with regulatory, legal, and tax requirements. We depend on information technology for electronic communications between our facilities, personnel, customers, and suppliers. We cannot guarantee that our IT systems or the third-party IT systems that we use will function properly or will not experience any suspension or disruption.

In particular, our IT systems may be vulnerable to interruptions, including during the process of upgrading or replacing software, databases or components, natural disasters, terrorist attacks, telecommunications failures, computer viruses, cyber-attacks, hackers, unauthorized access attempts, and other security issues. The IT security initiatives and disaster recovery plans we have implemented may not be adequate. Any significant failure of our systems, including failures that prevent our systems from functioning as intended, could cause leakage of personal data of our customers, loss of trade secrets, disruption to our services, and loss of customers and sales, and may have negative impact on our operations or business reputation.

Security breaches and attacks against our systems and network, and any potential breaches or failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business

Our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks, and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we

RISK FACTORS

otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial of service or other interruption to our business operations.

As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against these attacks. We have in the past and are likely again in the future to be subject to these types of attacks. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyberattacks. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed, and we could face substantial loss and customer dissatisfaction.

We may fail to comply with existing or future laws and regulations related to privacy, cybersecurity or data security

We collect certain personal data of our customers, primarily including name, age, gender, contact information, basic health information, consultation and treatment records, and other service-related records. We collect such information primarily for communications, service planning, and delivery of our services and products properly. We are required by applicable laws to properly keep and maintain customer records, and to protect our customers' personal information.

The regulatory framework for the collection, use, safeguarding, sharing, transfer, and other processing of personal information worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Regulatory authorities in virtually every jurisdiction in which we operate have implemented and are considering a number of legislative and regulatory proposals concerning personal data protection.

The Cybersecurity Review Measures (網絡安全審查辦法) became effective on February 15, 2022, which stipulates that the operators carrying out data processing activities that affect or may affect national security, shall conduct cyber security review. According to the Cybersecurity Review Measures, an internet platform operator who controls more than one million users' personal information must report to the cyber security review office for a cyber security review if it intends to be listed abroad. However, the Cybersecurity Review Measures do not provide any further explanation or interpretation for "listed abroad" or "affects or may affect national security." We cannot guarantee whether we will be subject to the cyber security review for our future capital raising activities or if new rules or regulations promulgated in the future will impose additional compliance requirements on us. Compliance with these and any other applicable laws, regulations,

RISK FACTORS

standards, and obligations relating to data privacy, security, and transfers is a rigorous and time-intensive process and may cause us to incur substantial operational costs or require us to modify our data processing practices and processes. If we fail to comply with any such laws or regulations, we may face proceedings against us by data protection authorities, governmental entities, or others, including class action privacy litigation in certain jurisdictions, which would subject us to significant fines, penalties, judgments, negative publicity, and reputational damage, and may otherwise materially and adversely affect our business, financial condition, and results of operations.

Our advertising activities may not be able to fully comply with and are subject to the relevant laws and regulations in China for making health claims or false advertising

We offer a range of food products in our online stores on e-commerce platforms such as Tmall. In February 2023, Beikang Guanghe was imposed with an administrative penalty in the form of a fine of RMB10,000 by the competent authority for making unsubstantiated health enhancement claims for our *yue nai tang* (月乃湯) and *nai yue* (乃悅) products offered on JD.com. According to the relevant laws and regulations in China, in cases where product advertisements and descriptions express or imply that they have specific health functions, or where product advertisements are considered as false advertising by the competent authorities due to misleading descriptions, we will be subject to administrative penalties as a result.

In addition, the advertising activities for our other lines of business may also be subject to the relevant laws and regulations in China for making health claims or false advertising. For example, in April 2022, Hangzhou Beikang was imposed with an administrative fine of RMB10,500 by the competent authority for making unsubstantiated claims regarding our postpartum research center and home care college. Further, we have in the past advertised our postpartum care services as being provided by “practicing nurses”. However, our PRC Legal Adviser has advised us that some of our nursing specialists had not obtained the relevant practicing certificates despite being qualified, and the nurses who are qualified as professional nurses are unable to provide nursing services specified in the relevant technical regulations on clinical diagnosis and treatment to our customers as “practicing nurses” since we are not a medical institution. Accordingly, making such claims exposes us to the risk of violating the Advertisement Law. Please refer to “Regulatory Overview — Regulations on Advertising in the PRC” in this prospectus.

If we are found to have violated the Advertisement Law or other applicable laws and regulations, we may be required to stop advertising, eliminate the impact, and pay fines ranging from one to ten times the advertising costs or from RMB100,000 to RMB2 million when the advertising costs cannot be calculated or is significantly low, depending on the circumstances and frequency of the violations. In severe cases, we may also face the revocation of our business

RISK FACTORS

license, the cancellation of our advertising approval documents, and the rejection of our advertising applications for one year. Such penalties may adversely affect our reputation, operations, financial condition, and prospects. We cannot assure you that we will always fully comply with all the applicable laws and regulations regarding advertising in China or that we will not be subject to any claims, complaints, investigations, or sanctions in the future. Any of these events could have a material adverse effect on our business, results of operations, and financial condition.

Our food products business relies on e-commerce platforms

Our food products are marketed to external customers primarily through e-commerce platforms in China. Any failure by these e-commerce platforms to perform their obligations or services adequately or on acceptable terms, or any failure of maintaining our cooperation could materially and adversely affect our business. In certain circumstances, our cooperation with e-commerce platforms may give them substantial influence over certain aspects of our operations, which could impact our selection of merchandise. Any failure to comply with these requirements could lead our partners to suspend or terminate their cooperation with us, which may adversely affect our business. Any inability on our part to manage these partners effectively or to retain them on commercially acceptable terms could severely limit our ability to attract, engage, and retain customers, which may have a material and adverse effect on our business, financial condition, and results of operations.

In addition, if our business relationship with these e-commerce platforms ceases for any reason, we may not be able to identify replacement sales channels or other customers, in which case our business, results of operations, and financial position could be adversely affected. Furthermore, our financial results could be adversely affected if other costs associated with such partnerships materially change or if any penalty or claim for damages is imposed as a result of our breach of the agreement with them or their other requirements. If we are unable to resolve any conflicts with our business partners or find alternatives partnerships, our operations, expansion strategies, and results of operations may be adversely affected.

Our insurance coverage may be insufficient to cover all risks involved in our business operations

We have obtained insurance to cover certain potential risks and liabilities. However, we may not be able to acquire any insurance for certain types of risks such as business liability or service disruption insurance for all of our operations in China, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. For example, we do not maintain key-man life insurance. Any business disruption, litigation, regulatory action, outbreak of diseases, or natural disaster, or disputes or liabilities

RISK FACTORS

arising from our business could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition, and results of operations could be materially and adversely affected.

We may be required to cease enjoying the preferential policies or be asked to return the obtained or exempted government subsidies if we do not meet or are deemed by the relevant authorities to not meet the conditions for tax incentives or government subsidies

The enterprise income tax rate generally applicable in China has been 25% since January 1, 2008 pursuant to the EIT Law, while the portion of annual taxable income amount of certain subsidiaries (as small low-profit enterprises) which did not exceed RMB1,000,000 shall be computed at a reduced rate of 12.5% as taxable income amount, and be subject to enterprise income tax at 20% tax rate. In 2022, Hangzhou Beikang was accredited as a “High and New Technology Enterprise” and was entitled to a preferential income tax of 15% for a period of three years from 2022 to 2024. For the years ended December 31, 2022, 2023, and 2024, the effect of preferential income tax rate applicable to certain subsidiaries reduced our tax charge by RMB1.0 million, RMB11.1 million, and RMB10.4 million, respectively.

The qualifications of a High and New Technology Enterprise are subject to review by the relevant PRC authorities. We cannot assure you that Hangzhou Beikang will be able to maintain or renew such qualification. Failure to maintain or renew such qualification would prevent Hangzhou Beikang from enjoying the preferential tax treatments and if this happens, or if the favorable tax policies available to our subsidiaries are withdrawn or revoked by the relevant PRC authorities or become less favorable, our subsidiaries may be subject to EIT rate of 25%, which would materially and adversely affect our net profit and reduce our profitability.

In addition, we recognized tax incentives and other government grants of RMB7.3 million, RMB7.1 million, and RMB0.8 million, respectively, for the years ended December 31, 2022, 2023, and 2024. The tax incentives and other government grants for the years ended December 31, 2022, and 2023 primarily represented the additional input value-added tax credit for enterprises in the lifestyle services industry, effective from October 1, 2019 to December 31, 2023. We incurred such input value-added tax primarily when we rented premises for our postpartum centers and when we purchased materials for rendering our services. As of the Latest Practicable Date, we were not aware of any renewal of such additional tax credit policy beyond December 31, 2023. If the policy is not renewed, we will not be able to recognize the corresponding other income like we did during the Track Record Period.

In addition, government grants or subsidies granted or to be granted to us may be subject to certain conditions, such as performance targets. In the event that we fail to fulfill such conditions, we may not be able to receive the relevant fundings from the government in the future, and the government may request the return of grants from us due to our unmet business targets.

RISK FACTORS

During the Track Record Period, we enjoyed the rent reduction policy for the use of the premises of our Hangzhou headquarters, for which Hangzhou Beikang has made a commitment on operating income for each of the relevant years. For the years ended December 31, 2022, 2023, and 2024, the corresponding subsidy amounts were RMB3.5 million, RMB3.0 million, and RMB2.4 million, respectively. In the event that we fail to fulfill or are deemed not to fulfill such conditions, we may not be able to receive the relevant subsidies, and the government may request the return of the subsidies we received.

We may be subject to additional contributions of social insurance and housing provident funds and late payments and fines imposed by relevant governmental authorities

Companies operating in China are required to participate in various employee benefit plans, including social insurance, housing provident funds and other welfare-oriented payment obligations. The amounts of contributions should be equal to the prescribed percentages of salaries, including bonuses and allowances, of the employees up to a maximum amount specified by the local governments from time to time, at the locations where the companies operate their businesses. The contributions shall be paid under the company's own accounts instead of making payments under third-party accounts. According to the relevant PRC laws and regulations, an employer who fails to make social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered by social insurance contributions collection institutions to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. In addition, an employer that has not made housing provident fund contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered by the housing provident fund management center to rectify the non-compliance and pay the required contributions within a stipulated deadline. If the employer still fails to rectify the failure to make housing provident contributions within the stipulated deadline, it may be subject to the court's compulsory enforcement.

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees. For details, see "Business — Legal Compliance Matters — Social Insurance and Housing Provident Funds". During the Track Record Period, we also engaged three third-party human resources agencies to pay social insurance and housing provident funds for seven of our employees, which may not be viewed as contributions made by us. We cannot assure you that the competent government authorities will not require us to pay the outstanding amount and impose late payment fees or fines on us. If we are subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Our risk management and internal control systems, as well as the risk management tools available to us, may not fully protect us against various risks inherent in our business

We have established risk management and internal control systems consisting of relevant organizational frameworks, policies, procedures, and risk management methods in order to manage our risk exposure, primarily including market risk, credit risk, liquidity risk, operational risk, compliance risk, and legal risk, and we expect to continue to improve such risk management and internal control systems from time to time. See “Business — Internal Control and Risk Management” for further details of our risk management. However, our risk management and internal control systems may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated.

For example, during the Track Record Period and up to the Latest Practicable Date, certain members of our Group had been involved in a number of disputes with one of our competitors over unfair competition. See “We are subject to complaints, claims, and legal proceedings in the regular course of our operations” above for more information. Following such legal proceedings, we have strengthened our advertisement policy and heightened our staff’s awareness of applicable rules and regulations relating to advertising and consumer protection. However, we cannot assure you that these measures will be effective in ensuring that all our advertising activities comply with applicable laws and regulations in all material respects.

In addition, we will become a public company upon completion of the Global Offering, and our internal controls will be essential to the integrity of our business and financial results. Our public reporting obligations are expected to place a strain on our management, operational, and financial resources and systems in the foreseeable future. If we encounter difficulties in improving our internal controls and management information systems, we may incur additional costs and management time in meeting our improvement goals. We cannot assure you that the measures taken to improve our internal controls will be effective. If we fail to maintain effective internal controls in the future, our business, financial condition, results of operation, and reputation may be materially and adversely affected.

Our risk management capabilities are limited by the information, tools, or technologies available to us. If our internal control system fails to detect potential risks in our business as intended, or is otherwise exposed to weaknesses and deficiencies, our business, financial condition, and results of operations could be materially and adversely affected.

Effective implementation of our risk management and internal controls policies and procedures also depends on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended, or such implementation will not be subject to human errors, mistakes, or intentional misconduct. If we fail to implement our policies and procedures in a timely manner, or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition, and results of operations could be materially and adversely affected.

RISK FACTORS

We may not be able to fully protect our intellectual property rights

We face challenges in protecting our intellectual property rights and enforcing corresponding contractual rights. We rely on a combination of patents, trademarks, copyrights, and trade secrets in China and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We also enter into confidentiality agreements with our employees and third parties who may access our proprietary information, and we take security measures to control access to our proprietary technology and information. We might not be able to obtain broad protection for all of our intellectual property. The protection of our intellectual property rights may require the expenditure of significant financial, managerial, and operational resources. The process of obtaining intellectual property protections can be expensive and time-consuming, and we may not be able to pursue all necessary or desirable actions at a reasonable cost or in a timely manner.

In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming, and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. Confidentiality agreements may be breached by counterparties, and they may use our intellectual property without authorization. In the event that we resort to litigation to protect our intellectual property rights, litigation could result in substantial costs and a diversion of our managerial and financial resources. There can be no assurance that we will prevail in any litigation. Furthermore, the intellectual property protection mechanisms that we rely on may not be sufficient in the jurisdictions in which we operate. For example, effective intellectual property protection may not be available in every country in which we currently, or in the future, will operate.

The degree of future protection afforded by our intellectual property rights is uncertain. Intellectual property rights have time and geographical limitations and may not adequately protect our business, or permit us to maintain our competitive advantage. The following examples are illustrative:

- others may be able to independently develop similar or alternative technologies or designs that are similar to our services and products but are not covered under the patents that we own;
- we might not have been the first to make the inventions covered by the issued patents or pending patent applications that we own, which could result in the patent applications not being issued or being invalidated after issuance;
- we are exposed to risks of unauthorized use of our trademarks by third parties;
- we may fail to apply for or obtain adequate intellectual property protection in all the jurisdictions in which we operate; and

RISK FACTORS

- the patents of others may have an adverse effect on our business.

Any of the aforementioned threats to our competitive advantage could have a material adverse effect on our business. If we fail to protect or enforce our intellectual property rights, our customers and partners may devalue our services, and our ability to compete effectively may be impaired, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive and time-consuming to defend and may disrupt our business and operation by diverting our financial and management resources

We cannot be certain that third parties will not claim that our business infringes upon or otherwise violates patents, copyrights, or other intellectual property rights that they hold. We may be involved in litigation in respect of our technology-based services in relation to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation, and other violations of other parties' rights. The validity, enforceability, and scope of protection of intellectual property rights are not consistently developed in the jurisdictions where we operate. We may face allegations that we have infringed on the trademarks, copyrights, patents, and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes, we face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources, and favorable final outcomes may not be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and prospects.

Failure to retain the services of our senior management and key personnel could severely disrupt our business and growth

Our success significantly depends upon the continued service of our senior management and key personnel. If we lose any of our senior management and key personnel we may not be able to identify, hire, and train suitable qualified replacements and may incur additional expenses and time to recruit and train new personnel, which could severely disrupt our business and growth. In addition, although each member of our senior management and key personnel has signed a non-compete agreement with us, we may not always be able to successfully enforce these provisions should any of them leave us. Any of the above events could severely disrupt our business and growth.

RISK FACTORS

There is no assurance that we will be able to successfully enforce the non-competition undertakings contained in the agreements we have entered into with our employee

Although there are non-competition undertakings contained in the employment agreements we have entered into with some of our employees, there is no assurance that they will not, upon termination of their respective agreements with us, engage in business activities that compete, whether directly or indirectly, with our business for a certain period of time. In circumstances where such employees engage in competing business activities, we cannot assure you that we will be able to successfully enforce such non-competition undertakings. If such employees engage in competing business activities and we are unable to enforce the relevant non-competition undertakings, our business, results of operations, and financial condition may be materially and adversely affected.

We may not be able to obtain additional funding on acceptable terms or at all, which may affect our ability to expand our business or meet unforeseen contingencies

We may need additional funding to fund our operations or expansion plans. Our expansion plans may change due to changing circumstances or unforeseen contingencies. Any change in our expansion plans may require us to obtain additional external debt or equity financing. If we are unable to obtain such financing, or are unable to obtain such financing in a timely manner on commercially acceptable terms, we may not be able to expand our business and our operations may be adversely affected. The availability of external funding is subject to various factors, including government approvals, prevailing capital market conditions, credit availability, interest rates, and our business performance, some of which are beyond our control. Our inability to procure additional financing in a timely manner on terms commercially acceptable to us could materially and adversely affect our business, results of operations financial conditions and expansion plans.

Our contract liabilities may not be recognized as revenue in full, in time, or at all

As of December 31, 2022, 2023, and 2024, our contract liabilities amounted to RMB113.3 million, RMB163.1 million, and RMB175.5 million, respectively. Our recognition of contract liabilities as revenue is subject to future performance obligations and may not be representative of revenues for future periods.

Our contract liabilities primarily represented the advance payment made by customers for services and products to be provided in the future. For our postpartum recovery services and home care services, our service packages generally should be consumed within the specified period before they expire. After we provide relevant services or products, contract liabilities will be recognized as revenue. For our postpartum care services, our customers reserve their stay at our postpartum centers in advance and typically pay an advance payment of 50% of the contract price at the time of reservation. However, according to the terms of our contracts with customers of our postpartum care services, such advance payment is subject to full or partial refund under certain circumstances, such as in case of unexpected health conditions of the baby.

RISK FACTORS

For more details of our contract liabilities, see “Financial Information — Description of Major Line Items in our Consolidated Statements of Financial Position — Contract Liabilities”.

Due to the absence of expected timeframe for subsequent utilization of the service plans and the potential future changes in service schedules, contract liabilities at any particular date may not be representative of actual revenue for any current or future period. In addition, we cannot guarantee that all the services purchased by customers can be delivered in a timely manner. Any failure to fulfill the obligations in respect of contract liabilities, as well as any refund by the customers of our postpartum centers, may have an adverse impact on our results of operations, liquidity, and financial position.

We may have difficulty managing our production activities, and our workshop may be exposed to risks of substantial disruption

We conduct certain key steps of the production process for our food products business such as blending of ingredients at our own workshop in Shanghai. Any damage or malfunction to our manufacturing equipment may affect our ability to fulfill product orders. In addition, operation of our manufacturing equipment requires employees with experience, technical know-how, and qualifications. Any failure to effectively manage our manufacturing operations due to loss of employees or otherwise could have a material adverse effect on our business, financial position, and results of operations.

Changes in governmental planning for the land underlying these facilities and regulatory changes may require us to cease our operations on such facilities. If the operation of our workshop is substantially disrupted, we may not be able to replace or repair the damaged equipment or facilities, or use a different facility to continue our production in a timely and cost-effective manner, or at all. As a result, we may fail to meet market demands for our products, and our business, financial condition, and results of operations could be adversely affected.

We rely on third parties to manufacture and deliver our products

We have engaged third-party contract manufacturers for certain production processes of our food products business, as well as a part of the production of our S-bra line of lingerie products. We rely on a number of logistics providers for the transportation and delivery of products. The services provided by these third-party suppliers could be interrupted by various factors beyond our control, such as sub-standard production quality, poor workmanship, natural disasters, pandemics, adverse weather conditions, social unrest, labor strikes, and mishandling of products. Any delays, losses, or damages may result in loss of customers, sales, and turnover, which may adversely affect our business, financial condition, and results of operations.

RISK FACTORS

Our profit margins may be adversely affected by our entry into the elderly care market

We plan to enter the elderly care market and selectively launching new services in this market segment according to market demand. However, as the market landscape for elderly care services is substantially different from that of the postpartum care and recovery industry in which we have established experience and expertise, there is a risk that our profit margins may be adversely affected by our entry into the elderly care market.

The elderly care industry is characterized by distinct customer demographics, regulatory requirements, service delivery models, and competitive dynamics. For example, elderly care often requires long-term, comprehensive support for individuals with varying degrees of physical and cognitive needs. This would necessitate specialized training and investment in facilities and equipment tailored to the needs of elderly clients, all of which could result in increased operating costs.

Furthermore, the pricing structures in the elderly care industry may differ significantly from those in the postpartum care sector. For example, elderly care services may be subject to government regulation, which could limit our ability to set prices at levels that would sustain our historical profit margins. In addition, the competitive landscape in elderly care may be more fragmented or include established players with significant market share, potentially leading to increased competition and downward pressure on pricing.

As a result of these factors, there can be no assurance that we will be able to achieve profit margins in the elderly care business that are comparable to those realized in our postpartum center business. Any inability to adapt our business model, cost structure, or service offerings to the unique requirements of the elderly care market could have a material adverse effect on our profitability, financial condition, and results of operations.

Failure to comply with any restrictive covenants of our indebtedness could have an adverse effect on our cash flow and liquidity

Under any debt financing arrangement that we may enter into in the future, we may be subject to certain covenants that could, among other things, restrict our business and operations and impose certain financial requirements. If we breach any of these covenants, our lenders may be entitled to accelerate our debt obligations. Any default under our debt obligations could require that we repay these debts prior to maturity, and may also limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity.

RISK FACTORS

During the Track Record Period, we did not complete the fire safety filings in a timely manner for some of our renovations

During the Track Record Period, we did not complete the fire safety filings in a timely manner for the renovation work at some of our leased properties. As advised by our PRC Legal Adviser, if we fail to comply with the applicable fire safety regulations or policies, we may face administrative penalties such as warnings, fines, or an order to cease operations. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we did not receive any fines or administrative penalties, and were not subject to any regulatory investigations or legal proceedings in relation to fire safety incidents. However, we expect to incur additional costs as a result of the measures we take to prevent similar non-compliances from recurring. In addition, we cannot assure you that we will not be subject to any future regulatory reviews and inspections where other non-compliance incidents might be identified, which might materially and adversely affect our business, financial condition, results of operations, and prospects.

Our leased property interests may be defective and our right to lease or use the properties may be challenged

As of the Latest Practicable Date, the relevant lessors of nine of our leased properties relating to our business operations had not provided relevant title ownership certificates or other similar proofs of such leased properties to us. Therefore, we cannot assure you that such lessors are entitled to lease the relevant properties to us. If the lessors are not entitled to lease the properties to us and the owners of such properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners.

As of the Latest Practicable Date, we were not aware of any claim or challenge brought by any third parties concerning the use of our leased properties without obtaining proper ownership proof. If our lease agreements are claimed as null and void by third parties who are the real owners of such leased properties, we could be required to vacate the properties, in which event we could only initiate the claim against the lessors under relevant lease agreements for indemnities for their breach of the relevant leasing agreements. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we are unable to relocate our operations in a timely manner, our operations may be interrupted. For more details, see “Business — Properties” in this prospectus.

Some of the lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by PRC law

Pursuant to applicable PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement with relevant government authorities. As of the Latest Practicable Date, 17 lease agreements we entered into had not been registered with the relevant PRC governmental authorities as required by the PRC law.

RISK FACTORS

Although the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities, according to the relevant PRC regulations, we may be ordered by the PRC government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 and RMB10,000 for each non-registered lease. As of the Latest Practicable Date, we were not aware of any regulatory or governmental actions, claims, or investigations being contemplated or any challenges by third parties to our use of our leased properties, the lease agreements of which have not been registered with the government authorities. However, we cannot assure you that the government authorities will not impose fines on us due to our failure to register any of our lease agreements. For more details, see “Business — Properties” in this prospectus.

We may be subject to penalties levied by the PRC government for loans to third parties during the Track Record Period

During the Track Record Period, we made private loans to certain independent third parties. According to the General Lending Provisions (《貸款通則》), only financial institutions may legally engage in the business of extending loans, and loans between companies that are not financial institutions are prohibited. The PBOC may impose penalties on the lender equivalent to one to five times the illegal income generated from loan advancing activities. According to the Provisions of the Supreme People’s Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the “**Private Lending Provisions**”), which became effective on September 1, 2015 and was amended on December 29, 2020, the Supreme People’s Court has made new interpretations concerning financing arrangements and lending transactions between non-financial institutions. According to Article 11 of the Private Lending Provisions, the Supreme People’s Court recognizes the validity and legality of financing arrangements and lending transactions between non-financial institutions so long as certain requirements, such as the interest rates charged, are satisfied and there is no violation of mandatory provisions of laws and regulations. See “Financial Information — Description of Major Line Items in our Consolidated Statements of Financial Position — Prepayments, Other Receivables, and Other Assets” for more information. During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any administrative penalty by government authorities, or become subject to any investigation relating to the interest-bearing loans to these third parties. As of the Latest Practicable Date, all loan receivables had been settled, and we did not plan to continue conducting such transactions going forward. However, we cannot assure you that we will not be subject to any fines set by the competent authority. If the competent authority imposes penalties against us under the General Lending Provisions, our business, financial position, and results of operations could be adversely affected.

We may fail to comply with environmental, health, and safety laws and regulations

We are subject to numerous environmental, health, and safety laws and regulations. Our operations produce waste water and certain other pollutants. We generally contract with third parties for the disposal of these materials and wastes. However, we cannot eliminate the risk of

RISK FACTORS

contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources and incur significant costs associated with civil or criminal fines and penalties.

Share-based payment may dilute your shareholding and may have a material and adverse effect on our financial performance

In June 2024, our Board approved a share incentive scheme which would grant restricted Shares to certain employees. For the year ended December 31, 2024, we recognized share-based payment expenses of RMB60.6 million. We made such share-based payment as remuneration for our employees' services provided to us to incentivize and reward the eligible persons who have contributed to the development of our Group. To further incentivize our employees and non-employees to contribute to us, we may grant additional share-based compensation in the future. If such share-based compensation involves the issuance of new Shares, the grant of additional share-based compensation may result in a dilution of our Shareholders' equity interests in our Company. In addition, expenses incurred with respect to such share-based payment may increase our operating expenses and therefore have a material and adverse effect on our results of operations and financial condition.

We incurred net losses in the past, and we may continue to incur losses in the future

For the years ended December 31, 2022, 2023, and 2024, we incurred net losses of RMB411.6 million, RMB238.9 million, and RMB543.3 million, respectively. We incurred net losses during the Track Record Period in part because a large number of our postpartum centers were in the ramp-up period and the significant expenses we incurred as a result of the rapid expansion of our postpartum center network. As we continue to grow our business, expand geographically, invest and innovate our technology infrastructure, and further broaden our service offerings, there is no assurance that we will remain profitable in the future.

Our future profitability will depend on a variety of factors, including the expansion and performance of our existing business, competitive landscape, customer preference, and macroeconomic and regulatory environment. Our revenues may not grow at the rate we expect and may not increase sufficiently to offset the increase in our costs and expenses. We may continue to incur losses in the future and we cannot assure you that we will eventually achieve our intended profitability.

We had net liabilities throughout the Track Record Period

As of December 31, 2022, 2023, and 2024, we had net liabilities of RMB716.2 million, RMB955.1 million, and RMB1,459.7 million, respectively. Our net liabilities position as of December 31, 2022, 2023, and 2024 was primarily due to the financial liabilities recorded in connection with our financial instruments issued to investors, which will be reclassified from

RISK FACTORS

liabilities to equity upon the Listing due to the termination of the relevant preferred rights. Therefore, we do not expect to recognize any further loss or gain on fair value changes from financial instruments issued to investors upon the Listing. Nevertheless, our net liabilities position can expose us to the risk of shortfalls in liquidity. This in turn would require us to undertake additional equity financing, which could result in dilution of the equity interests of our Shareholders. Any difficulty or failure to meet our liquidity needs as and when needed can have a material adverse effect on our prospects.

We had net current liabilities as of December 31, 2024

We had net current liabilities of RMB1,752.2 million as of December 31, 2024, primarily due to (i) financial instruments issued to investors of RMB1,656.3 million; and (ii) the contract liabilities with carrying amount of RMB175.5 million which will be settled by provision of services instead of cash payment. See “Financial Information — Description of Major Line Items in our Consolidated Statements of Financial Position” for more information. We cannot assure you that we will not have a net current liabilities position in the future. The net current liabilities position, if it recurs in the future, would expose us to liquidity risk which could restrict our ability to make necessary capital expenditure or develop business opportunities, and our business, results of operations, and financial condition could be materially and adversely affected.

Our financial results for the year ending December 31, 2025 may be affected by fair value changes in the financial instruments we issued

For the years ended December 31, 2022, 2023, and 2024, we incurred net losses of RMB411.6 million, RMB238.9 million, and RMB543.3 million, respectively, primarily due to the fair value changes in financial instruments issued to investors, namely certain Shares with preferred rights and warrants issued to the Pre-IPO Investors. The increases in their fair value are recognized as a fair value loss, which is a non-cash item that will not recur in financial years after the Listing, as the preferred rights will terminate immediately prior to the Listing. We expect that the fair value changes in financial instruments issued to investors will adversely affect our financial results for the financial year ending December 31, 2025 and the amount of fair value losses we will recognize for the financial year ending December 31, 2025 is subject to uncertainties in accounting estimation of financial instruments issued to investors as the valuation of these items requires the use of unobservable inputs, such as equity volatility.

In addition, the accumulated losses due to the fair value loss of financial instruments issued to investors previously accrued will remain notwithstanding the termination of the preferred rights prior to the Listing.

RISK FACTORS

We face risk of impairment losses relating to the intangible assets recognized in connection with acquisitions

As of December 31, 2022, 2023, and 2024, we had goodwill of RMB42.2 million, RMB47.4 million, and RMB91.5 million, respectively, and we also had other intangible assets of RMB12.2 million, RMB11.5 million, and RMB10.7 million, respectively. Our goodwill arose from our acquisitions of a number of postpartum centers in China, the GuangHeTang line of business, and the S-bra brand of lingerie products. Our other intangible assets primarily consisted of brands and patents recognized from our acquisition of the GuangHeTang business, as well as brands recognized from our acquisition of the S-bra business during the year ended December 31, 2022. In addition, we also had certain software licenses recognized as other intangible assets.

Our goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. In addition, we make certain assumptions when assessing the value of our goodwill, including assumptions on impairment testing. There are inherent uncertainties relating to these assumptions. We cannot assure you that our assumptions will prove to be correct. Any such change in our assumptions may require us to re-value our goodwill, which may in turn result in impairment losses. Significant impairment losses on goodwill may have a material adverse effect on our financial condition and results of operations and may in turn limit our ability to obtain financing in the future.

For details of impairment assessment methods for our goodwill, see note 15 to the Accountants' Report in Appendix I to this prospectus.

We also have intangible assets other than goodwill in the form of software, patents, and brands. At the end of each reporting period, we review the carrying amounts of intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment charge. In the event that our intangible assets are impaired, the amount of the impairment will constitute a non-cash expense to the profit or loss. A slowdown in revenue growth or a decrease in profit margins could result in an impairment to our intangible assets other than goodwill. We cannot assure you that we will continue to maintain the same level of revenue growth or profit margins. In addition, a change in the assumptions used in the impairment testing of intangible assets may lead to significant impairment charges. While we did not identify any indicators of impairment during the Track Record Period, if our intangible assets are impaired, or there is a change in the assumptions used in the impairment testing of our intangible assets, our results of operations could be adversely affected.

For details of impairment assessment methods for other intangible assets, see note 2 to the Accountants' Report in Appendix I to this prospectus.

RISK FACTORS

We are uncertain about the recoverability of our deferred tax assets, which may affect our financial condition in the future

As of December 31, 2022, 2023, and 2024, we had deferred tax assets of RMB0.06 million, RMB2.05 million, and RMB5.88 million, respectively. Deferred tax assets arise from the deductible temporary differences between the carrying amounts of assets and liabilities from financial reporting purposes and their tax base, as well as unused tax losses and unused tax credits. Deferred tax assets are recognized when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilized. This requires significant judgment on the tax treatment of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee that the recoverability of our deferred tax assets, and to what extent they may affect our financial condition in the future.

We may face exposure to fair value change of financial assets at fair value through profit or loss and valuation uncertainty due to the use of unobservable inputs

During the Track Record Period, we purchased certain wealth management products and trust products (including structured deposits) recognized as financial assets at fair value through profit or loss. Going forward, we expect that we will continue investment in wealth management products and trust products. As of December 31, 2022, 2023, and 2024, we had financial assets at fair value through profit or loss of RMB73.5 million, nil, and RMB19.6 million, respectively. We will consider investing in such products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to macro-economic environment, general market conditions, risk control and credit of issuing banks, our own working capital conditions, and the expected profit or potential loss of the investment.

Accordingly, we may face exposure to fair value changes of financial assets at fair value through profit or loss. We may recognize fair value losses, which would affect our result of operations for future periods. In addition, the valuation of fair value change of financial assets at fair value through profit or loss is subject to uncertainties in estimations. Such estimated changes in fair values involve the exercise of professional judgment and the use of certain bases, assumptions, and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the valuation of financial assets at fair value through profit or loss has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in significant fluctuations in profit or loss from year to year.

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

Immediately following the Global Offering, our Controlling Shareholders will hold in aggregate approximately 35.7% of our Shares, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised. Our Controlling Shareholders will, through their voting

RISK FACTORS

power at the shareholders meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay, or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

Our business, financial condition, results of operations, and prospects may be influenced by changes in China's economic, political, and social condition

Our business, financial condition, results of operations, and prospects are significantly susceptible to China's economic, political, and social conditions, as well as government policies, as we conduct virtually all our operations in China. Moreover, our ability to expand our business operations in China depends on factors such as macro-economic and market conditions. The PRC economy has experienced significant growth over the past decades since the implementation of China's reform and opening-up policy. The Chinese government has implemented and may continue to implement various reform measures to regulate and control the economy. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. If the business environment in China changes, our business in China may also be affected.

We may be affected by currency exchange regimes in China

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of money out of China. We receive substantially all our revenue in Renminbi. Under our current structure, our Company's income is to a significant extent derived from dividend payments from our PRC subsidiaries. Shortages in the availability of foreign currencies may restrict the ability of our PRC subsidiaries to remit sufficient foreign currencies to pay dividends or other payments to us, or otherwise satisfy their foreign currency-denominated obligations, if any. In the future, due to the potential amendments to relevant regulatory requirements, we may not be able to pay dividends in foreign currencies to our Shareholders.

Under existing PRC foreign exchange regulations, payment of certain current account items can be made in foreign currencies without prior approval from the local branch of the SAFE by complying with certain procedural requirements. However, approval from appropriate government authorities is required where Renminbi is to be converted into foreign currencies and remitted out

RISK FACTORS

of China to pay capital expenses such as the repayment of indebtedness denominated in foreign currencies. The restrictions on foreign exchange transactions under capital accounts could also affect our subsidiaries' ability to obtain foreign exchange through debt or equity financing, including by means of loans or capital contribution from us.

Developments in the legal system of China and changes in the application and implementation of laws, regulations, rules, and policies in China may continue to affect us

Most of our business and operations are governed by the legal system of China. China's legal system is a civil law system based on written statutes and their interpretations by the Standing Committee of the NPC. Prior court decisions may be used for reference but have limited precedential value. Since the late 1970s, the PRC government has promulgated laws and regulations that had the effect of enhancing the protections afforded to corporate organizations and their governance, as well as various forms of foreign investments in the PRC. However, since these laws and regulations are relatively new and are constantly evolving, there may be room for discretion in the implementation of these laws and regulations.

As in other civil law countries, there are a limited number of published judgments that can be cited as reference, and unless otherwise specified by the Supreme People's Court, such precedents are non-binding and of limited value for subsequent cases. As these laws and regulations are constantly evolving in response to changing economic and other conditions, factors related to the application and implementation of these laws and regulations may affect investors and us.

It may be difficult to effect service of process against us, our Directors, or our senior management or to enforce foreign court judgments in mainland China

We are an exempted company incorporated in the Cayman Islands. However, most of our assets and subsidiaries are located in mainland China. The majority of our Directors and senior management reside in mainland China and their assets may also be substantially located in mainland China. Accordingly, it may not be possible for investors to effect service of process from outside mainland China upon us or these persons or to enforce against us or them in mainland China any judgments obtained from courts outside mainland China.

The recognition and enforcement of foreign court judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign court judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of written arrangement with the Cayman Islands and many other countries that provide for the reciprocal recognition and enforcement of foreign court judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign court judgment against us or our directors and officers if

RISK FACTORS

they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security, or public interest. Therefore, the recognition and enforcement in China of judgments of a court in any of these jurisdictions may be difficult.

We may be deemed to be a PRC tax resident enterprise under the EIT Law and be subject to a 25% enterprise income tax on our worldwide income

We are a holding company incorporated in the Cayman Islands. However, under the EIT Law, which was amended on February 24, 2017 came into effect on the same date, enterprises organized under the laws of jurisdictions outside the China with their “de facto management bodies” located within China may be considered “PRC tax resident enterprises” and subject to a uniform 25% PRC income tax on their worldwide income. The implementation rules to the EIT Law define the term “de facto management body” as body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and treasury, and acquisition and disposition of properties and other assets of an enterprise.

The SAT issued the Notice on Identifying Chinese-Controlled Offshore Enterprises as Chinese Resident Enterprises in accordance with Criteria for Determining Place of Effective Management (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) and the Administrative Measures on the Corporate Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (境外註冊中資控股居民企業所得稅管理辦法(試行)) in April 2009 and July 2011, respectively, which set out certain criteria for specifying what constitutes a “de facto management body” in respect of enterprises that are established offshore by PRC enterprises.

However, no such criteria are provided in these or other publications by the SAT in respect of enterprises established offshore by private individuals or foreign enterprises like us. As a result, it is unclear whether we will be deemed to be a “PRC tax resident enterprise” for the purpose of the EIT Law even though a significant portion of our operational management is currently based in the PRC. We are currently not treated as a PRC resident enterprise by the relevant tax authorities. Nonetheless, we cannot assure you that we will not be treated as a PRC resident enterprise under the EIT Law and not be subject to the EIT rate of 25% on our global income in the future. If we were treated as “PRC tax resident enterprise”, we would be subject to PRC income taxes on our worldwide income, which may adversely affect our profitability and distributable profit to our Shareholders.

Fluctuations in exchange rates could result in foreign currency exchange losses

The value of the RMB against the Hong Kong dollar, the U.S. dollar, and other currencies fluctuates, is affected by, among other things, changes in international and domestic political, economic conditions, and changes in government fiscal and monetary policies. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar, or other currencies in the future.

RISK FACTORS

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could materially and adversely affect our business, financial condition, results of operations, and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

Gains on the sale of Shares and dividends on the Shares may be subject to PRC income taxes

Under the EIT Law, PRC withholding tax at the rate of 10% is applicable to dividends payable by “PRC tax resident enterprises” to investors that are “non-PRC residents”, that is, investors that do not have an establishment or place of business in China, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends have their source within China. Similarly, any gain realized on the transfer of shares of “PRC tax resident enterprises” by such investors is also subject to PRC income tax, usually at rate of 10% unless otherwise reduced or exempted by relevant tax treaties or similar arrangements, if such gain is regarded as income derived from sources within China.

We are a holding company incorporated in the Cayman Islands and substantially all of our operations are in China. There is uncertainty whether we will be considered a “PRC tax resident enterprise” for the purpose of the EIT Law. As a result, it is unclear whether dividends paid on our Shares, or any gain realized from the transfer of our Shares, would be treated as income derived from sources within the PRC and would as a result be subject to PRC income tax. If we are considered a “PRC tax resident enterprise”, as described under the risk factor headed “— We may be deemed to be a PRC tax resident enterprise under the EIT Law and be subject to a 25% enterprise income tax on our worldwide income”, then any dividends paid to our Shareholders that are “non-PRC residents” and any gains realized by them from the transfer of our Shares may be regarded as income derived from PRC sources and, as a result, would be subject to a 10% PRC income tax, unless otherwise reduced or exempted. If we are considered a “PRC tax resident enterprise”, it is unclear whether our Shareholders would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or regions. If dividends payable to our non-PRC Shareholders that are “non-PRC residents”, or gains from the transfer of our Shares are subject to PRC tax, the value of such non-PRC Shareholders’ investment in our Shares may be materially and adversely affected.

RISK FACTORS

The regulations over indirect transfers of PRC assets by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us

On February 3, 2015, the SAT issued the 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) (“**SAT Circular No. 7**”). On October 17, 2017, SAT issued the Announcement on Issues concerning the Withholding of Enterprise Income Tax at Source on 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 came into effect on December 1, 2017, which provides that the income from property transfer means the consideration collected by the equity transferor from the transfer of equities, including all kinds of monetary and non-monetary income. Income from equity transfer shall include the income from the transfer of equities and equity investment assets (hereinafter referred to as “**equities**”). The balance after deducting the net value of equities from the income from equity transfer is the taxable income from equity transfer. SAT Circular No. 7 provides comprehensive guidelines relating to, and heightened the Chinese tax authorities’ scrutiny on, indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise (“**PRC Taxable Assets**”). For example, when a non-resident enterprise transfers equity interests in an overseas holding company that directly or indirectly holds certain PRC Taxable Assets and if the transfer is believed by the Chinese tax authorities to have no reasonable commercial purpose than to evade enterprise income tax, SAT Circular No. 7 allows the Chinese tax authorities to reclassify this indirect transfer of PRC Taxable Assets into a direct transfer and impose on the non-resident enterprise a 10% rate of PRC enterprise income tax. SAT Circular No. 7 exempts this tax, for example, (i) where a non-resident enterprise derives income from an indirect transfer of PRC Taxable Assets by acquiring and selling shares of a listed overseas holding company in the public market, and (ii) where a non-resident enterprise transfers PRC Taxable Assets that it directly holds and an applicable tax treaty or arrangement exempts this transfer from PRC enterprise income tax. It remains unclear whether any exemptions under SAT Circular No. 7 will be applicable to any future mergers, acquisitions or other investments that we may make outside China involving PRC Taxable Assets or to transfers of our Shares by our Shareholders. If the Chinese tax authorities impose PRC enterprise income taxes on these activities, our ability to expand our business or seek financing through these transactions may be adversely affected.

Our potential growth through acquisitions in China is subject to the procedures established under China’s M&A rules, laws, and certain other PRC regulations, which could make it more difficult for us to complete such acquisitions

The Rules on the Merger and Acquisition 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**”), adopted by six PRC regulatory agencies in 2006 and amended in 2009, among other things, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. Such regulation requires, among other things, that the foreign investor should submit a declaration to the MOFCOM in advance of any change-of-control

RISK FACTORS

transaction in which a foreign investor acquires control of a PRC domestic enterprise and involves any of the following circumstances: (i) any important industry is concerned, (ii) such transaction involves factors that impact or may impact national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. There is no assurance that any of our further merger and acquisition will not trigger the requirement to submit such declaration to MOFCOM under each of the above-mentioned circumstances or any review by other PRC government authorities.

Moreover, the Anti-Monopoly Law (中華人民共和國反壟斷法) promulgated by the Standing Committee of the NPC which became effective in 2008 and amended in 2022 requires that (i) transactions which are deemed concentrations and involve parties with specified turnover thresholds must be notified and cleared by National Anti-monopoly Bureau of State Council before they can be completed, and (ii) the transactions that do not meet the notification criteria prescribed by State Council but there is evidence to prove that such concentration has or may have the effect of precluding or restricting competition, the National Anti-monopoly Bureau of State Council may require the involving parties to provide notification, failure to comply with the aforementioned (i) or (ii) shall be subject to investigation by the competent authorities.

We may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval or clearance from MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We may be subject to penalties if our PRC resident shareholders or beneficial owners fail to complete registration under SAFE Circular No. 37

The Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Overseas 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) (“**SAFE Circular No. 37**”), which was promulgated by the SAFE and became effective on July 4, 2014, requires a PRC resident (including PRC individuals and PRC corporate entities) (“**PRC Resident**”) to register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (“**Offshore SPV**”) that is directly established or controlled by the PRC Resident for the purpose of conducting investment or financing. Following the initial registration, the PRC Resident is also required to register with the local SAFE branch for any major change in respect of the Offshore SPV, including, among other things, any major change of a PRC resident shareholder, name or term of operation of the Offshore SPV, or any increase or reduction of the Offshore SPV’s registered capital, share transfer or swap, merger, or division. Failure to comply with the registration procedures of SAFE Circular No. 37 may result in penalties and sanctions, limit the ability of the Offshore SPV’s PRC subsidiary to distribute dividends to its overseas parent, or restrict our overseas or cross-border investment activities.

RISK FACTORS

We may not at all times be fully aware or informed of the identities of our beneficiaries who are PRC nationals, and may not be able to compel our beneficiaries to comply with the requirements of the SAFE Circular No. 37. As a result, we cannot assure you that all of our Shareholders or beneficiaries who are PRC nationals will at all times comply with, or in the future make or obtain any applicable registrations or approvals required by the SAFE Circular No. 37 or other related regulations. Under the relevant rules, failure to comply with the registration procedures set forth in the SAFE Circular No. 37 may result in restrictions on the foreign exchange activities of the relevant PRC enterprise and may also subject the relevant PRC resident to penalties under the PRC foreign exchange administration regulations.

As a holding company, we rely on the distribution by our PRC subsidiaries for funding, and any dividends paid by our PRC subsidiaries to us are subject to PRC withholding taxes

Our Company is a holding company incorporated in the Cayman Islands and a significant portion of our operations is conducted through our subsidiaries in China. Therefore, the availability of funds to pay dividends to our Shareholders and to service any of our indebtedness depends on dividends received from these subsidiaries. If our subsidiaries incur any debt or losses, such indebtedness or loss may impair their ability to pay dividends or other distributions to us. As a result, our ability to pay dividends or other distributions and to service our indebtedness will be restricted.

PRC law requires that dividends be paid only out of the net profit calculated according to PRC accounting principles, which differ from generally accepted accounting principles in other jurisdictions, including HKFRS. PRC law also requires foreign invested enterprises, such as our subsidiaries in China, to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends.

In addition, the PRC government may make adjustments to the management measures on foreign exchange in accordance with laws and regulations based on capital inflow and outflow as well as the status of economic activities. Any changes to the ability or amount 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 to our investors or other obligations to our suppliers, or otherwise fund and conduct our business.

The filing with CSRC or other regulatory authorities may be required in connection with our future securities activities, and we cannot predict whether we will be able to obtain such approval or complete such filing

On February 17, 2023, the CSRC released the Trial Administrative Measures of the 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 ancillary interpretive guidelines (collectively, the “**Overseas Listing Trial Measures**”), which apply to overseas offerings and listing by domestic companies of equity shares,

RISK FACTORS

depository receipts, corporate bonds convertible to equity shares, and other equity securities, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, for an initial public offering and listing in an overseas market, the issuer shall designate a major domestic operating entity to file with the CSRC within 3 working days after the relevant application is submitted overseas. For details, please refer to “Regulatory Overview — Laws and Regulations Related to Overseas Listing” in this prospectus.

Pursuant to the above requirement, our future capital raising activities such as follow-on equity or debt offerings, listing on other stock exchanges, and going private transactions, may also be subject to the filing requirement with the CSRC or other regulatory authorities. Failure to complete such filing procedures as required under the Overseas Listing Trial Measures, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other regulatory authorities, which could include fines and other penalties that may adversely affect our business, financial conditions, and results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

An active trading market in our Shares may not develop, which could have a material adverse effect on the Share price and your ability to sell your Shares

Prior to the Global Offering, there has been no public market for our Shares. The Offer Price for our Shares to the public was determined after negotiations between us and the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for our Shares following the Global Offering. We have applied for the listing of, and permission to deal in, our Shares on the Stock Exchange. A listing on the Stock Exchange, however, does not guarantee that an active trading market for our Shares will develop, or if it does develop, will be sustained following the Global Offering or that the market price of our Shares will not decline following the Global Offering.

The liquidity and market price of our Shares may be volatile, which may result in substantial losses for subscribing for or purchasing our Shares under the Global Offering

The price and trading volume of our Shares may be volatile as a result of the following factors, as well as others, which are discussed in “Risk Factors” or elsewhere in this prospectus, some of which are beyond our control:

- actual or anticipated fluctuations in our results of operations;
- news regarding recruitment or loss of key personnel by us;
- announcements of competitive developments, acquisitions, or strategic alliances in our industry;

RISK FACTORS

- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- changes in general economic conditions or other developments affecting us or our industry;
- price movements on international stock markets, the operating and stock price performance of other companies, other industries and other events or factors beyond our control; and
- release of lock-up or other transfer restrictions on our outstanding Shares or sale or perceived sale of additional Shares by us, the Controlling Shareholders, any of the Pre-IPO Investors, or other Shareholders.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are not related or disproportionate to the operating performance of particular companies. Any such developments may result in large and sudden changes in the trading volume and price of our Shares. We cannot assure you that these developments will not occur in the future.

Future issues, offers, or sale of our Shares may adversely affect the prevailing market price of our Shares

Future issues of the Shares by our Company or the disposal of the Shares by any of our Shareholders or the perception that such issues or sale may occur, may negatively affect the prevailing market price of the Shares. Moreover, future sale or perceived sale of a substantial amount of our Shares or other securities relating to our Shares in the public market may cause a decrease in the market price of our Shares, or adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. Our Shareholders may experience dilution in their holdings in the event we issue additional securities in future offerings. The Shares held by our Controlling Shareholders are subject to certain lock-up undertakings for a period of up to 12 months after the Listing Date. Details of such lock-up undertakings are set out in “Underwriting — Underwriting Arrangements and Expenses”. We cannot give any assurance that they will not dispose of their Shares they may own now or in the future.

The market price of our Shares when trading begins could be lower than the Offer Price as a result of, among other things, adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins

The Offer Shares will not commence trading on the Stock Exchange until they are delivered and as a result, investors may not be able to sell or otherwise deal in the Offer Shares immediately after the Offer Price has been determined. Accordingly, holders of the Offer Shares are subject to

RISK FACTORS

the risk that the price of the Offer Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the time of sale and the time trading begins.

You may face difficulties in protecting your interests because we are incorporated under Cayman Islands law, and these laws relating to the protection of interests of minority shareholders differ in some respects from those in Hong Kong and other jurisdictions

Our corporate affairs are governed by our Memorandum of Association and Articles of Association, the Cayman Companies Act, and the common law of the Cayman Islands. The rights of shareholders to take action against directors, the rights of minority shareholders to institute actions and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary responsibilities of our Directors under Cayman Islands law may not be the same as they would be under statutes or judicial precedent in Hong Kong. In particular, the Cayman Islands have different securities laws as compared to Hong Kong and may not provide the same protection to investors. Furthermore, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in a Hong Kong court.

Investors should read the entire prospectus carefully and should not consider any particular statements in published media reports without carefully considering the risks and other information contained in this prospectus

There may be coverage in the media regarding the Global Offering and our operations. There had been, prior to the publication of this prospectus, and there may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which contains, among other matters, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We do not accept any responsibility for the accuracy or completeness of the information and make no representation as to the appropriateness, accuracy, completeness, or reliability of any information disseminated in the media. To the extent that any of the information in the media is inconsistent or conflicts with the information contained in this prospectus, we disclaim it. Accordingly, prospective investors should read the entire prospectus carefully and should not rely on any of the information in press articles or other media coverage. Prospective investors should only rely on the information contained in this prospectus to make investment decisions about us.

We may be unable to declare dividends on our Shares in the future

The amount of dividends actually distributed to our Shareholders will depend on our operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure, and future development requirements, shareholders' interests and

RISK FACTORS

such other conditions and other factors that our Directors may deem relevant. Our Board has the discretion to pay interim dividends as our Board considers to be justified by our profits and to recommend to our Shareholders to pay final dividends; however, dividend payment is subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits and/or share premium account, and provided always that in no circumstances may a dividend be paid out of share premium 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 by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Directors. Any decision to declare any dividend would require the recommendation of our Directors and any dividend distribution (other than interim dividend mentioned above) would also be subject to the approval of our Shareholders. See “Financial Information — Dividends and Dividend Policy”.

Our future declarations of dividends may or may not reflect our historical declarations of dividends. We cannot assure you when or whether we will pay dividends in the future.

Certain facts and statistics contained in this prospectus are derived from publicly available official sources and they may not be reliable

Certain statistics contained in this prospectus relating to, among other things, the industry in which we operate have been derived from various official government publications. However, we cannot assure you of the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Underwriters, any of our and their respective directors, supervisors, officers, representatives, employees, or advisors, or any other persons or parties involved in the Global Offering and, therefore, we make no representation as to the accuracy of such statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this prospectus may be inaccurate or may not be comparable to statistics produced with respect to other economies. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts.

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate

Market opportunity estimates and growth forecasts included in this prospectus are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, and any real or perceived inaccuracies may harm our reputation and negatively affect our business. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable customers covered by our market opportunity estimates will purchase our products and services at all or generate any particular level of revenue for us. Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow for a variety of reasons, including reasons outside of our control, such as competition in our industry.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation of the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong, and in normal circumstances, at least two of the executive directors must be ordinarily resident in Hong Kong.

Our Company only has a sole executive Director, Mr. Danny Xiang, who is ordinarily resident in Hong Kong. Our Group's business operations and assets are primarily based outside Hong Kong. Since the management and operation of our Group have been mainly under the supervision of our sole executive Director and senior management, our Company considers that it would be impractical and not commercially necessary for our Group to appoint additional executive Directors solely for the purpose of satisfying Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from compliance with Rule 8.12 of the Listing Rules on the basis that the following measures have been adopted by us:

- (a) our Company has appointed two authorized representatives, Mr. Danny Xiang, our sole executive Director, chief executive officer, and Chairman, and Ms. Oh Sim Yee (胡倩鈺) (“**Ms. Oh**”), one of the joint company secretaries of our Company, pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange. Mr. Danny Xiang and Ms. Oh are ordinarily resident in Hong Kong. Each of our authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile, and/or email. Each of our authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange. Our Company has been registered under Part 16 of the Companies Ordinance and Ms. Oh has also been authorized to accept service of legal process and notices in Hong Kong on behalf of our Company;
- (b) both our authorized representatives have means to contact all our Directors (including our independent non-executive Directors) promptly at all times, as and when the Stock Exchange wishes to contact our Directors on any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange upon reasonable notice, when required. All Directors have provided his/her mobile phone numbers, fax numbers, and email addresses (where available) to our authorized representatives. In the event that a Director expects to travel, he/she will endeavor to provide the phone number of the place of his/her accommodation to our authorized representatives or

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

maintain an open line of communication via his/her mobile phone and all Directors and authorized representatives have provided his/her mobile phone numbers, office phone numbers, fax numbers, and email addresses (where available) to the Stock Exchange;

- (c) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives, or directly with our Directors within a reasonable time frame. We will promptly inform the Stock Exchange of any changes to our authorized representatives; and
- (d) our Company has appointed Gram Capital Limited as compliance adviser under Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing from the Listing Date. Our compliance adviser will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules and will act as the additional channel of communication with the Stock Exchange when the authorized representatives are not available.

JOINT COMPANY SECRETARIES

Pursuant to Rule 3.28 of the Listing Rules, an issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules.

Pursuant to Rule 8.17 of the Listing Rules, the secretary of the issuer must be an individual 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 company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (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).

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

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

In addition, pursuant to Chapter 3.10 (Directors, Supervisors and Senior Management) of the New Listing Guide, the waiver from strict compliance with Rule 3.28 of the Listing Rules, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

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

Our Company has appointed Mr. Gao Zhongkun (高忠坤) (“**Mr. Gao**”) and Ms. Oh Sim Yee (胡倩鈺) (“**Ms. Oh**”) as the joint company secretaries of our Company. Our Company is of the view that with the assistance of Ms. Oh, Mr. Gao is capable of discharging the functions of a company secretary of our Company. See “Directors and Senior Management — Joint Company Secretaries” for their biographies.

Mr. Gao is the head of our Chairman’s office, responsible for overseeing our Group’s investment and financing, legal, and administrative affairs. Mr. Gao has over a decade’s experience in product and marketing, as well as extensive experience in investment and financing. He had served in various companies in China before joining our Group. Our Directors are of the view that, having regard to Mr. Gao’s thorough understanding of investment and financing, legal, and administrative affairs of our Group, he is considered as a suitable person to act as a company secretary of our Company. In addition, as the headquarters of our Group are located in Hangzhou, our Directors believe that it is necessary to appoint Mr. Gao as a company secretary whose presence in Hangzhou enables him to attend to the day-to-day company secretarial matters concerning our Group. However, as Mr. Gao does not possess a qualification as stated in Rule 3.28 of the Listing Rules, he is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Therefore, our Company

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

has appointed Ms. Oh, a member of The Hong Kong Chartered Governance Institute, who is qualified under Rule 3.28 of the Listing Rules, to act as the other joint company secretary to provide support to Mr. Gao on an ongoing basis.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 3.28 and 8.17 of the Listing Rules on the conditions that Mr. Gao will be assisted by Ms. Oh as our joint company secretary throughout the three-year period from the Listing Date. Being an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited (“SWCS”) and by virtue of her experience in company secretarial practice, Ms. Oh is, in our Company’s opinion, a suitably qualified person to render assistance to Mr. Gao, for a three-year period from the Listing Date so as to enable him to acquire the relevant experience (as required under Note 2 to Rule 3.28 of the Listing Rules) to duly discharge his duties. In addition, Mr. Gao will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the Listing Date. Our Company will further ensure that Mr. Gao has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange.

It is expected that Ms. Oh will, subject to her resignation or the termination of the agreement between our Company and SWCS in designating her acting as a joint company secretary of our Company, assist Mr. Gao for the initial three-year period from the Listing Date and will provide training and guidance to Mr. Gao up to three years from the Listing Date. Such waiver will be revoked immediately if and when Ms. Oh ceases to provide such assistance or if our Company commits any material breaches of the Listing Rules during the three-year period from the Listing Date. Before the end of the three-year period, we will liaise with the Stock Exchange to enable it to assess whether Mr. Gao, having had the benefit of Ms. Oh’s assistance 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.

In addition, our Company has appointed Gram Capital Limited as compliance adviser under Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing from the Listing Date to provide our Company with professional advice on continuing obligations under the Listing Rules. Mr. Gao will have access to the compliance adviser during the term of appointment, which will provide Mr. Gao with an additional source of guidance to assist him to familiarize himself with the functions of a company secretary of a company listed on the Stock Exchange.

The biographical information of Mr. Gao and Ms. Oh is set out in “Directors and Senior Management” in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

CORNERSTONE INVESTMENTS BY CONNECTED CLIENTS

Paragraph 5(1) of Appendix F1 to the Listing Rules provides that no allocations will be permitted to “connected clients” of the overall coordinator(s), any syndicate member(s) (other than the overall coordinator(s)) or any distributor(s) (other than syndicate member(s)), without the prior written consent of the Stock Exchange.

Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will ordinarily give its consent for allocation to connected clients if it is satisfied that: (i) the allocation to a connected client represents genuine demand for securities of an applicant; and (ii) the connected client has not taken and will not take advantage of its position to receive an allocation for its own benefit at the expense of other placees or the public (i.e., no actual or perceived preferential treatment has been given to such connected client).

We have applied to the Stock Exchange for a written consent under paragraph 5(1) of Appendix F1 to the Listing Rules to allow China Asset Management (Hong Kong) Limited (“**ChinaAMC (HK)**”) to subscribe for Offer Shares as a cornerstone investor. CLSA Limited is one of the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters of the Global Offering. Both ChinaAMC (HK) and CLSA Limited are subsidiaries of CITIC Securities Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6030). Accordingly, ChinaAMC (HK) is a connected client of CLSA Limited. ChinaAMC (HK) will hold the Shares subscribed through the cornerstone investment on behalf of independent third parties on a discretionary basis. The Stock Exchange has granted the requested written consent subject to the conditions that:

- (a) the Joint Overall Coordinators confirm that the Offer Shares to be allocated to the ChinaAMC (HK) will be held on behalf of independent third parties;
- (b) details of the cornerstone investment by ChinaAMC (HK) and details of the allocation will be disclosed in this prospectus and the allotment results announcement of our Company;
- (c) our Company confirms that the cornerstone investment agreement with ChinaAMC (HK) does not contain any material term which is more favorable to ChinaAMC (HK) than those in other cornerstone investment agreements;
- (d) our Company, CLSA Limited, the Joint Overall Coordinators and ChinaAMC (HK) confirm that no preferential treatment has been, nor will be, given to ChinaAMC (HK) by virtue of its relationship with CLSA Limited in any allocation of Offer Shares in the International Offering, other than the assured entitlement under the relevant cornerstone investment agreement; and

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) our Company, CLSA Limited and the Joint Overall Coordinators confirm that CLSA Limited has not participated and will not participate in the decision-making process or relevant discussions relating to allocation of Offer Shares to ChinaAMC (HK).

We have also applied to the Stock Exchange for a written consent under paragraph 5(1) of Appendix F1 to the Listing Rules to allow JKKB Limited (“**JKKB**”) to subscribe for Offer Shares as a cornerstone investor. JKKB is a special purpose vehicle wholly-owned by Hangzhou Jinkai Kangbei Equity Investment Partnership Enterprise (Limited Partnership) (杭州金開康貝股權投資合夥企業(有限合夥)) (“**Hangzhou Jinkai Kangbei**”), which is held as to 0.10% by its general partner, Zhejiang Caitong Capital Investment Co., Ltd. (浙江財通資本投資有限公司), a company wholly-owned by Caitong Securities Co., Ltd. (財通證券股份有限公司) (“**Caitong Securities**”). Caitong International Securities Co., Limited (“**Caitong International**”) is one of the Joint Bookrunners, the Joint Lead Managers and the Underwriters of the Global Offering. Since Caitong International is a subsidiary of Caitong Securities, JKKB and Caitong International are members of the same group of companies. Accordingly, JKKB is a connected client of Caitong International. JKKB will hold the Shares subscribed through the cornerstone investment on behalf of independent third parties on a non-discretionary basis. The Stock Exchange has granted the requested written consent subject to the conditions that:

- (a) the Joint Overall Coordinators confirm that (i) the Offer Shares to be allocated to JKKB will be held on behalf of independent third parties and (ii) Caitong Securities and the Management Committee of the Xiaoshan Economic and Technological Development Zone (蕭山經濟技術開發區管理委員會) are the ultimate beneficial owners of JKKB;
- (b) details of the cornerstone investment by JKKB and details of the allocation will be disclosed in this prospectus and the allotment results announcement of our Company;
- (c) our Company confirms that the cornerstone investment agreement with JKKB does not contain any material term which is more favorable to JKKB than those in other cornerstone investment agreements; and
- (d) our Company, Caitong International, the Joint Overall Coordinators and JKKB confirm that no preferential treatment has been, nor will be, given to JKKB by virtue of its relationship with Caitong International in any allocation of Offer Shares in the International Offering, other than the assured entitlement under the relevant cornerstone investment agreement.

For further information about the proposed cornerstone investments by ChinaAMC (HK) and JKKB, please refer to the section headed “Cornerstone Investors” in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which our Directors 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 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 are no other matters the omission of which would make any statement herein or this prospectus misleading.

THE HONG KONG PUBLIC OFFERING AND THIS PROSPECTUS

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. The Global Offering comprises the Hong Kong Public Offering of initially 9,542,000 Shares and the International Offering of initially 85,878,000 Shares (subject to reallocation on the basis referred to in the section headed “Structure of the Global Offering” and without taking into account the Offer Size Adjustment Option or the Over-allotment Option).

For applicants under the Hong Kong Public Offering, this prospectus contains the terms and conditions of the Hong Kong Public Offering.

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. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by our Company or the Relevant Persons.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Overall Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under and subject to the terms and conditions of the Hong Kong Underwriting Agreement.

The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement.

See “Underwriting” in this prospectus for further information about the Underwriters and the underwriting arrangements.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with our Shares should, 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.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

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

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in “Structure of the Global Offering” in this prospectus.

RESTRICTIONS ON OFFERS AND SALE OF 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/its acquisition of Offer Shares to, confirm that he/she/it is aware of the restrictions on offers for the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, 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. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

Prospective applicants for the Offer Shares should consult their financial advisers and seek legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws, rules, and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should also inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence, or domicile.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue and the Global Offering and any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option.

Except for the application for the Listing of our Shares on the Stock Exchange, no part of our Company's share capital or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought in the near future. All Offer Shares will be registered on the Hong Kong register of members in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the 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 the Stock Exchange.

CSRC FILING

According to the Overseas Listing Trial Measures, we are required to complete the filing procedures with the CSRC in connection with the Listing. We have submitted the filing application for the Listing to the CSRC within three business days after our initial application for listing of our Shares on the Stock Exchange. The CSRC issued a notice of filing dated May 15, 2025 for the Global Offering and the listing of our Shares on the Stock Exchange.

OFFER SIZE ADJUSTMENT OPTION, OVER-ALLOTMENT OPTION AND STABILIZATION

Assuming that the Offer Size Adjustment Option and the Over-allotment Option are both exercised in full, our Company may be required to issue up to an aggregate of 30,772,500 additional Shares. Details of the arrangements relating to the Offer Size Adjustment Option, the Over-allotment Option, and stabilization are set out in "Structure of the Global Offering" in this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Main Board of the Stock Exchange are expected to commence on Thursday, June 26, 2025. The Shares will be traded on the Main Board of the Stock Exchange in board lots of 500 Shares each. The stock code of the Shares will be 2508.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance, and settlement in CCASS with effect from the Listing Date 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 date after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the 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 stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHARE REGISTER

Our principal register of members will be maintained in the Cayman Islands by our principal registrar, Conyers Trust Company (Cayman) Limited, in the Cayman Islands, and our Hong Kong register will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our register of members in Hong Kong, by ordinary post, at the Shareholders' risk in Hong Kong dollars.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

TAXATION OF HOLDERS OF OUR SHARES

Hong Kong

Dealings in Shares registered on our Hong Kong register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Cayman Islands

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

PROFESSIONAL TAX ADVICE RECOMMENDED

Applicants for the Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of, or dealing in the Shares or exercising any rights attaching to the Shares. It is emphasized that neither our Company nor any of the Relevant Persons accepts responsibility for any tax effects or liabilities of holders of the Shares resulting from the subscription, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to the Shares.

EXCHANGE RATE CONVERSION

Unless otherwise specified, this prospectus contains certain translations for the convenience of the reader at the following rates:

HK\$1.00: RMB0.91537

US\$1.00: RMB7.1840

US\$1.00: HK\$7.8482

These translations are provided for reference and convenience only, and no representation is made, and no representation should be construed as being made, that any amounts in RMB, US\$, or HK\$ can be or could have been at the relevant dates converted at the above rates or any other rates or at all.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in the English version of this prospectus which are not in the English language and their English translations, the names in their respective original language shall prevail.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to a set number of decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table in this prospectus between total and sum of amounts listed therein are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

For more information on our Directors, see “Directors and Senior Management”.

Name	Residential address	Nationality
Executive Director		
Mr. Danny Xiang (向華) . . .	Room 7, 23/F Block C, Causeway Centre 28 Harbour Road Wanchai Hong Kong	Chinese
Non-executive Director		
Mr. Liang Jun (梁珺).	No. 33, Financial Street Xicheng District Beijing City China	Chinese
Independent non-executive Directors		
Ms. Wu Annie Suk Ching (伍淑清).	23/F, Block C Cliffview Mansion 21–23 Conduit Road Mid-Levels Hong Kong	Chinese
Mr. Rainer Josef Bürkle . . .	Malschbach 138 76534 Baden-Baden Germany	German
Mr. SIM Koon Yin Edmund (沈觀賢)	Flat F, 6/F, Tower 16 South Horizons Ap Lei Chau Hong Kong	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

UBS Securities Hong Kong Limited
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Sponsor-Overall Coordinators

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Joint Overall Coordinators

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CLSA Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Global Coordinators

UBS AG Hong Kong Branch

52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

Joint Bookrunners

UBS AG Hong Kong Branch

52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited

27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Mirae Asset Securities (HK) Limited

Units 8501, 8507–08

Level 85, International Commerce Centre

1 Austin Road West, Kowloon

Hong Kong

CMB International Capital Limited

45/F, Champion Tower

3 Garden Road

Central

Hong Kong

CCB International Capital Limited

12/F, CCB Tower

3 Connaught Road Central

Central

Hong Kong

Caitong International Securities Co., Limited

Unit 2401–05

24/F, Grand Millennium Plaza

181 Queen's Road Central

Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre

No. 95 Queensway

Admiralty

Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Lead Managers

UBS AG Hong Kong Branch

52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited

27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

Mirae Asset Securities (HK) Limited

Units 8501, 8507–08
Level 85, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

CCB International Capital Limited

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

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Capital Market Intermediaries

Caitong International Securities Co., Limited

Unit 2401-05
24/F, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

UBS AG Hong Kong Branch

52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

CLSA Limited

18/F, One Pacific Place
88 Queensway
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited

62/F, The Center
99 Queen's Road Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited

27/F, GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

Mirae Asset Securities (HK) Limited

Units 8501, 8507-08
Level 85, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central
Hong Kong

CCB International Capital Limited

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

Caitong International Securities Co., Limited

Unit 2401-05
24/F, Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Futu Securities International (Hong Kong) Limited

34/F, United Centre
No. 95 Queensway
Admiralty
Hong Kong

Legal Advisers to our Company

as to Hong Kong and U.S. laws:

Allen Overy Shearman Sterling

9/F, Three Exchange Square
Central
Hong Kong

as to Cayman Islands law:

Conyers Dill & Pearman

29th Floor
One Exchange Square
8 Connaught Place
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

as to PRC law and PRC cybersecurity and data compliance matters:

Commerce & Finance Law Offices
12–15th Floor, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing 100004
China

as to PRC law:

DeHeng Law Offices
12/F, Tower B, Focus Place
19 Finance Street
Beijing 100033
China

**Legal Advisers to the Joint Sponsors
and the Underwriters**

as to Hong Kong and U.S. laws:

Sullivan & Cromwell (Hong Kong) LLP
20th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

as to PRC law:

Jingtian & Gongcheng
34F, Tower 3, China Central Place
77 Jianguo Road
Beijing 100025
China

Auditors and Reporting Accountants

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

Independent Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**
Suite 2504
Wheelock Square
1717 West Nanjing Road
Shanghai 200040
China

Receiving Banks

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

**Industrial and Commercial Bank of China
(Asia) Limited**
33/F, ICBC Tower
3 Garden Road
Central
Hong Kong

CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong
Principal place of business and headquarters in Mainland China	Level 1, Building 6, Information Port Phase 6 No. 666, Jianshe 2nd Road Xiaoshan District, Hangzhou City Zhejiang Province China
Company's website	www.saintbella.com (<i>The information on the website does not form part of this prospectus</i>)
Joint Company Secretaries	<p>Mr. Gao Zhongkun (高忠坤) Level 1, Building 6, Information Port Phase 6 No. 666, Jianshe 2nd Road Xiaoshan District, Hangzhou City Zhejiang Province China</p> <p>Ms. Oh Sim Yee (胡倩鈿) (ACG) 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong</p>

CORPORATE INFORMATION

Authorized Representatives

Mr. Danny Xiang (向華)
Level 1, Building 6, Information Port Phase 6
No. 666, Jianshe 2nd Road
Xiaoshan District, Hangzhou City
Zhejiang Province
China

Ms. Oh Sim Yee (胡倩銣)
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Audit Committee

Mr. Sim Koon Yin Edmund (沈觀賢) (*Chairperson*)
Mr. Liang Jun (梁琚)
Ms. Wu Annie Suk Ching (伍淑清)

Remuneration Committee

Ms. Wu Annie Suk Ching (伍淑清) (*Chairperson*)
Mr. Sim Koon Yin Edmund (沈觀賢)
Mr. Liang Jun (梁琚)

Nomination Committee

Mr. Danny Xiang (向華) (*Chairperson*)
Ms. Wu Annie Suk Ching (伍淑清)
Mr. Sim Koon Yin Edmund (沈觀賢)

Compliance Adviser

Gram Capital Limited
Room 1209
12/F Nan Fung Tower
88 Connaught Road Central
Central
Hong Kong

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

CORPORATE INFORMATION

Principal Share Registrar

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Banks

China Merchants Bank Co., Ltd.
Hangzhou Qiantang Branch
1869 Binsheng Road
Binjiang District, Hangzhou
Zhejiang Province
PRC

INDUSTRY OVERVIEW

The information and statistics presented in this section and other sections of this prospectus, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with this Global Offering. The information from official government sources has not been independently verified by us, the Joint Sponsors, Sponsor-Overall Coordinators, Joint Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of our and their respective directors, supervisors, officers, representatives, employees, and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy.

OVERVIEW OF THE FAMILY CARE INDUSTRY

We are a leading postpartum care and recovery group in China, and we also offer home care services and food products covering women's needs. We aim to become a leading comprehensive family care group in Asia with an evolving brand portfolio, through enhancing our presence in the existing business segments and operating markets, launching new offerings to tap into new segments such as elderly care services, as well as expanding our service network to promising markets in addition to our established presence in mainland China, Hong Kong, Singapore, and the United States.

According to the Frost & Sullivan Report, we are the largest postpartum care and recovery group both in Asia and in China in terms of revenue from postpartum centers in 2024, the fastest-growing scaled postpartum care and recovery group in China in terms of revenue growth rate from 2022 to 2024, and the first postpartum center operator based in mainland China to expand outside of mainland China. In 2024, we had a market share of approximately 1.2% in terms of revenue from postpartum centers in China.

Definition and Segmentation

The family care industry encompasses a comprehensive range of health and wellbeing services and food products tailored to meet the needs of members in a family mainly including women, men, children, and the elderly. According to the Frost & Sullivan Report, the family care industry can be divided into the following major industry segments:

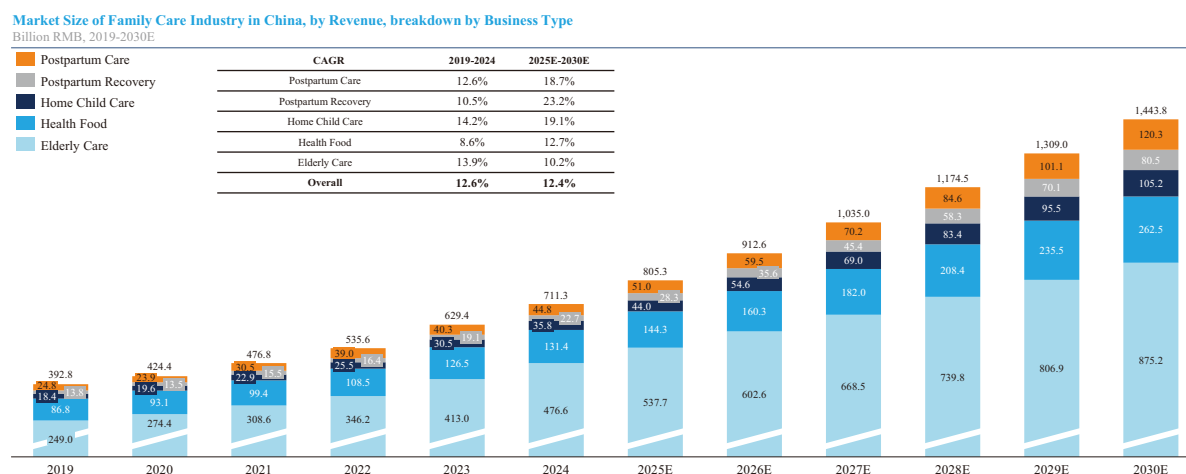
- *Postpartum care:* Postpartum care refers to the care work for women who have recently given birth and for their babies, mainly involving health monitoring and providing the corresponding diet care, health care, wound care from giving birth, and other nursing services. Market players mainly include postpartum centers and *yuesao*.
- *Postpartum recovery:* Postpartum recovery services help women recover from childbirth in both physical and mental aspects, such as pelvic rehabilitation, skin repair, and more to help women regain their health and well-being after giving birth.
- *Home child care:* Home child care services encompass daily life care, early education, and other child-care related services.
- *Health food products:* The health food products industry encompasses products such as nutrients, vitamins, and minerals that support overall health and wellbeing, like hormonal balance, reproductive health, bone density, and overall vitality. Health food products in this industry are designed to complement dietary intake, providing essential elements that aid in body regulation and cater to the nutritional requirements of individuals at various life stages, without focusing on treating specific diseases or conditions.
- *Elderly care:* Elderly care refers to providing daily care, rehabilitation, psychological support, and other comprehensive services especially for the elderly. Market players mainly include nursing homes and other service providers.

INDUSTRY OVERVIEW

Market Size in China

According to the Frost & Sullivan Report, China's family care industry has shown consistent growth in recent years, expanding from RMB392.8 billion in 2019 to RMB711.3 billion in 2024, at a CAGR of 12.6%. Forecasts suggest a continuing upward trend, projecting the market size to increase from RMB805.3 billion in 2025 to RMB1,443.8 billion by 2030, at a CAGR of 12.4%.

The following chart sets forth the actual and projected growth in the market size of the family care industry in China:



Sources: National Bureau of Statistics, National Health Commission, China Consumers Association, Frost & Sullivan Report

Customer Persona

In China, people aged below 40 are the largest demographic group of childbearing age and family care takers. According to the Frost & Sullivan Report, the younger generation usually has a more modern lifestyle and consumption habits and pays more attention to the improvement of life experience brought by the quality of family care services. They also generally have higher health awareness and tend to accept a scientific and professional approach that utilizes innovative technology for family care. Thus, they generally have a higher acceptance of and demand for quality family care services.

According to the Frost & Sullivan Report, China's affluent families with assets of over RMB6 million are more likely to more frequently consume family care services. This group is characterized by stronger purchasing power and greater demand for family care services such as postpartum care and home child care. They prefer established and notable family care service groups staffed with professionals capable of delivering highly specialized and customized services. They are more willing to pay a higher price for premium, professional, and scientific services. Additionally, they have higher requirements for quality of life and expect a comprehensive approach that addresses the specific needs of their household.

INDUSTRY OVERVIEW

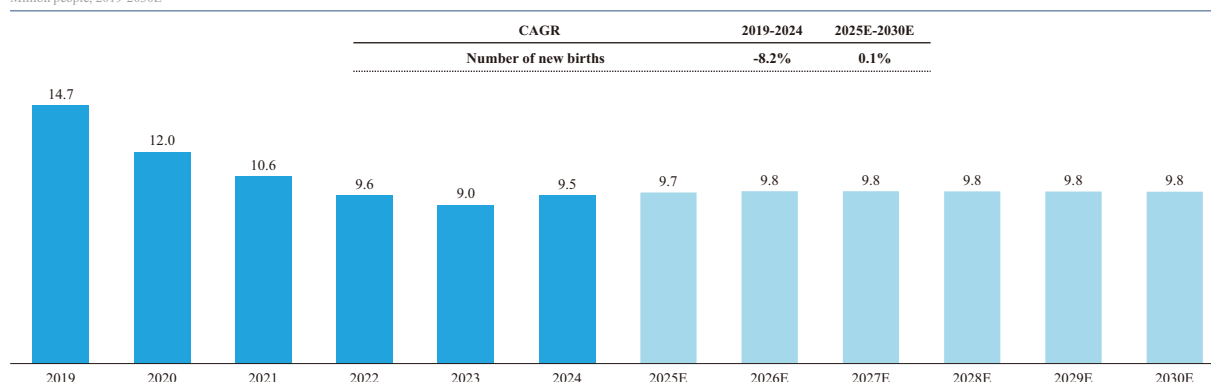
Key Growth Drivers

According to the Frost & Sullivan Report, in addition to the increasing consumer awareness and high consumption willingness of affluent families, the following factors are expected to contribute to the growth of the family care industry in China:

- *The increasing popularity of self-pampering products and services among women:* This trend marks a significant shift in women's spending patterns towards personal growth and mental fulfillment. Nowadays, women are more attuned to their inner needs and are willing to invest in products and services that bring them joy and satisfaction. With an increasing awareness of health and quality of life, women are prioritizing their physical and emotional well-being. They are willing to invest more time and money on themselves, including purchasing healthy foods and engaging professional wellness services. Additionally, as they juggle diverse roles as individuals, professionals, wives, mothers, and daughters, they face considerable pressure and require emotional support. Consequently, women have been placing greater emphasis on the value of self-pampering products and services, and are more willing to hire professional teams to care for themselves or their family members.
- *Evolving family structure:* In China, where the one-child policy was in place for nearly three decades, family demographics have shifted in recent years to a "4-2-1" (four grandparents, two parents, and one child) family structure, marking an increase in the dependency ratio. In China, most households have both parents working full time. The two parents need to raise their children, and also take care of the four elderly parents. The transformed family demographics will encourage more families in China to seek additional support from professional family care service providers.
- *Delayed age of childbearing:* It has become more prevalent in China for couples to postpone starting a family due to various factors such as pursuit of higher education, career advancement, and other personal ambitions. According to the "China Population Census Yearbook" published by the National Bureau of Statistics, from 2010 to 2020, the average age for first marriages in China increased from 24.89 to 28.67 years. In 2010, the highest fertility rates were observed among individuals aged 20 to 29. However, by 2020, the age range with the highest fertility rates had shifted to 25 to 34. This delay in the age of childbearing reduces the capacity of grandparents to provide childcare support, leading to a growing demand for home child care services; parents in the latter age group are also more likely to afford high-quality family care services.
- *Favorable government policies including the "three-child policy" to boost birth rate:* There has been a decline in the number of new births in China in the past few years as a result of the delay in first marriages for women of childbearing age, the rising costs of childbearing, along with housing affordability pressure. After the implementation of the two-child policy in 2011 and the three-child policy in 2021, the number of new births and the birth rate experienced a temporary increase. Along with other favorable policies, including the Decision of the CPC Central Committee and State Council on Optimizing Fertility Policies to Promote Long-Term Balanced Population Development promulgated in 2021 with an aim to significantly reduce the costs associated with childbirth, childcare, and education, the number of new births is expected to stabilize from 2024, according to the Frost & Sullivan Report. After the issuance of a series of policies in China to promote population growth, the fertility rate for two-child and three-child newborns has steadily increased, from 10.42‰ in 2010 to 16.06‰ in 2020. The fertility rate for third children in China also increased from 2.18‰ in 2010 to 4.15‰ in 2020. Compared to families with only one child, parents with two or three children generally need more support and therefore have higher demand for family care services. The following chart sets forth the actual and projected number of new births in China:

INDUSTRY OVERVIEW

Number of new births in China
Million people, 2019-2030E



According to the Frost & Sullivan Report, the birth rate in China is projected to stabilize due to a combination of strategic policy initiatives and specific implementation measures aimed at supporting and encouraging childbirth.

Firstly, the Chinese government has set a clear strategic goal to gradually improve the fertility support policy system and enhance the willingness of families to have children. This is outlined in the 2021 “Decision of the State Council on Optimizing Fertility Policies to Promote Long-term Balanced Population Development”, which anticipates the establishment of a comprehensive fertility support policy system by 2025. As these policies take effect, it is expected that the willingness for childbirth will be enhanced.

In terms of specific implementation, both central and local governments have been actively introducing and reinforcing favorable fertility policies. For instance, the 2024 “Decision of the Central Committee of the Communist Party of China on Further Deepening Reform and Promoting Chinese-style Modernization” aims to create a fertility-friendly society by lowering the costs of childbirth, upbringing, and education, improving maternity leave systems, establishing childbirth subsidies, and enhancing public services for basic fertility and child healthcare. Additionally, the 2023 “Notice on Raising the Standards for Special Additional Deductions for Individual Income Tax” has doubled the special additional deduction standards of individual income tax for childcare and education expenses for children under three years old.

Local governments have also introduced various subsidy programs to directly support families with multiple children. For example, the local government in Hangzhou offers a one-time subsidy for second and third children, the local government in Shenzhen plans to provide differentiated progressive childcare subsidies, the local government in Zhengzhou has implemented a childcare subsidy system with significant one-time payments for each child, and the local government in Harbin provides monthly childcare subsidies for families with two or more children until the child reaches three years old.

These comprehensive and targeted measures are expected to collectively contribute to the stabilization of the birth rate in China by reducing the financial burden on families and creating a more supportive environment for raising children.

INDUSTRY OVERVIEW

Competitive Landscape

According to the Frost & Sullivan Report, the family care industry in China is relatively scattered, and the market is mainly composed of a number of small and medium-sized enterprises. Most enterprises only operate in a single segment of the industry, and only a few leading groups have expanded across multiple business areas. According to the Frost & Sullivan Report, among the leading market players in the family care industry, our Group has the most comprehensive business matrix, and has a leading postpartum care and recovery operation in China. A “comprehensive family care group” refers to an enterprise that operates and generates revenue from at least two business segments in the family care industry. According to the Frost & Sullivan Report, by offering services across multiple segments, a market player is capable of catering to a broader spectrum of family care needs compared to its peers who may focus on only one segment. By providing a wider range of services and products, a comprehensive family care service provider has the ability to offer holistic family care services that benefit customers and address their different needs.

Overview of Selected Markets outside Mainland China

- *United States:* According to the Frost & Sullivan Report, the consumer group of postpartum care and recovery services is mainly composed of Chinese families who are residing in and giving birth in the United States, but it has also gained popularity among other consumer groups. In the past, postpartum centers in the United States typically catered to the needs of overseas Chinese families. However, as awareness of the importance of postpartum care grows in the United States, there has been an increasing demand for these services. A number of premium postpartum centers have emerged, often located in high-end hotels, operating under an asset-light model to provide customers with a luxurious and comfortable environment while facilitating rapid expansion.

According to the Frost & Sullivan Report, the market size of postpartum care and recovery industry in the United States has exceed approximately US\$4 billion in 2024, and it is expected that in the future, with the continuous improvement of postpartum care awareness in the United States, the consumer group of postpartum centers will continue to grow and further drive the continuous expansion of the market size.

- *Hong Kong, China:* Similar to mainland China, Hong Kong also preserved the traditional culture of postpartum confinement, and thus it is relatively common for consumers in Hong Kong to consume postpartum care and recovery services.

Compared with other postpartum care services, the better environment and more professional services provided by postpartum centers have attracted more consumers in Hong Kong in recent years, further promoting the expansion of the market size. According to the Frost & Sullivan Report, in 2024, the market size of the postpartum care and recovery industry in Hong Kong exceeded US\$90 million, and is expected to continuously grow in the future.

INDUSTRY OVERVIEW

POSTPARTUM CARE AND RECOVERY INDUSTRY

Development of Postpartum Centers in China

Postpartum confinement (坐月子) is a custom originating in China since ancient times whereby women have a period of confinement and recuperation after childbirth. Women used to mainly undergo postpartum confinement at home, and some of them would hire *yuesao* (postpartum doulas) to provide postpartum care services. Today, it is still a common practice and postpartum centers and *yuesao* are the two types of postpartum care service providers.

The first postpartum center was established in Taiwan, China in 1999. In mainland China, while *yuesao* still occupy the majority of the market share, the number of postpartum centers gradually increased since the 2000s, and a number of chain postpartum center brands began to expand. In recent years, there has been a rapid expansion of the market size for postpartum centers in the first- and second-tier cities and even more low-tier cities. The service scope of postpartum centers has become more diversified, the services have become more professionalized, and the market position of the top players has become increasingly prominent. Nowadays, many postpartum centers have become centralized service venues for postpartum care and recovery services.

We believe that we are well positioned to compete successfully against this background, as we have the largest team of nursing specialists with the relevant professional qualifications among our competitors as of 2024, and we have set the service benchmark and compiled standard operating procedures (SOPs) for mother and baby care, which are also beneficial to the scalability of our business.

According to the Frost & Sullivan Report, there were approximately 6,300 postpartum centers in China as of December 31, 2024. And as of the same date, there were approximately 1,600, 2,600, and 6,000 groups engaged in postpartum center, postpartum recovery, and *yuesao* businesses in China, respectively.

For postpartum centers in China, there are two business models, namely asset-heavy and asset-light models. Asset-heavy operators primarily utilize self-owned or leased premises which require substantial investment in construction or comprehensive renovation from the outset. In comparison, asset-light operators primarily utilize premises that are close to immediate occupancy which only require minimal investment for upgrade and customization. Among postpartum care and recovery groups that mainly engaged in the postpartum center and recovery business, over 70% of them have adopted an asset-light model, according to the Frost & Sullivan Report. Hence, the adoption of asset-light model is in line with the industry norm in China's postpartum care and recovery industry.

INDUSTRY OVERVIEW

Comparison between Postpartum Centers and *Yuesao*

The following table sets forth a comparison of the two types of providers of postpartum care services:

	Postpartum centers	<i>Yuesao</i> (postpartum doulas)
Professionality:	<i>Higher professionalism:</i> Postpartum centers are usually equipped with professional practitioners with diversified skills and a more comfortable and spacious living places for customers to recuperate, and thus are more able to provide a professional and standardized services.	<i>Lower professionalism:</i> <i>Yuesao</i> usually rely more on the accumulation of past personal nursing experience, but lack systematic or scientific maternity care knowledge and training. In addition, <i>yuesao</i> usually provide door to door service, and lack of support from professional devices.
Service delivery:	<i>Specialized venues:</i> Postpartum centers feature a mixed provision of services and premises, offering postpartum care services and other related services at premises such as houses, hotels, hospitals, commercial buildings and apartments	<i>Home-based services:</i> <i>Yuesao</i> typically provide postpartum care services while residing in the employer's home.
Service scope:	<i>Diversified service matrix:</i> Postpartum centers usually can provide a full range of services for both mothers and babies, including postpartum care and recovery services.	<i>Simplified service offerings:</i> Due to the limited expertise, <i>yuesao</i> are usually only able to provide basic maternity care and daily living services, with limited scope and uneven quality of services.
Service time:	<i>Well-staffed for consistent service:</i> Postpartum centers are generally equipped with a number of nurses, dietitians, psychological counselors, physical therapists, early education enlightenment teachers, and security personnel, and have a number of employees who work in shifts to ensure consistent 24-hour health monitoring and service guarantee for mothers and babies.	<i>Limited service time:</i> The need for rest time limits a single <i>yuesao</i> 's ability to provide 24-hour service.
Service charge:	<i>Higher service charge and service quality:</i> Due to the one-stop service package with a more complete and diversified service matrix, the average service charge per customer of postpartum centers is generally higher.	<i>Lower Consumption Price:</i> Since <i>yuesao</i> offer a relatively limited service, its average service charge per customer is usually lower than postpartum centers.

Postpartum centers and *yuesao* both provide postpartum care and support to new mothers and their newborns during the critical postpartum period right after birth. Their services target the same group of population. While there is competition between postpartum centers and *yuesao* to a certain degree, due to the difference in professionalism, expertise, price range, service positioning, service matrix, and service time, postpartum center groups and *yuesao* are targeting different customer groups. Compared with *yuesao*, postpartum centers are generally more favored by middle-class and high-income families who have the willingness and ability to purchase postpartum care service with higher prices and seeking for scientific manner, diversified product

INDUSTRY OVERVIEW

matrix, well-staffed nursing specialists, and consistent service quality. The distinct characteristics of the targeted customer groups of the services of postpartum centers and *yuesao* have limited the degree of competition between the two types of service providers.

Market Size and Penetration Rate of the Postpartum Care and Recovery Industry

Market Size

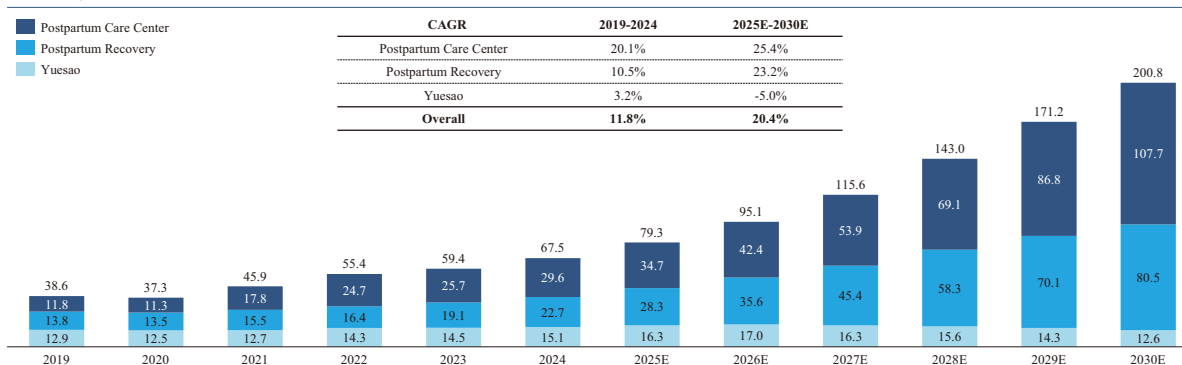
According to the Frost & Sullivan Report, from 2019 to 2024, with the rising acceptance of postpartum care and recovery and the expansion of chain postpartum institutions, China's postpartum care and recovery industry has been expanding, and its market size has increased from approximately RMB38.6 billion in 2019 to RMB67.5 billion in 2024, with a CAGR of 11.8%. In 2020, affected by the outbreak of COVID-19, some small and medium-sized postpartum centers suspended operations, and the market size of the postpartum care industry was slightly reduced, while market concentration slightly increased after the exit of those players.

In terms of the postpartum care services segment of the industry, according to the Frost & Sullivan Report, the penetration rate in mainland China significantly increased from 7.5% in 2019 to 17.0% in 2024, among which the penetration rate of postpartum centers increased from 1.3% in 2019 to 6.0% in 2024; however, such penetration rates remained considerably lower than those in other mature Asian markets. For example, according to the Frost & Sullivan Report, the penetration rate of postpartum care services in South Korea and Taiwan, China was above 60% in 2024, indicating ample room for growth in mainland China.

The market size of postpartum recovery services is also expected to grow significantly in mainland China, at a CAGR of 23.2% from 2025 to 2030, according to the Frost & Sullivan Report.

The following chart sets forth the actual and projected growth in the market size of the postpartum care and recovery industry by service providers in China:

Market Size of Postpartum Care and Recovery Industry in China, by Revenue, breakdown by Service Providers
RMB Billion, 2019-2030E



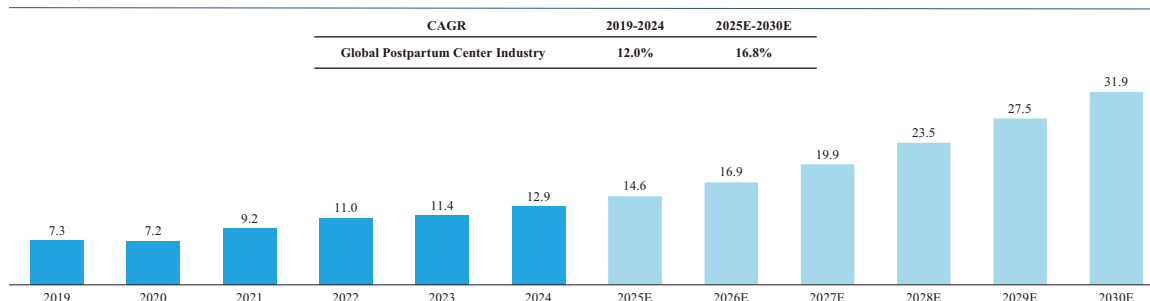
Sources: National Bureau of Statistics, Frost & Sullivan Report

According to the Frost & Sullivan Report, in recent years, postpartum care services have become increasingly popular in more countries and regions, and the global postpartum center market has continued to grow. For instance, in the United States there has emerged in recent years a greater number of premium postpartum centers set up in high-end hotels which coincides with a continuous improvement of consumer awareness of postpartum care services. In addition, in some economically advanced countries in Southeast Asia, such as Singapore, more women are inclined to choose postpartum centers rather than *yuesao* to help them get through their critical postpartum stages, which promotes rapid development of the local postpartum center market. As such, the global postpartum center market has grown steadily, reaching a total market size of approximately USD12.9 billion in 2024. It is expected that the global market size of postpartum center industry will continue to grow in the future, representing a CAGR of 16.8% from 2025 to 2030 and reach to USD31.9 billion in 2030.

INDUSTRY OVERVIEW

The following chart sets forth the actual and projected growth in the market size of the postpartum center market globally:

Market Size of the Global Postpartum Center Industry, by Revenue
USD Billion, 2019-2030E

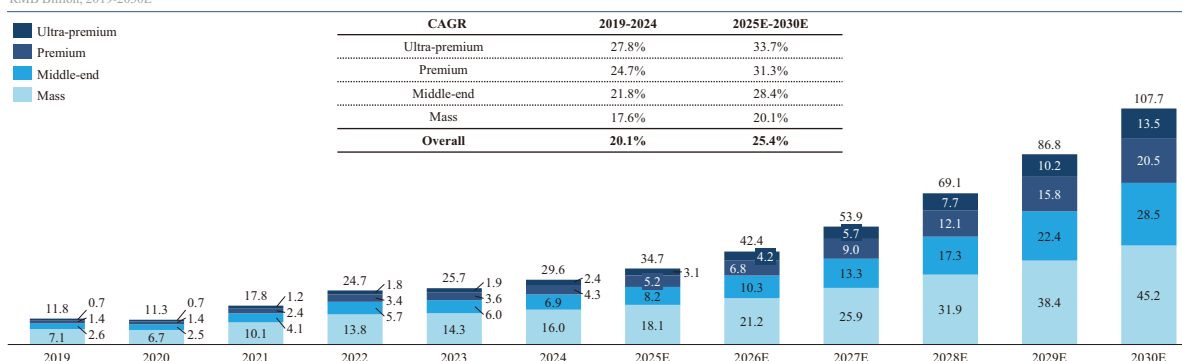


Market Size of the Postpartum Center Industry in China by Brand Segment

According to the Frost & Sullivan Report, between 2019 and 2024, market size of China's postpartum center industry ushered in rapid development, at a CAGR of 20.1%. In particular, the higher-end market segment experienced and is expected to continue experiencing a higher growth rate than the mass market segment. In particular, the ultra-premium and premium segments are expected to be the fastest growing, whose market size is expected to grow at a CAGR of 33.7% and 31.3%, respectively, from 2025 to 2030.

The following chart sets forth the actual and projected growth in the market size of the postpartum center industry by brand segment in China.

Market Size of Postpartum Care Center Industry in China, by Revenue, breakdown by Brand Segment
RMB Billion, 2019-2030E



Sources: National Bureau of Statistics, Frost & Sullivan Report

Note: Ultra-premium, premium, middle-end, and mass market segments refer to centers with an average price of over RMB150,000, RMB100,000-150,000, RMB60,000-100,000, and below RMB60,000, respectively.

Key Growth Drivers

According to the Frost & Sullivan Report, nowadays, women's increasing willingness to invest more money and attention in maintaining and enhancing their well-being and physical appearance has spurred the growth in demand for postpartum care and recovery services. Beyond traditional considerations of facial beauty, there is a growing emphasis on physical aesthetics and health. In this context, postpartum centers offer diversified and professional services that cater to both health recovery and postpartum body shaping, promoting the increasing interest in consumers to choose postpartum center services instead of yuesao services. In addition, the supply of yuesao and other household service personnel is insufficient to meet the market demand in China. The emergence of postpartum centers has effectively filled this gap in market demand.

INDUSTRY OVERVIEW

According to the Frost & Sullivan Report, the disposable income of Chinese residents has maintained a growing trend in recent years. In particular, the number of affluent families with net assets of RMB6 million, high-net-worth families with net assets of RMB10 million, ultra-high-net-worth families with net assets of RMB100 million, and international ultra-high-net-worth families with net assets of USD30 million overall has been on a rising trend from 2019 to 2024. These groups constitute the primary target demographic for our ultra-premium and premium postpartum center service. Additionally, the overall consumption price level for high-net-worth individuals in China increased by 5.4% in 2023, surpassing the national consumer price index, which increased by 0.2% in 2023 according to the National Bureau of Statistics. This indicates that high-net-worth families continued to maintain strong consumption capabilities and enthusiasm.

In addition, in first- and second-tier cities, consumers' demand for services is more specialized and diversified, and the high-end postpartum institutions equipped with professional talents, a scientific and systematic approach of care and recovery services, and advanced facilities can meet such potential needs of consumers on professional postpartum care service. In addition, according to the Frost & Sullivan Report, among China's high net worth individuals, those with more assets have a stronger intention to have more than one child. Therefore, driven by consumers' higher demand for quality service, the more premium market segments are expected to grow at a higher rate than the overall postpartum center industry, according to the Frost & Sullivan Report.

Entry Barriers

According to the Frost & Sullivan Report, the postpartum care and recovery industry in China has the following entry barriers:

- *Professional staff and systematic SOP system:* Industry-leading companies in the industry generally not only have a professional and stable staff team with specialized knowledge and skills to provide professional care and recovery services, they also have a well-established training process, and well-developed standard operating procedures allowing delivery of standardized high-quality services based on their accumulated experience over the years; while new entrants to the industry need to spend significant resources to improve their work processes, and recruit or train their professionals.
- *Brand recognition and awareness:* Due to the high opportunity cost, high price, and long decision-making period, customers intend to select reputable postpartum centers. Many customers rely on past experience of their acquaintance and KOLs as a part of the decision-making process when selecting postpartum centers. Word-of-mouth referral is critical for postpartum centers operators. It is difficult for new entrants to establish brand recognition and accumulate reputation in a short period of time.
- *Industry knowledge, resources, and experience:* Experienced postpartum center operators possess accumulated industry knowhow and also benefit from the established relationships with suppliers and business partners. Established postpartum centers also generally have a larger customer database, which they can leverage to gain valuable insights into consumers' needs and preferences. This deepens their understanding of consumer trends and demands.

INDUSTRY OVERVIEW

- *Stringent government supervision:* In the long run, the development of the postpartum care and recovery industry in China is expected to benefit from the strengthening of government supervision. Since 2013, the Chinese government has successively introduced relevant supervision and normative policies, such as General Requirements for Maternal and Child Health Care Service Premises (母嬰保健服務場所通用要求) and Guidelines on Promoting the Development of Care Services for Infants and Young Children under 3 years of Age (關於促進3歲以下嬰幼兒照護服務發展的指導意見), to encourage the healthy development of the industry. With the continuous improvement of the unified recommended standards of the industry, the standardization of institutional operations and relevant practitioners has been strengthened, and the market entry barriers have been raised. In this context, institutions that have difficulties coping with regulatory requirements and market supervision may be gradually eliminated; and the market share of leading postpartum care and recovery enterprises with complete qualifications and standardized operations is expected to increase.

Future Trends

According to the Frost & Sullivan Report, China's postpartum care and recovery industry has the following development trends:

- *Professionalism-oriented branding and staffing:* To meet increasingly sophisticated consumer demand, more and more postpartum centers have begun to establish their own staff training system, focusing on training and improving the basic capabilities of employees, professional skills, and service awareness. The establishment of an effective staff training system forms the basis of professional care and recovery services, and enhances the market reputation and customer acceptance. Therefore, market players with better and more professional service can often form better brand recognition and reputation among consumers, and thus obtain more revenue and market share.
- *Diversifying service offerings:* Amid the rapid development of the postpartum care and recovery industry, the value-added services that market players can provide are expected to become an important factor affecting consumers' choice of postpartum centers. Therefore, more and more postpartum center operators are increasingly focused on providing a more diversified service matrix and cultivating their own differentiated competitive advantages.
- *Digitalization:* The development of the postpartum care and recovery industry is expected to be characterized by the introduction of new technologies, as market players continue to invest in technological innovation and digitalization. For instance, through the application of internet platforms and intelligent management systems, market players can improve service efficiency and quality, and meet customer needs more accurately and efficiently.
- *Market consolidation:* As China's postpartum care and recovery industry continues to develop and become more mature, larger market players are expected to start emerging, as smaller operators are less able to benefit from economies of scale brought by their competitors' market position and relationships with suppliers and partners. In addition, larger market players are also generally more capable of complying with relevant laws and regulations, accumulating brand awareness, and providing professional services.
- *Overseas expansion:* With the rise of global women's awareness, more and more attention is paid to services addressing women's wellbeing, including postpartum care and recovery, and the business model of the postpartum centers is expected to become more popular in overseas markets outside of China. It is expected that there will be growing opportunities for leading market players in the industry to expand into overseas markets by establishing overseas branches or acquiring local players.

INDUSTRY OVERVIEW

Competitive Landscape

According to the Frost & Sullivan Report, our Group was the largest postpartum care and recovery group in China in terms of revenue from postpartum centers in 2024. The following table sets forth the ranking of the top five postpartum care and recovery groups in China in terms of revenue from postpartum centers in 2024:

Ranking	Company	Revenue for 2024 (Note 1)	Market share by revenue (2024)	CAGR of revenue (2022–2024) (Note 1)	Number of directly-operated centers (Note 2)	Number of covered cities (Note 3)
1	Our Group	RMB628 million	1.2%	26.4%	57	20
2	Company A	RMB418 million	0.8%	-15.2%	18	9
3	Company B	RMB366 million	0.7%	17.7%	20	4
4	Company C	RMB274 million	0.5%	19.0%	4	2
5	Company D	RMB261 million	0.5%	11.5%	7	4

Notes:

- (1) Revenue generated from postpartum care and recovery services.
- (2) Number of directly-operated postpartum centers in China as of December 31, 2024.
- (3) Refers to the number of cities covered by directly-operated postpartum centers in China as of December 31, 2024.
- (4) Company A is a Hong Kong listed company established in 2007 which mainly operates premium postpartum centers and offers postpartum recovery service to consumers.
- (5) Company B is a private company established in 2008 which provides postpartum care and recovery services to consumers, primarily for the mass market in China.
- (6) Company C is a private company established in 2010 which mainly provides postpartum care and recovery services through standalone villa-style postpartum centers in China.
- (7) Company D is a private company established in 2008 which mainly provides postpartum care and recovery services, mainly through hotel-style postpartum centers in China.

The following table sets forth the ranking of the top five postpartum care and recovery groups in Asia in terms of revenue from postpartum centers in 2024:

Ranking	Company	Revenue for 2024 (Note 1)
1	Our Group	RMB628 million
2	Company A	RMB418 million
3	Company E	RMB403 million
4	Company B	RMB366 million
5	Company F	RMB279 million

Notes:

- (1) Revenue generated from postpartum care and recovery services.
- (2) Company E is a private company established in 1996, mainly providing postpartum care and recovery service through postpartum centers in South Korea and China.
- (3) Company F is a private company established in 2008, operating postpartum centers in China and Malaysia.

INDUSTRY OVERVIEW

The following table sets forth the ranking of the top five postpartum care and recovery groups in China in terms of revenue from ultra-premium postpartum centers in 2024:

Ranking	Company	Revenue for 2024 (Note 1)	Number of directly-operated ultra-premium centers (Note 2)	Number of covered cities (Note 3)
1	Our Group	RMB374 million	28	12
2	Company G	RMB89 million	12	4
3	Company H	RMB82 million	11	8
4	Company I	RMB69 million	6	6
5	Company J	RMB16 million	2	1

Notes:

- (1) Revenue generated from postpartum care and recovery services derived from ultra-premium postpartum centers.
- (2) Number of directly-operated ultra-premium postpartum centers in China as of December 31, 2024.
- (3) Refers to the number of cities covered by directly-operated ultra-premium postpartum centers in China as of December 31, 2024.
- (4) Company G is a private company established in 2020 which focuses on operating ultra-premium, asset-light postpartum centers, and operates only in first-tier cities in China.
- (5) Company H is a private company established in 2022 which mainly engages in providing intelligent maternal and child care solutions, and operates ultra-premium postpartum centers in China.
- (6) Company I is a private company established in 2019 which mainly provides postpartum care services in the form of standalone villa-style postpartum centers in China.
- (7) Company J is a private company established in 2008 which mainly engages in operating ultra-premium postpartum centers in the form of hotel-style postpartum centers in China.

The following table sets forth the ranking of top five scaled postpartum care and recovery groups (i.e., groups with scaled operations in the postpartum center business segment with annual revenues exceeding RMB100 million) in China in terms of growth rate of revenue generated from postpartum care and recovery services from 2022 to 2024:

Ranking	Company	CAGR of revenue (2022-2024) (Note 1)
1	Our Group	26.4%
2	Company C	19.0%
3	Company B	17.7%
4	Company K	16.8%
5	Company D	11.5%

Notes:

- (1) Revenue generated from postpartum care and recovery services.
- (2) Company K is a private company established in 2007 which provides postpartum care and recovery services to consumers, primarily for the premium market in China.

INDUSTRY OVERVIEW

HOME CHILD CARE INDUSTRY

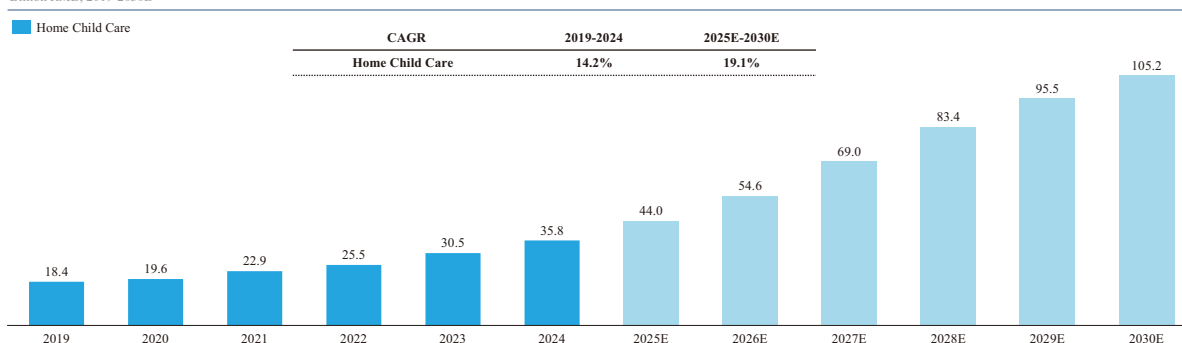
Market Size and Penetration Rate in China

According to the Frost & Sullivan Report, the home child care market in China has demonstrated significant growth from RMB18.4 billion in 2019 to RMB35.8 billion in 2024, at a CAGR of 14.2%. Projections foresee continued upward momentum, with an anticipated escalation to RMB105.2 billion by 2030, driven by an estimated CAGR of 19.1% from 2025 to 2030. The market's current penetration rate remains relatively low, standing at approximately 1.5%, indicating significant untapped potential.

According to the Frost & Sullivan Report, the home child care industry in China currently exhibits a highly fragmented nature with distinctive regional characteristics. However, as there is a growing emphasis on higher quality services based on professional training and workflow, it is expected to support the emergence of top market players with more prominent market positions and scale.

The following chart sets forth the actual and projected growth in the market size of the home child care industry in China:

Market Size of Home Child Care Industry in China, by Revenue
Billion RMB, 2019-2030E



Source: Frost & Sullivan Report

Key Growth Drivers and Future Trends

According to the Frost & Sullivan Report, the following factors are expected to contribute to the growth of the home child care industry in China:

- Enhancing women's self-pampering with professional services:* The rise of professional child care services is enabling women to delegate certain child-rearing responsibilities to experts, allowing them to reclaim time and energy for self-pampering and self-development. With the support of professional child care services, women can prioritize personal development, pursue hobbies, enhance their career skills, or simply enjoy quiet moments by themselves. These opportunities not only enhance women's quality of life but also contribute to their overall well-being and happiness. As women experience the professional family care and have the chance to acknowledge their self-needs, there is a transition in their mindset which encourage them to embrace more professional help from family care providers. They will be more willing to invest in such services and products and view the expenditures as essential components of their journey towards self-improvement and self-care.

INDUSTRY OVERVIEW

- *Increasing recognition of a scientific and professionalized approach:* According to UNICEF, early childhood development (ECD) encompasses the holistic growth of children, with 0 to 3 years being deemed as the crucial “window of opportunity” for comprehensive physical, cognitive, emotional, social, and linguistic development. According to the Frost & Sullivan Report, this has led to an escalating demand for professional home child care providers who play an important role in offering specialized care and fostering children’s intellectual growth. Amid the rise in consumer demand, novel approaches in child care continue to emerge. The skills expected from today’s child care specialists include infant and toddler development, proficiency in basic medical knowledge, and the ability to provide scientific feeding and routine care. This increasing adoption of a scientific childcare approach is driving a more professionalized and superior level of service.

The transformation in consumer consciousness has also further propelled the standardization and evolution of the industry. For example, there is a growing emphasis on structured and comprehensive training programs for home childcare professionals, as well as certification processes that ensure that service providers possess requisite skills, expertise, and updated knowledge essential for delivering high-quality care. The industry is also moving toward establishing standardized processes for service delivery. This involves developing clear, systematic workflows that outline procedures for various aspects of home childcare, including health, nutrition, safety, and early childhood education.

- *Policy support and development of national standards:* High emphasis and support from the government toward the expansion of family services are evident through a series of policies. The Chinese Ministry of Human Resources and Social Security has implemented measures to regulate and bolster the childcare sector. The “National Occupational Standards for Childcare Providers” were introduced to serve as a guiding framework for the professional growth of childcare providers, and sets out requirements on the profession’s responsibilities, requisite skills, and training criteria. These policy drivers have provided robust backing for the home child care industry, facilitating rapid growth, continual enhancement in service quality, and an expanding market size. At the same time, the formulation of national standards is expected to raise consumers’ expectations of the service quality of childcare professionals.

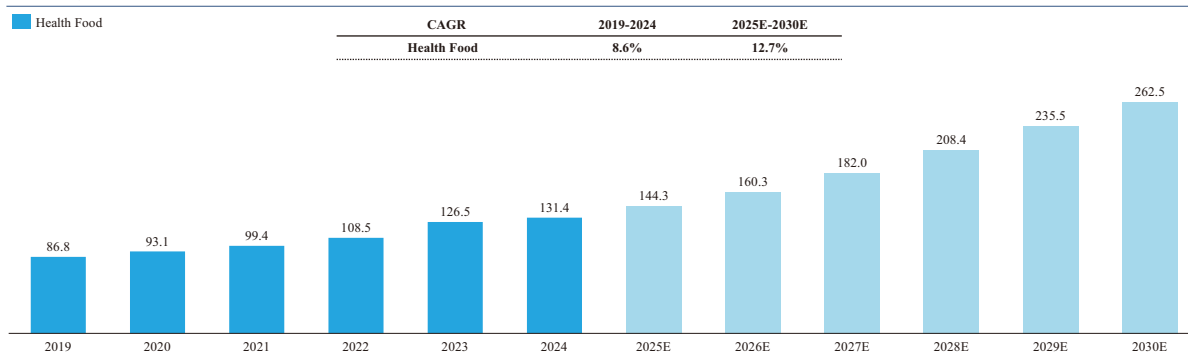
HEALTH FOOD PRODUCTS INDUSTRY

According to the Frost & Sullivan Report, the market size of the health food products industry in China grew from RMB86.8 billion in 2019 to RMB131.4 billion in 2024, at a CAGR of 8.6%. It is expected that such market size will grow to RMB262.5 billion in 2030, at a CAGR of 12.7% between 2025 and 2030. According to the Frost & Sullivan Report, the sustained growth in the health food products industry is primarily driven by an increasing focus among modern people to adopt healthier lifestyles and embracing self-pampering consumption. As their health and self-pampering consciousness continues to grow, people are increasingly aware that prioritizing personal health is not just a short-term need during specific periods but a long-term investment across their entire lifetime. From puberty to menopause and through various stages of life, people experience different physiological and psychological changes, each requiring specific nutritional needs.

INDUSTRY OVERVIEW

The following chart sets forth the actual and projected growth in the market size of the health food products industry in China:

Market Size of Health Food Industry in China, by Revenue
Billion RMB, 2019-2030E



Source: Frost & Sullivan Report

ELDERLY CARE INDUSTRY

Overview of the Elderly Care Industry in China

China is becoming an aging society with an increasing elderly population (aged over 60) of 310 million in 2024, accounting for approximately 22.0% of the total population in that year. Therefore, the demand for elderly services in China has been on the rise, and the size of the elderly care service industry has grown from RMB249.0 billion in 2019 to RMB476.6 billion in 2024, at a CAGR of 13.9%, and is expected to reach RMB875.2 billion in 2030, at a CAGR of 10.2%.

According to the Frost & Sullivan Report, although China has standards for self-care (自理), device-aided (介助), and nursing-cared (介護) models, these standards are rarely used in the practical operation of elderly care institutions. According to the Frost & Sullivan Report, the elderly care industry in China generally lacks mature and experienced operation teams for elderly care service. Against this background, we are the first and only Chinese player to enter into a memorandum of understanding with a Japanese local leader in elderly care service, according to the Frost & Sullivan Report.

Key Growth Drivers and Future Trends

According to the Frost & Sullivan Report, the following factors are expected to contribute to the growth of the elderly care industry in China:

- Large and growing elderly population:** China's large and growing elderly population provides a huge user base for the elderly care industry. In 2023, China's elderly dependency ratio was 22.5%, and this ratio is expected to continue to rise, which means that the average number of elderly people supported by per unit of working-age population is increasing. Meanwhile, the problem of empty-nest elderly, namely elderly people living alone away from their family, has become prominent in China with a large number of young and middle-aged population leaving their hometown for study and work. According to the Ministry of Civil Affairs, in 2022, empty-nest elderly accounted for more than 50% of China's elderly population, and in some cities and rural areas, the proportion of empty-nesters even exceeded 70%. The increasing prominence of this phenomenon will encourage more families to choose elderly care services providers which can provide a safe environment and professional caring service, and thus driving the growth of China's elderly care service market.

INDUSTRY OVERVIEW

- *Favorable policy support:* In recent years, the Chinese government has issued a number of favorable policies to support the development of the elderly care service industry. For example, policies have been promulgated to propose to fully open up and develop the elderly care service market, and support non-governmental sectors to set up elderly care service institutions, and encourage the development of smart elderly care. In addition, there are also a number of policies to encourage the use of public-private partnerships (PPP) and provide preferential treatment for enterprises in terms of land, taxes, and fees, to encourage social capital to enter the elderly care service industry, and to promote the increase and scale expansion of industry participants.

SOURCE OF INFORMATION

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on China's family care industry. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries.

We have included certain information from the Frost & Sullivan Report in this prospectus because we believe such information facilitates an understanding of the family care industry for potential investors. Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information and industry insights on the industry trends of the target research markets. Primary research involved interviewing industry insiders such as leading market players, suppliers, customers, and recognized third-party industry associations. Secondary research involved reviewing company reports, independent research reports, and data based on Frost & Sullivan's own research database.

We have agreed to pay Frost & Sullivan a fee of RMB1,100,000 for the preparation of the Frost & Sullivan Report. The payment of such amount was not contingent upon our successful listing or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the Global Offering. Our Directors confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by Frost & Sullivan which may qualify, contradict, or have an impact on the information set forth in this section in any material respect.

REGULATORY OVERVIEW

SUMMARY OF APPLICABLE LAWS AND REGULATIONS IN MAINLAND CHINA

Company Law of the PRC

On December 29, 1993, the Standing Committee of the National People's Congress (the "SCNPC") issued the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018 respectively, and was last amended on December 29, 2023, which came into effect on July 1, 2024. All companies established in the PRC are subject to the Company Law. The Company Law regulates the establishment, operation, corporate structure, and management of corporate entities in China and classifies companies into limited liability companies and limited companies by shares.

Regulations on Advertising in the PRC

The Advertisement Law of the PRC (2021 Amendment) (《中華人民共和國廣告法》(2021修正)) (the "**Advertisement Law**"), which was promulgated by the SCNPC on October 27, 1994 and came into effect on February 1, 1995 and last amended on April 29, 2021, provides that advertisements shall not contain false statements and be deceitful or misleading to consumers.

The Administrative Measures for Internet Advertising (《互聯網廣告管理辦法》), which was promulgated by the SAMR on February 25, 2023 and came into effect on May 1, 2023, provides that an Internet advertisement shall be identifiable so that consumers will identify it as such, and advertiser shall be responsible for the authenticity of the content of the Internet advertisement.

Regulations relating to Food Safety

In accordance with the Food Safety Law of the PRC (2021 Amendment) (《中華人民共和國食品安全法》(2021修正)) (the "**Food Safety Law**"), promulgated on February 28, 2009 and last amended on April 29, 2021, and the Implementation Regulations of the Food Safety Law of the PRC (2019 Revision) (《中華人民共和國食品安全法實施條例》(2019修訂)) issued on July 20, 2009 and last amended on October 11, 2019 and became effective on December 1, 2019, a system of supervision, monitoring and appraisal of food safety risks and the compulsory adoption of food safety standards has been set up with the purpose of guaranteeing food safety and safeguarding the health and life safety of the public. To engage in food production, sale or catering services, the business operators shall obtain a license in accordance with the laws and regulations. Furthermore, the State Council implements strict supervision and administration for special categories of foods such as dietary supplement, special formula foods for medical purposes and infant formulas.

The Measures for the Administration of Food Business Licenses and Registration (《食品經營許可和備案管理辦法》) promulgated by SAMR on June 15, 2023, and took effect on December 1, 2023, regulate the food operation licensing activities, strengthens supervision and management of food operation, and ensures food safety. Food operation operators shall obtain a food operation license for each business venue where they engage in food operation activities. The food operation license is valid for five years.

Regulations on Protection of Consumers

On October 25, 2013, the SCNPC promulgated the Law of the PRC on the Protection of Rights and Interests of Consumers (2013 Amendment) (《中華人民共和國消費者權益保護法》(2013修正)), effective as of March 15, 2014, which specifies the consumer rights, obligations of business operators, protection of legitimate consumer rights and interests by the state, legal liability of business operators, etc. Particularly, business operators providing goods or services by way of advance payment shall provide goods or services pursuant to the agreement. Where the business operator is unable to provide the goods or services pursuant to the agreement, the business operator shall, as required by the consumer, perform the agreement or refund the advance payment and bear the interest on advance payment and reasonable expenses incurred by the consumer.

REGULATORY OVERVIEW

Measures for the Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》), promulgated by SAMR on March 15, 2021, and effective on May 1, 2021, regulates business activities of selling goods or providing services through information networks. Online transaction operators shall fully, truthfully, accurately and timely disclose the information of goods or services to protect consumers' right to know and right to choose. Online transaction operators that carry out online transaction activities through online social networking, online live-streaming and other online services shall display the information on goods or services as well as their actual business entities and after-sale services in a noticeable way, or hyperlinks to the above information.

Product Quality

According to the Product Quality Law of the PRC (2018 Amendment) (《中華人民共和國產品質量法》(2018修正)) promulgated by the SCNPC on February 22, 1993 and last amended on December 29, 2018 and effective as of the same date, producers shall assume responsibilities for the product quality produced by them. Sellers shall adopt measures to maintain the quality of products for sale. Enterprises may not produce or sell counterfeit products in any way, and violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes personal injury or damage to another person's property, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. If the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

Laws and Regulations on Personnel in our Postpartum Centers

Laws and Regulations on Medical Practitioners

The Physicians Law of the PRC (《中華人民共和國醫師法》), promulgated by the SCNPC on August 20, 2021 and came into effect on March 1, 2022, which replaced 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 and came into effect on May 1, 1999 and amended on August 27, 2009, and both of these regulations provide that physicians in the PRC must obtain qualification licenses for their medical profession. Qualified physicians and qualified assistant physicians must register with the relevant health administrative authorities at or above the county level. After registration, physicians may work at medical institutions in their registered location in the types of jobs and within the scope of medical treatment, disease-prevention or healthcare business as provided in their registration. A doctor who, in violation of the provisions of the Law, fails to practice according to the registered location, category, or scope of practice shall be ordered by the health department of the people's government to take corrective action, be given a warning, be subject to confiscation of illegal income, and be fined not less than RMB10,000 nor more than RMB30,000; and if the circumstances are serious, shall be ordered to suspend practice for six months to one year, and even be subject to revocation of the doctor's practicing certificate. The Implementation Rules for the Regulations on the Administration of Medical Institutions, promulgated by the National Health Commission of the PRC on February 21, 2017, and came into effect on April 1, 2017, define the scope of diagnosis and treatment activities. Although our postpartum centers are not the medical institution, doctors who provide health consultation services at our postpartum centers are required to comply with the relevant laws and regulations.

Laws and 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 pass the nurse licensing examination (護士執業資格考試) in order to obtain a Nurse's Practicing Certificate (護士執業證書) for future practice.

REGULATORY OVERVIEW

Regulations on Environmental Protection and Fire Safety

Regulations on the Administration of Pollutant Discharge Licensing

The Regulations 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, 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 Catalog 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 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.

Pursuant to the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (Revised in 2020) (《中華人民共和國固體廢物污染環境防治法(2020年修訂)》), which was promulgated by the SCNPC in 1995 and was last amended on April 29, 2020 and became effective on September 1, 2020, all enterprises and individuals generating or engaging in the collection, storage, transport, utilization or disposal of solid wastes shall adopt measures to prevent or reduce environmental pollution by solid wastes and shall bear liability for any resulting environmental pollution in accordance with the law.

Regulations on Urban Drainage and Sewage Treatment

The Administrative Measures on Licensing of Urban Drainage (《城鎮污水排入排水管網許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-rural Development on January 22, 2015 and came into effect on March 1, 2015, amended on December 1, 2022 and became effective on February 1, 2023, provides that enterprises, institutions and individual industrial and commercial households engaging in industry, construction, catering industry, medical industry and discharging sewage into the urban drainage network must apply for and obtain a Sewage Disposal Drainage License (污水排入排水管網許可證).

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.

Law on Prevention and Control of Water Pollution of the PRC

Pursuant to the Law on Prevention and Control of Water Pollution of the PRC (2017 Revision) (《中華人民共和國水污染防治法》(2017修正)) promulgated by the SCNPC on May 11, 1984 and became effective on November 1, 1984, amended on May 15, 1996 and came into effective on the same day, amended on February 28, 2008 and became effective on June 1, 2008, amended on June 27, 2017 and became effective on January 1, 2018, the production and operation units must discharge water pollutants in accordance with national and local standards. If the amount of discharged water pollutants exceeds the national or local standards, the production and operation units will be imposed a fine equivalent to an amount between RMB100,000 and RMB1,000,000. In addition, the environmental protection authority is empowered to order the relevant production and operation units to restrict their production, or stop production for rectification, and in serious circumstances, the case will be reported to the competent government with approval authority to impose an order to suspend or shut-down its operation.

REGULATORY OVERVIEW

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998 and came into force on the same date, amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, an construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction employer shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction.

According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002, took effect on September 1, 2003, last amended on December 29, 2018 and came into force on the same date, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

Laws and Regulations Related to Fire Prevention Design and Acceptance

The Fire Prevention Law of the PRC (2021 Amendment) (《中華人民共和國消防法》(2021修正)) (the “**Fire Prevention Law**”) was adopted on April 29, 1998 and last amended and took effect 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 the Regulations on the Supervision and Administration of Fire Prevention in Construction Projects (《建設工程消防監督管理規定》), which was promulgated by the Ministry of Public Security of the PRC on July 17, 2012 and terminated on June 1, 2020, an examination system for fire prevention design and acceptance only applies to the densely populated places and the special construction projects, and for other projects, a record-filing of fire prevention design and acceptance and spot check system would be applied. According to Interim Regulations on Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》), which was promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and came into effect on June 1, 2020, amended on August 21, 2023 and became effective on October 30, 2023, an examination system for fire prevention design and acceptance only applies to special construction projects, and for other projects (including decoration projects), a record-filing and spot check system would be applied. Those who fail to apply fire filing registration in accordance with the law shall be ordered by the competent department to make corrections and fined up to RMB5,000. For those who fail to pass the random inspection after independent acceptance and do not stop using, the competent department may order them to stop using or production or business according to their respective powers, and impose a fine of not less than RMB30,000 but not more than RMB300,000.

In addition, the Fire Prevention Law requires that before any public venues that allows the gathering of people are put into business operation, as required according to applicable requirements, the developer or the users shall apply to competent authorities to conduct a fire safety inspection of the premises to obtain the Fire Safety Inspection Certificates.

REGULATORY OVERVIEW

Laws and Regulations Related to Intellectual Property Rights

Trademark

Pursuant to the Trademark Law of the PRC (2019 Amendment) (《中華人民共和國商標法》(2019修正)) which became effective on March 1, 1983, and was amended on August 30, 2013 and April 23, 2019 and took effect on November 1, 2019, and the Implementation Regulations for the Trademark Law of the PRC (2014 Revision) (《中華人民共和國商標法實施條例》(2014修訂)) 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 registered trademark shall be valid for 10 years, commencing from the date of registration. 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 defense against a third party in good faith.

Patents

According to the Patent Law of the PRC (2020 Amendment) (《中華人民共和國專利法》(2020修正)), promulgated by the SCNPC on March 12, 1984, took effect on April 1, 1985, last amended on October 17, 2020 and came into effect on June 1, 2021 and the Implementation Rules for the Patent Law of the PRC (2023 Revision) (《中華人民共和國專利法實施細則》(2023修訂)), promulgated by State Council on June 15, 2001, and last amended on December 11, 2023 by State Council and came into effect on January 20, 2024, the term “invention-creations” refers to inventions, utility models and designs. The duration of a patent right for inventions shall be 20 years, the duration of a patent right for utility models shall be 10 years and the duration of a patent right for design shall be 15 years, all commencing from the filing date. In the event that a dispute arises due to a patent being exploited without the prior authorization of the patentee, that is to say an infringement upon the patent right of the patentee.

Copyright

The Regulations on Computer Software Protection (2013 Revision) (《計算機軟件保護條例》(2013修訂)), which was promulgated by the National Copyright Administration on February 20, 2002, and came into effect on the same day, 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 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.

Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the Ministry of Industry and Information Technology (the “MIIT”) on August 24, 2017 and became effective on November 1, 2017, the MIIT is responsible for supervision and administration of domain name services in the PRC. Communication administrative bureaus at provincial levels shall conduct supervision and administration of the domain name services within their respective administrative jurisdictions. Domain name registration services shall, in principle, be subject to the principle of “first apply, first register”. A domain name registrar shall, in the process of providing domain name registration services, ask the applicant for which the registration is made to provide authentic, accurate and complete identity information on the holder of the domain name and other domain name registration related information.

REGULATORY OVERVIEW

Laws and Regulations Related to Data Security, Data Privacy and Cyber Security

Data Security

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》), which took effect in September 2021. The Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data processing activities which affect or may affect national security. Violation of Data Security Law may subject the relevant entities or individuals to warnings, fines, suspension of operations, revocation of permits or business licenses, or even criminal liabilities.

On December 8, 2022, the MIIT promulgated the Measures for Data Security Management in the Industrial and Information Technology Sector (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. The Measures for Data Security Management in the Industrial and Information Technology Sector (Trial) makes detailed provisions on classified and tiered data management, data life cycle security management, data security monitoring and early warning and contingency management. It clearly stipulates that the data in the industrial and information fields can be divided into three levels: general data, key data and core data, and stipulates that the data processors in the industrial and information fields have the obligation to file with the relevant authorities their catalogs of important data and core data recognized in accordance with the identification criteria for important data and core data in industrial and information technology sector.

Data Privacy and Protection

On December 29, 2011, the MIIT issued Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》), which provide that an Internet information service provider may not collect any user's personal information or provide any such information to third parties without such user's consent. Pursuant to the Several Provisions on Regulating the Market Order of Internet Information Services, Internet information service providers are required to, among others, (1) expressly inform the users of the method, content and purpose of the collection and processing of such users' personal information and may only collect such information necessary for the provision of its services; and (2) properly maintain the users' personal information, and in case of any leak or possible leak of a user's personal information, internet information service providers must take immediate remedial measures and, in severe circumstances, make an immediate report to the telecommunications regulatory authority.

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 2012 and the Provisions on Protection of 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 2013, any collection and use of a user's personal information must be subject to the consent of the user in a lawful, rightful and necessary manner and limited to specified purposes, methods and scopes. An internet information service provider must also keep such information strictly confidential, and is further prohibited from divulging, tampering with or destroying any such information, or selling or providing such information to other parties. An internet information service provider is required to take measures to prevent the collected personal information from being divulged, damaged, tampered with or lost.

Pursuant to the Ninth Amendment to the Criminal Law of the PRC (《中華人民共和國刑法修正案(九)》) issued by the SCNPC on August 29, 2015 and became effective on November 1, 2015, any internet service provider that fails to fulfil the obligations related to the internet information security management as required by the applicable laws or administrative regulations, and refuses to rectify upon orders, and fall into the circumstances as stipulated, shall be subject to criminal penalty. Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, Article 253 of the Criminal Law of the PRC (《中華人民共和國刑法》), and the Interpretation of the Supreme People's Court and the

REGULATORY OVERVIEW

Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Involving Infringing Personal Information of Citizens (《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 was issued on May 8, 2017 and took effect on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (1) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (2) providing legitimately collected information relating to a citizen to others without such citizen's consent, unless the information is processed, not identifiable to a specific person and not recoverable; (3) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (4) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

In addition, on May 28, 2020, the NPC approved the Civil Code of the PRC (《中華人民共和國民法典》), which came into effect on January 1, 2021. Pursuant to the Civil Code of the PRC, the collection, storage, use, process, transmission, provision and disclosure of personal information should follow the principles of legitimacy, properness and necessity.

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》), which became effective on November 1, 2021. The Personal Information Protection Law stipulates certain important concepts with respect to personal information processing: (1) "personal information" refers to all kinds of information relating to identified or identifiable natural persons recorded by electronic or other channels and methods, excluding the information processed anonymously; (2) "processing of personal information" includes the collection, storage, use, processing, transmission, provision, disclosure and deletion, etc. of personal information; and (3) "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.

A personal Information processor may only process personal information under the circumstances where the relevant individuals' consents have been obtained, otherwise where it is necessary for the conclusion or performance of a contract to which the individual concerned is a party, or it is necessary for human resources management in accordance with the labor rules and regulations formulated in accordance with the law and the collective contract concluded in accordance with the law; or where it is necessary for the performance of statutory duties or statutory obligations; or where such acts as news reporting and supervision by public opinions are carried out for the public interest, and the handling of personal information is within a reasonable scope; or where it is necessary to handle the personal information disclosed by the individual concerned or other personal information that has been legally disclosed within a reasonable scope in accordance with the Personal Information Protection Law.

On July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), which became effective on September 1, 2022. The Measures on Security Assessment of Cross-border Data Transfer outline the requirements and procedures for security assessments on transferring important data or personal information collected within the territory of mainland China abroad. More specifically, these Measures provide that where a data processor transfers data abroad, the data processor shall apply to the CAC for a data cross-border transfer security assessment through the local CAC at the provincial level when: (i) a data processor transfers important data out of mainland China; (ii) a critical information infrastructure operator or a data processor processing personal information of more than one million individuals transfers personal information out of mainland China; (iii) a data processor, who has cumulatively transferred personal information of 100,000 individuals or sensitive personal information of 10,000 individuals out of mainland China since January 1 of the previous year, provides personal information out of mainland China; or (iv) under other circumstances as stipulated by the CAC. The data processing entities need to carry out a self-assessment before they can apply through provincial CACs for a security assessment to be carried out and approved by the CAC at the central level.

REGULATORY OVERVIEW

On February 6, 2023, the MIIT promulgated the Notice on Further Improving the Service Capabilities of Mobile Internet Applications (《工業和信息化部關於進一步提升移動互聯網應用服務能力的通知》), which came into effect on February 6, 2023. The Notice on Further Improving the Service Capabilities of Mobile Internet Applications stipulates that users shall be informed of personal information processing rules in a concise, clear and easy-to-understand way, and in case of changes, users shall be informed of the latest development in time. The data processors shall highlight the purpose, method and scope of sensitive personal information processing activities, and establish a list of personal information that has been collected, and shall not induce users to agree to personal information processing rules with default check, small prints or lengthy texts.

On February 22, 2023, CAC promulgated Measures for the Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which came into effect on June 1, 2023. Pursuant to Measures for the Standard Contract for Outbound Transfer of Personal Information, personal information processor transferring personal information abroad shall conclude Standard Contract if satisfying all the following conditions: (1) the data processor who intends to transfer personal information abroad is not a critical information infrastructure operator; (2) the data processor processes personal information of less than one million individuals; (3) the data processor has cumulatively transferred abroad the personal information of less than 100,000 individuals since January 1 of the previous year; and (4) the data processor has cumulatively transferred abroad the sensitive personal information of less than 10,000 individuals since January 1 of the previous year.

On August 3, 2023, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection (Draft for Comments) (《個人信息保護合規審計管理辦法(徵求意見稿)》), which is open for public consultations until September 2, 2023. According to the Administrative Measures for the Compliance Audit of Personal Information Protection (Draft for Comments), the term “compliance audit of personal information protection” refers to the supervision activities that review and evaluate whether the personal information processing activities by personal information processors comply with laws and administrative regulations. And personal information processors that process the personal information of more than 1 million individuals shall carry out the compliance audit of personal information protection at least once a year, other personal information processors shall conduct the compliance audit of personal information protection at least once every two years.

Cyber Security

Decision on the Protection of Internet Security (《關於維護互聯網安全的決定》) enacted by the SCNPC on December 28, 2000 and amended on August 27, 2009, may subject violators to criminal punishment in China for any effort to: (1) gain improper entry into a computer or system of strategic importance; (2) disseminate politically disruptive information; (3) leak state secrets; (4) spread false commercial information; or (5) infringe intellectual property rights.

In December 1997, the Ministry of Public Security issued the Administration Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》), which were further revised on January 8, 2011 and prohibit using the internet in ways which, among others, result in a leakage of state secrets or a spread of socially destabilizing content. The Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) effective from June 22, 2007 stipulate that the security protection of an information system may be graded into five levels and entities that operate the information systems at Grade II or above shall, within 30 days since the date when its security protection grade is determined, handle the record-filing procedures at the local public security authority.

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cyber security incidents, to prevent illegal and criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data.

REGULATORY OVERVIEW

The Cyber Security Law sets high requirements for the operational security of facilities deemed to be part of the PRC's "critical information infrastructure". According to the Cyber Security Law, "critical information infrastructure" refers to critical information infrastructure that will, in the event of destruction, loss of function or data leak, result in serious damage to national security, national economy and people's livelihood, or public interest. Specific reference is made to key industries including, but not limited to, public communications and information services, energy, transportation, irrigation, finance, public services and e-government.

The Cyber Security Law emphasizes that any individuals and organizations that use networks should not impair cyber security nor engage in activities, by making use of networks, which endanger national security, honor and interests, incite subversion of the state power or overthrow of the socialist system, incite splitting of the country, undermine national unity, advocate terrorism and extremism, ethnic hatred and discrimination, spread violent and pornographic information, fabricate and disseminate false information to disrupt economic and social orders, or infringe upon the reputation, privacy, intellectual property and other legitimate rights and interests of others. Network operators or providers of network products or services may be subject to rectifications, warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of qualifications, closedown of websites or even criminal liabilities for violations of the provisions and requirements under the Cyber Security Law.

The Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》), which came into effect on February 15, 2022, provide that, 1) a cybersecurity review is required where critical information infrastructure operators (關鍵信息基礎設施運營者) purchase network products and service, which affects or may affect national security, 2) when an internet platform operator in possession of personal information of over one million users applies for a listing in foreign countries (國外上市), the internet platform operator must apply to the CAC for a cybersecurity review, 3) where members of the cyber security review working mechanism believe that network products and services and data processing activities affect or are likely to affect national security, the cyber security review office shall report the same under procedures to the Central Cyberspace Affairs Commission for approval, and then conduct the review in accordance with the Cybersecurity Review Measures.

On July 30, 2021, State Council promulgated the Regulations for Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "**CII Regulations**"), which became effective on September 1, 2021. Pursuant to the CII Regulations, "critical information infrastructure" refers to important network facilities and information systems of key industries such as, among others, public communications and information services, energy, transportation, irrigation, finance, public services, e-government and science, technology and industry for national defense, as well as other important network facilities and information systems that may seriously endanger national security, national economy and citizen's livelihood and public interests if they are damaged or suffer from malfunctions, or if any leakage of data in relation thereto occurs. The CII Regulations also stipulate the procedures for identifying critical information infrastructure. The CII Regulations provide that the competent authorities and supervisory authorities are the authorities responsible for the security protection of critical information infrastructure ("**protection authorities**"). The protection authorities shall formulate detailed rules for the identification of critical information infrastructure and organize the identification of critical information infrastructure in the relevant industries and notify operators of such identification in a timely manner.

On November 14, 2021, the CAC released the Regulations on the Administration of Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the "**Draft Regulations on Data Security**"), which among other things, stipulates that data processors seeking a public listing in Hong Kong that affects or may affect national security must apply to the CAC for a cybersecurity review. On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the "**Data Security Regulations**"), which is applicable to network data processing activities and the security supervision and administration thereof conducted within the territory of the People's Republic of China and will take effect on January 1, 2025. The Data Security Regulations stipulate that data processors engaging in data processing activities that affect or may affect national security shall be subject to national security review in accordance with relevant laws and regulations, but do not include the above requirement stipulated under the Draft Regulations on Data Security.

REGULATORY OVERVIEW

Furthermore, the Data Security Regulations include the following provisions: (i) the Data Security Regulations provide specific guidelines to clarify the Personal Information Protection Law regarding notification, consent, and individuals' rights; (ii) the Data Security Regulations outline the requirements for establishing an important data catalog and stipulate the responsibilities of network data processors to identify and report important data; (iii) the Data Security Regulations optimize regulations for cross-border data security management, specifying conditions under which network data processors may provide personal information abroad in accordance with international treaties or agreements. The regulations clarify that data not identified or publicly disclosed as important data by relevant regions or departments need not undergo cross-border security assessments for important data; and (iv) the Data Security Regulations set forth network data security protection requirements for network platform service providers, third-party product and service providers, and other relevant entities.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》). According to the provisions, where a data processor transfers data abroad, it may be exempted from applying for a cross-border transfer security assessment, concluding a standard contract for personal information to be provided abroad or passing a security certificate for protection of personal information if it satisfies any of the following conditions: (i) where it is really necessary to provide personal information abroad for the purpose of concluding or performing a contract to which an individual concerned is a party, such as cross-border shopping, cross-border delivery, cross-border remittance, cross-border payment, cross-border account opening, air ticket and hotel reservation, visa handling and examination services; (ii) where it is really necessary to provide employees' personal information abroad for the purpose of conducting cross-border human resources management in accordance with the employment rules and regulations and collective contracts formulated in accordance with the law; (iii) where it is really necessary to provide personal information abroad in an emergency to protect the life, health and property safety of a natural person; or (iv) where a data processor other than a critical information infrastructure operator provides abroad the personal information (excluding sensitive personal information) of not more than 100,000 persons accumulatively as of January 1 of the current year.

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".

Laws and Regulations Related to Foreign Investment in the PRC

Company Law of the PRC

The Company Law 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.

PRC Foreign Investment Law

On March 15, 2019, the NPC, promulgated the PRC Foreign Investment Law (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**"), which came into effect on January 1, 2020 and replaced the previous laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law of PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外商

REGULATORY OVERVIEW

企業法》), together with their implementation rules and the ancillary regulations. The Foreign Investment Law is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors. According to the Foreign Investment Law, foreign investments are entitled to pre-entry national treatment and are subject to negative list management system. The pre-entry national treatment means that the treatment given to foreign investors and their investments at the stage of investment access is not lower than that of domestic investors and their investments. The negative list management system means that the state implements special management measures for the access of foreign investment in specific fields. Foreign investors shall not invest in any forbidden fields stipulated in the negative list and shall meet the conditions stipulated in the negative list before investing in any restricted fields.

The Provisional Measures for the Filing Administration of Establishment and Changes of Foreign-Invested Enterprises

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 MOFCOM on June 29, 2018 and implemented on June 30, 2018, set out the prescribed procedures for the establishment and modifications of foreign-invested enterprises which are not subject to the special management measures on admission as stipulated by the PRC to be filed for records with the delegated commerce authorities and specify the procedures and requirements for such filing in detail. Foreign-invested enterprises and their investors shall provide information for filing and completing the declaration form for filing application truthfully, accurately and completely according to such provisional measures without any false records, misleading statements or material omission. On January 1, 2020, the Provisional Measures for the Filing Administration of Establishment and Changes of Foreign-Invested Enterprises (2018 Revision) was terminated and replaced by the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》).

The Measures for the Reporting of Foreign Investment Information

The Measures for the Reporting of Foreign Investment Information which was promulgated by the MOFCOM and the SAMR 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.

Interim Provisions on Investment Made by Foreign-Invested Enterprises in China

The Interim Provisions on Investment Made by Foreign-Invested Enterprises in China (《關於外商投資企業境內投資的暫行規定》), jointly promulgated by the MOFCOM and the SAIC on July 25, 2000 and amended on October 28, 2015, stipulates that a foreign-invested enterprise (the “FIE”) are not permitted to invest in any sector prohibited to foreign investment. Where the FIE makes investment in a restricted sector, the FIE must file an application with the provincial commercial department of the place where the investee company is located. The relevant company registration authority will, in accordance with the relevant laws and provisions, decide whether or not to approve the registration. If the registration is approved, a Business License of an Enterprise Legal Person will be issued with the designation “Invested by a Foreign-Invested Enterprise.” The FIE is required to report the establishment of the investee company within 30 days of the date of its establishment to the original examination and approval authority for record-filing.

Domestic Regulations on Establishment of Foreign Invested Medical Institutions

The Special Administrative Measures (Negative List) for the Access of Foreign Investment

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2021 Edition) (《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, limitations were stipulated for foreign investments in

REGULATORY OVERVIEW

different industries in the PRC and foreign investments shall be classified into two categories, namely “Catalogue of Encouraged Industries for Foreign Investment” and “Special Management Measures (Negative List) for the Access of Foreign Investment”. The “Special Management Measures (Negative List) for the Access of Foreign Investment” is further classified into “Catalogue of Industries Limited for Foreign Investment” and “Catalogue of Industries Prohibited for Foreign Investment.” Industries which do not fall within the “Special Management Measures (Negative List) for the Access of Foreign Investment” are industries permitted for foreign investment. According to the 2021 Negative List, medical institutions are limited to the form of equity joint ventures.

Laws and Regulations Related to Securities

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998 and was last amended on December 28, 2019 and took effect on March 1, 2020, comprehensively regulating activities in the PRC securities market including issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of securities regulatory authorities, etc. The Securities Law further regulates that a domestic enterprise issuing securities overseas directly or indirectly or listing their securities overseas shall comply with the relevant provisions of the State Council and for subscription and trading of shares of domestic companies using foreign currencies, detailed measures shall be stipulated by the State Council separately. The CSRC is the securities regulatory body set up by the State Council to supervise and administer the securities market according to law, maintain order in the market, and ensure the market operates in a lawful manner.

Laws and Regulations Related to Overseas Listing

The CSRC promulgated the Trial Administrative Measures on the Overseas Securities Offering and Listing of Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five relevant guidelines on February 17, 2023, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively reform the regulatory regime for overseas offering and listing of PRC domestic companies’ securities, either directly or indirectly, into a filing-based system. According to the Overseas Listing Trial Measures, the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measures provide that an overseas listing or offering is explicitly prohibited, if any of the following applies: (1) such securities offering or listing is explicitly prohibited by provisions in PRC laws, administrative regulations or relevant state rules; (2) the proposed securities offering or listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with laws; (3) the domestic company intending to be listed or offer securities in overseas markets, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (4) the domestic company intending to be listed or offer securities in overseas markets is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (5) there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

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

REGULATORY OVERVIEW

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. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and those that need to leave the PRC shall go through the examination and approval formalities in accordance with the relevant provisions of the State.

Regulations on the Management of Lease Housing

Administrative Measures on Leasing of Commodity 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 was amended on August 27, 2009 and 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, ranging from RMB1,000 to RMB10,000 for each non-registered lease.

Laws and Regulations Related to Labor Protection

According to the (1) the Labor Law of the PRC (2018 Amendment) (《中華人民共和國勞動法》(2018修正)) effected on January 1, 1995 and amended on December 29, 2018, (2) the Labor Contract Law of the PRC (2012 Amendment) (《中華人民共和國勞動合同法》(2012修正)) effected on January 1, 2008 and amended on December 28, 2012 and took effect on July 1, 2013, and (3) the Regulations on the Implementation of the Labor 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 labor 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. The working time for workers may not exceed eight hours per day and no more than 44 hours per week on average. 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 labor compensations.

According to (1) the Social Insurance Law of the PRC (2018 Revision) (《中華人民共和國社會保險法》(2018修訂)), which was implemented on July 1, 2011 and amended on December 29, 2018, (2) 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, (3) 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, (4) the Regulations on Unemployment Insurance (《失業保險條例》), issued and effective on January 22, 1999, and (5) 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. Employers fail to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

REGULATORY OVERVIEW

According to the Regulations on the Administration of Housing Provident Fund (2019 Revision) (《住房公積金管理條例》(2019修訂)), 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. And an employer fails to undertake contribution registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed.

According to the Regulations on Labor Security Supervision (《勞動保障監察條例》), promulgated on November 1, 2004, and effective from December 1, 2004, where an employer prolongs the working hours of the employees in violation of labor-related laws and regulations, the labor security authority shall issue a warning to make rectification within a time limit, and may, in addition, impose a fine to the employer according to the standard of RMB100 to RMB500 per aggrieved employee.

Laws and Regulations over Foreign Exchange

The Regulations on the Control of Foreign Exchange of the PRC (2008 Revision) (《中華人民共和國外匯管理條例》(2008修訂)), 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.

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 center.

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**”). 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

REGULATORY OVERVIEW

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, 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.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly-Listed Companies (《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》) (the “**Stock Option Rules**”). In accordance with the Stock Option Rules and relevant rules and regulations, PRC residents or non-PRC residents residing in China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, must register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain procedures. In addition, the State Taxation Administration of the PRC has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in the PRC who exercise share options, or whose restricted shares vest, will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income tax of these employees related to their share options or restricted shares. If the employees fail to pay, or the PRC subsidiaries fail to withhold, their individual income tax in accordance with relevant laws, rules and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Regulations Relating to Merger and Acquisition

Pursuant to the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (2009 Revision) (the “**M&A Rules**”, 《關於外國投資者併購境內企業的規定》 (2009修訂)), 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, among others (i) the purchase of an equity interest or subscription for the increase in the registered capital of non-foreign-invested enterprises, (ii) the establishment of foreign-invested enterprises to purchase and operate the assets of non-foreign-invested enterprises, or (iii) the purchase of the assets of non-foreign-invested enterprises and the use of such assets to establish foreign-invested enterprises to operate such assets, in each case, by foreign investors shall be subject to the M&A Rules. Particularly, 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.

Outbound Investments by Enterprises

The Administrative Measures on Outbound Investments (《境外投資管理辦法》), which was promulgated by the MOFCOM on March 16, 2009, most recently amended on September 6, 2014 and effective on October 6, 2014, set out that overseas investments of enterprises involving sensitive countries and regions and sensitive industries shall be subject to examination and approval by the competent department of commerce and other overseas investments of enterprises shall be subject to filing. The competent department of commerce shall issue a Certificate of Overseas Investments of Enterprises (《企業境外投資證書》) to enterprises which have obtained filing or approval.

REGULATORY OVERVIEW

The Administrative Measures for the Outbound Investments by Enterprises (《企業境外投資管理辦法》) which was promulgated by the NDRC on December 26, 2017, and became effective on March 1, 2018, set out that projects subject to approval are sensitive projects to be carried out by investors either directly or through overseas enterprises controlled thereby and the approval authority is NDRC. Projects subject to filing are non-sensitive projects directly carried out by investors.

Laws and Regulations Related to Taxation

Enterprise Income Tax

According to (1) the PRC EIT Law, which was promulgated by the NPC on March 16, 2007 and came into effect on January 1, 2008, and further amended on February 24, 2017 and December 29, 2018, and (2) 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 revised on April 23, 2019, 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. In accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on April 14, 2008 and amended on January 29, 2016 and came into effect on January 1, 2016, high-tech enterprises shall mean resident enterprises registered in mainland China (excluding Hong Kong SAR, Macau SAR and Taiwan) which are continuously engaging in research and development and technology commercialization within the realm of the Regions of Advanced Technologies Strongly Supported by PRC, forming the core independent intellectual property of the enterprise, and carrying out business activities on such basis, which accredited pursuant to these Measures may declare and claim tax incentives pursuant to the relevant laws and regulations. Upon obtaining the qualification as a high-tech enterprise, the enterprise shall complete tax reduction and exemption formalities with the tax authorities in charge and the qualifications of an accredited high-tech enterprise shall be valid for three years from the date of issuance of the certificate.

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’ scrutiny on, indirect transfers by a non-resident enterprise of assets, including assets of organizations and premises in PRC, immovable property in the PRC, equity investments in PRC resident enterprises. On October 17, 2017, the SAT issued the 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

REGULATORY OVERVIEW

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 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 Administrative Measures on Non-resident 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.”

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, labor services, tangible movables lease services or the importation of goods shall be 13% 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.

REGULATORY OVERVIEW

Laws and Regulations Related to Dividend Distribution and Tax

The principal laws and regulations governing distribution of dividends of FIEs include the Company Law, the EJV Law, and the EJV Rules. 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 draw certain proportion of their respective accumulated profits after tax each year, if any, to fund certain reserve funds.

According to the Civil Procedure Law of the People's Republic of China which was promulgated by the NPC on April 9, 1991, and most recently amended on December 24, 2021, the limitation period for an action to recover a debt (including the recovery of declared dividends) is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on August 31, 2018, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended on December 18, 2018, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese EIT imposed on the dividends received from PRC companies. The PRC currently has entered into avoidance of double taxation treaties or arrangements with Hong Kong, Macau, and a number of countries and regions including Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States and etc. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the EIT in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

SUMMARY OF APPLICABLE LAWS AND REGULATIONS IN HONG KONG

Regulations on Business Registration

Every person, (a company or individual), who carries on a business in Hong Kong is required under the Business Registration Ordinance (Cap. 310 of the Laws of Hong Kong) to apply for a business registration certificate from the Inland Revenue Department within one month from the date of commencement of the business, and to display a valid business registration certificate at the place of business. Business registration does not serve to regulate business activities and it is not a license to trade. Business registration serves to notify the Inland Revenue Department of the establishment of a business in Hong Kong. Business registration certificate will be issued on submission of the necessary document(s) together with payment of the relevant fee. A business registration certificate is renewable every year or every three years (if business operators elect for issuance of business registration certificate that is valid for three years). Any person who fails to apply for business registration shall be guilty of an offense and shall be liable to a fine of HK\$5,000 and to imprisonment for one year.

Regulations on Registered Nurses and Enrolled Nurses

The main legislation and regulation of Hong Kong in relation to registered and enrolled nurses are:

- (a) Nurses Registration Ordinance (Chapter 164 of the Laws of Hong Kong); and
- (b) Code of Ethics and Professional Conduct for Nurses in Hong Kong.

REGULATORY OVERVIEW

Nurses Registration Ordinance (Chapter 164 of the Laws of Hong Kong) (the “NRO”)

All practicing nurses in Hong Kong are required to be registered or enrolled with the Nursing Council of Hong Kong, which is established under Section 3 of the NRO.

A person may register with the Nursing Council of Hong Kong as a “registered nurse” under the NRO, if he/she, among other things:

- (a) has completed such training as may be prescribed and have passed such examinations as may be required by the Nursing Council of Hong Kong, or possess a valid certificate to practice nursing issued by such certifying body as may be recognized by the Nursing Council of Hong Kong from time to time as constituting sufficient evidence of his/her competency to practice nursing;
- (b) has not been convicted of an offense punishable with imprisonment;
- (c) has attained the minimum age of 21 years;
- (d) is of good character; and
- (e) has not been guilty of unprofessional conduct.

A person may enroll with the Nursing Council of Hong Kong as an “enrolled nurse” under the NRO if he/she, among other things:

- (a) is of good character;
- (b) has attained the minimum age of 20 years;
- (c) has not been guilty of unprofessional conduct;
- (d) has not been convicted of an offense punishable with imprisonment; and
- (e) has completed such training as may be prescribed and have passed such examinations as may be required by the Nursing Council of Hong Kong or possess a valid certificate to practice nursing issued by such certifying body as may be recognized by the Nursing Council of Hong Kong from time to time as constituting sufficient evidence of his/her competency to practice nursing.

A person shall not practice as a registered nurse or enrolled nurse in Hong Kong unless he/she is the holder of a valid practicing certificate issued by the Nursing Council of Hong Kong. The practicing certificate will be in force for period of three years and will need to be renewed every three years.

Under Section 24 of the NRO, (a) any person who not being a duly registered nurse in accordance with the provisions of the NRO, willfully pretends to be or takes or uses the name or title of registered nurse, either alone or in combination with any other words or letters, or any name, title, addition, description, uniform, or badge, implying that he/she is registered or recognized by law as registered; or (b) any person who knowing that some other person is not registered as a nurse under the NRO, makes any statement or does any act which suggests that such other person is so registered shall be guilty of an offense and shall be liable on summary conviction to a fine at level 5 (currently HK\$50,000) and to imprisonment for 2 years.

Code of Ethics and Professional Conduct for Nurses in Hong Kong (the “Nurse Code of Ethics”)

All registered nurses and enrolled nurses in Hong Kong shall comply with the Nurse Code of Ethics issued by the Nursing Council of Hong Kong (as may be amended from time to time), which identifies four domains that form a conceptual framework for the ethical standards of the profession. The four domains are (a) nurses and practice; (b) nurses and people; (c) nurses and

REGULATORY OVERVIEW

society; and (d) nurses and the profession. A registered nurse or an enrolled nurse who fails to comply with the Nurse Code of Ethics may face disciplinary actions taken by the Nursing Council of Hong Kong.

Regulations on Consumer Protection

Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) (“TDO”)

Under the TDO, (a) use of false trade descriptions; (b) false, misleading or incomplete information, (c) false marks and misstatements in respect of products, and (d) false trade descriptions in respect of services supplied are prohibited. In addition, the TDO makes certain trade practices criminal offense, namely: (a) misleading omission; (b) aggressive commercial practices; (c) bait advertising; (d) bait and switch; and (e) wrongful acceptance of payment. The TDO also provides for offenses relating to forged trade mark, and falsely applying of trade mark or resembling marks.

Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) (“SSITO”)

Under the SSITO, certain terms are implied in the contracts with customers for the supply of services, including: (a) that the supplier will carry out the service with reasonable care and skill; (b) that the supplier will carry out the service within a reasonable time (if the time of service is not fixed or fixed in a manner agreed); (c) that the party contracting with the supplier will pay a reasonable charge (if the consideration is not determined by the contract or left to be determined in a manner agreed or by course of dealing between the parties).

Unconscionable Contracts Ordinance (Chapter 458 of the Laws of Hong Kong) (“UCO”)

Under the UCO, if the Hong Kong court finds that a contract for sale of goods or supply of services (in which one of the parties deals as consumer) to have been unconscionable in the circumstances relating to the contract at the time it was made, the court may: (a) refuse to enforce the contract; (b) enforce the remainder of the contract without the unconscionable part; (c) limit the application of, or revise or alter, any unconscionable part to avoid unconscionable result.

Control of Exemption Clauses Ordinance (Chapter 71 of the Laws of Hong Kong) (“CECO”)

The CECO limits the extent to which civil liability for breach of contract, or for negligence or other breach of duty, can be avoided by means of contract terms and otherwise.

Under section 7 of the CECO, a person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence. Further, in the case of other loss or damage, a person cannot so exclude or restrict his liability for negligence except in so far as the term or notice satisfies the requirement of reasonableness.

Under section 8 of the CECO, as between contracting parties where one of them deals as consumer or on the other’s written standard terms of business, as against that party, the other cannot by reference to any contract term (i) when himself in breach of contract, exclude or restrict any liability of his in respect of the breach; (ii) claim to be entitled to render a contractual performance substantially different from that which was reasonably expected of him; or (iii) claim to be entitled in respect of the whole or any part of his contractual obligation, to render no performance at all, except in so far as the contract term satisfies the requirement of reasonableness.

Under section 9 of the CECO, a person dealing as consumer cannot by reference to any contract term be made to indemnify another person (whether a party to the contract or not) in respect of liability that may be incurred by the other for negligence or breach of contract, except in so far as the contract term satisfies the requirement of reasonableness.

REGULATORY OVERVIEW

In relation to a contract term, the requirement of reasonableness for the purposes of the CECO is satisfied only if the court or arbitrator determines that the term was a fair and reasonable one to be included having regard to the circumstances which were, or ought reasonably to have been, known to or in the contemplation of the parties when the contract was made.

Misrepresentation Ordinance (Chapter 284 of the Laws of Hong Kong) (“MO”)

The MO imposes a statutory liability for misrepresentation and controls the use of provisions excluding liability for misrepresentation in contracts. Liability may arise under the MO where a party to a contract is induced to enter into that contract by a misrepresentation of a material fact made by the other party. If the action is successful, the party who relied on the misrepresentation will be entitled to rescind the contract. Damages may also be granted if the misrepresentation was made fraudulently or negligently.

Regulations on Employment and Labor

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) (“OSHO”)

The OSHO provides for the safety and health protection to employees in workplace, both industrial and non-industrial. Under section 6 of the OSHO, every employer must, so far as reasonably practicable, ensure the safety and health at work of all the employer’s employees by:

- providing and maintaining plant and systems of work that are safe and without risks to health;
- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant and substances;
- providing information, instruction, training and supervision as may be necessary to ensure the safety and health at work of the employees;
- as regards any workplace under the employer’s control, maintaining the workplace in a condition that is safe and without risks to health or providing or maintaining means of access to and egress from the workplace that are safe and without any such risks; and
- providing or maintaining a working environment for the employees that is safe and without risks to health.

Failure to comply with the above provisions constitutes an offense and the employer is liable on conviction to a fine of HK\$200,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offense and is liable on conviction to a fine of HK\$200,000 and to imprisonment for six months.

The Commissioner for Labor may serve an improvement notice on an employer against contravention of the OSHO, or a suspension notice against activity or condition or use of workplace or of any plant or substance located on the workplace which may create an imminent risk of death or serious bodily injury to the employees. Failure to comply with a requirement of an improvement notice or contravenes a suspension notice without reasonable excuse constitutes an offense and the employer is liable on conviction to a fine of HK\$200,000 and HK\$500,000, respectively, and to imprisonment for 12 months.

Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) (“OLO”)

The OLO regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land. The Occupiers Liability Ordinance imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitors will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

REGULATORY OVERVIEW

Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (“EO”)

The EO regulates the general conditions of employment and matters connected therein in Hong Kong. It provides for various employment-related benefits and entitlements to employees. All employees covered by the EO, irrespective of their hours of work, are entitled to protection including payment of wages, restrictions on wages deductions and the granting of statutory holidays. Employees who are employed under a continuous contract are further entitled to such benefits as rest days, paid annual leave, sickness allowance, severance payment and long service payment.

Employee’s Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (“ECO”)

The ECO establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or deaths caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

According to section 40 of the ECO, all employers are required to take out insurance policy to cover their liabilities both under the ECO and at common law for injuries at work in respect of all employees (including full-time and part-time employees) for an amount not less than the applicable amount specified under the ECO. An employer who fails to comply with the ECO to secure an insurance cover is liable on conviction upon indictment to a fine at level 6 (currently at HK\$100,000) and to imprisonment for two years, and on summary conviction to a fine at level 6 (currently at HK\$100,000) and to imprisonment for one year.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) (“MWO”)

The MWO provides for a prescribed minimum hourly wage rate during the wage period for every employee engaged under a contract of employment under the EO (except those specified under section 7 of the MWO). A provision of a contract of employment that purports to extinguish or reduce any right, benefit or protection conferred on the employee by the MWO is void.

Mandatory Provident Fund Scheme Ordinance (Chapter 485 of the Laws of Hong Kong) (“MPFSO”)

The MPFSO provides for, *inter alia*, the establishment of a system of privately managed, employment related mandatory provident fund schemes for members of the workforce to accrue financial benefits for retirement. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee’s relevant income to the mandatory provident fund scheme. Currently, the minimum and maximum relevant income levels for employees who are paid monthly are HK\$7,100 and HK\$30,000 respectively. Further, employers are obliged to enroll their employees aged 18 to 65 to a Mandatory Provident Fund Scheme within 60 days of his or her employment.

Immigration Ordinance (Chapter 115 of the Laws of Hong Kong) (“IO”)

Generally speaking, under the IO, a person is required to hold a visa/entry permit to work in Hong Kong unless he has the right of abode or right to land in Hong Kong. Section 17I of the IO stipulates that any person who is the employer of an employee who is not lawfully employable commits an offense and is liable to a fine of HK\$350,000 and to imprisonment for three years if the employee is not a prohibited employee, and if the employee is a prohibited employee, to a fine of HK\$500,000 and to imprisonment for 10 years.

REGULATORY OVERVIEW

Regulations on Data Protection

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (“PDPO”)

The PDPO imposes a statutory duty on data users to comply with the requirements of the six data protection principles (the “**Data Protection Principles**”) contained in Schedule 1 to the PDPO. The PDPO provides that a data user shall not do an act, or engage in a practice, that contravenes a Data Protection Principle unless the act or practice, as the case may be, is required or permitted under the PDPO.

The Data Protection Principles are summarized as follows:

- (1) Adequate personal data should be collected (i) for a lawful purpose, which is necessary for and directly related to a function or activity of the data user, (ii) by fair and lawful means. The person whose data is being collected is informed (a) that whether he is obligatory or voluntary for him to supply the data, (b) the purpose of the collection and the class of persons to whom the data may be transferred, (c) on or before, his right to access and correct the data collected and the information of the person who might handle such requests.
- (2) All practicable steps shall be taken to ensure the accuracy of the person data collected, and kept not longer than is necessary.
- (3) Personal data should not be used for the purposes outside of the person’s consent.
- (4) All practicable steps shall be taken to ensure that any personal data held by a data user is protected against unauthorized or accidental access, processing, erasure, loss or use.
- (5) All practicable steps shall be taken to ensure that a person can (a) ascertain a data user’s policies and practices in relation to personal data; (b) be informed of the kind of personal data held by a data user; (c) be informed of the main purposes for which personal data held by a data user is or is to be used.
- (6) A data subject shall be entitled to ascertain whether a data user holds personal data of which he is the data subject and request access to personal data. The data subject should be given reasons if the request is refused and right to object to the refusal.

Contravention with the Data Protection Principles may entitle the Privacy Commissioner for Personal Data to issue a written notice directing the data user to remedy and prevent recurrence of contravention. Contravention with the above notice is an offense and the offender is liable on (a) first conviction to a fine HK\$50,000 and to imprisonment for two years, and if the offense continues after the conviction, to a daily penalty of HK\$1,000; and (b) second or subsequent conviction to a fine at HK\$100,000 and to imprisonment for two years, and if the offense continues after the conviction, to a daily penalty of HK\$2,000. It is a defense to the above offense if the data user shows that he exercised all due diligence to comply with the enforcement notice.

The PDPO also gives data subjects certain rights, *inter alia*:

- the right to be informed by a data user whether the data user holds personal data of which the individual is the data subject;
- if the data user holds such data, to be supplied with a copy of such data; and
- the right to request correction of any data they consider to be inaccurate.

The PDPO criminalizes, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorized disclosure of personal data obtained without the relevant data user’s consent. An individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

REGULATORY OVERVIEW

SUMMARY OF APPLICABLE LAWS AND REGULATIONS IN SINGAPORE

Regulations relating to Healthcare Services

Healthcare Services Act 2020 (“HCSA”)

The HCSA was promulgated on January 6, 2020 to regulate healthcare services in Singapore. The HCSA supplemented with the Healthcare Services (General) Regulations 2021 (“**HSGR**”) enables a more flexible approach to regulate healthcare services as new care models and services emerge. It aims to provide regulatory clarity to service providers for better care provision and continuity to patients.

Under the HCSA, a wider scope of regulation for healthcare services such as allied health services, nursing services, traditional medicine, and complementary and alternative medicine is envisaged. However, services that do not involve direct patient care (e.g. assessment, diagnosis, prevention, treatment of a medical condition or disorder) such as beauty and wellness services, are not included under the regulatory scope of HCSA.

In addition, healthcare providers providing licensable healthcare services (“**LHS**”) are required to hold licenses for the LHSes that they provide. Each license has a tenure of two years. The licensable healthcare services provided under the HCSA are:

1. Acute Hospital Service (which includes treatment or incidental treatment of an inpatient who requires postnatal care or is recovering from surgery)
2. Ambulatory Surgical Centre Service
3. Assisted Reproduction Service
4. Blood Banking Service
5. Clinical Laboratory Service
6. Community Hospital Service
7. Cord Blood Banking Service
8. Contingency Care Services
9. Emergency Ambulance Service
10. Medical Transport Service
11. Human Tissue Banking Service
12. Nuclear Medicine Service
13. Nursing Home Service
14. Outpatient Dental Service
15. Outpatient Medical Service
16. Outpatient Renal Dialysis Service
17. Radiological Service

Persons who contravene the HCSA may be guilty of offenses. For example, a person who provides a licensable healthcare service without a license shall be guilty of an offense and shall be liable on conviction in the case of a first offense, 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

REGULATORY OVERVIEW

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 offense and shall be liable on conviction, in the case of a first offense, to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding 12 months or to both.

Laws and Regulations Specific to Personnel in our Postpartum Center

Laws and Regulations in relation to Nurses

Nurses and Midwives Act 1999 of Singapore (“Nurses Act”) and the Nurses and Midwives Regulations 2012 (“Nurses Regulations”)

The Nurses Act and the Nurses Regulations provide for, among others, the establishment of the Singapore Nursing Board and the registration and enrolment of nurses in Singapore. The functions of the Singapore Nursing Board are, among others, to approve and reject applications for registration and enrolment of nurses, accredit courses in Singapore for the purposes of registration and enrolment of nurses, regulate the professional conduct and ethics of registered nurses and enrolled nurses.

Subject to certain exemptions, under section 27 of the Nurses Act, no person other than a registered or enrolled nurse who holds a valid practicing certificate authorizing him to practice nursing shall carry out any act of nursing for a fee or reward. Any person who contravenes the above shall be guilty of an offense and shall be liable on conviction to a fine not exceeding S\$10,000 and, in the case of a second or subsequent conviction, to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding six months or to both. Further, under section 28 of the Nurses Act, no person shall employ or engage a person who is not a qualified nurse to carry out any act of nursing subject to certain exemptions. Any person who contravenes the abovementioned will be guilty of an offense and liable on conviction to a fine not exceeding S\$10,000 and, in the case of a second or subsequent conviction, to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding six months or to both. In any proceedings for such an offense, it is a defense for the employer to prove that he did not know that the person concerned was not a qualified nurse and that he had exercised due diligence to ascertain if that person was a qualified nurse.

Regulations Relating to the Sale of Health Products

The Health Products Act 2007 of Singapore (“**Health Products Act**”) and the regulations thereunder regulate, among others, the manufacture, import, supply, presentation, and advertisement of health products which include therapeutic products, medical devices and cosmetic products. Under the Health Products Act, except in certain cases as may be prescribed, a valid license is required to manufacture, or engage in the wholesale supply of therapeutic products and cosmetic products. In addition, no person shall supply any therapeutic product or medical device or cosmetic product to any other person unless such therapeutic product or medical device has been registered in accordance with the provisions of the Health Products Act. Any person who contravenes these provisions is guilty of an offense.

Sale of Therapeutic Products

Under the First Schedule of the Health Products Act, a “*therapeutic product*” is defined as any substance that is intended for use by and in humans for a therapeutic, preventive, palliative or diagnostic purpose, including for the purposes of, amongst others, preventing, diagnosing, monitoring, treating, curing, or alleviating any disease, disorder, ailment, injury, handicap or abnormal physical or mental state, or any symptom thereof.

Regulations Relating to Postpartum Wellness and Recovery Services

The Massage Establishments Act 2017 of Singapore (“**Massage Establishments Act**”) supplemented by the Massage Establishments Rules 2018 of Singapore regulate massage establishments in Singapore with the object of preventing such establishments from being used as a front for vice activities. Under the Massage Establishments Act, a massage establishment license is required for businesses providing services involving any form of rubbing, kneading or

REGULATORY OVERVIEW

manipulation of the human body (or part thereof), for the purpose of relaxing muscle tension, stimulating circulation, increasing suppleness or otherwise (“**Massage Service(s)**”). No license is required, however, for establishments providing Massage Services where *inter alia*:

- (a) the massage establishment holds a valid HCSCA license such as, among others, an acute hospital service license or an outpatient medical service license; or
- (b) where the Massage Service is administered by a registered person with a valid practicing certificate under the Traditional Chinese Medicine Act 2000 of Singapore, Allied Health Professional Act 2011 of Singapore or Medical Registration Act 1997 of Singapore.

An unlicensed establishment providing a Massage Service in breach of the Massage Establishments Act shall be guilty of an offense and shall be liable on conviction liable to a fine not exceeding S\$10,000 or imprisonment of 2 years or both.

Regulations Relating to General Employment of Personnel in our Postpartum Center

Employment Act 1968 of Singapore (“Employment Act”)

The Employment Act of Singapore is administered by the Ministry of Manpower (“**MOM**”) and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the Employment Act comprising local and foreign employees under a contract of service with an employer on a full-time, part-time, temporary or contract basis, but which excludes persons employed as:

- (i) a seafarer;
- (ii) a domestic worker; and
- (iii) a statutory board employee or civil servant (“**Relevant Employees**”).

In particular, Part IV of the Employment Act sets out the requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen) who receive salaries not exceeding S\$2,600 a month.

Section 38(8) of the Employment Act provides that a Relevant Employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defense, or security. In addition, section 38(5) of the Employment Act limits the extent of overtime work that an Employee can perform to 72 hours a month. Employers must seek the prior approval of the Commissioner for Labor for an exemption if they require a Relevant Employee or class of Relevant Employee to work more than 12 hours a day or work overtime for more than 72 hours a month.

An employer who breaches the above provisions shall be guilty of an offense and shall be liable on conviction to a fine not exceeding S\$5,000, and for a second or subsequent offense to a fine not exceeding S\$10,000 and/or to imprisonment for a term not exceeding 12 months.

Central Provident Fund Act 1953 of Singapore (“CPF Act”)

The Central Provident Fund (“**CPF**”) system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the CPF Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold employment passes, S Passes or work permits. CPF contributions are required for both ordinary wages and additional wages (subject to a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer’s and employee’s share of the monthly

REGULATORY OVERVIEW

CPF contribution. However, an employer can recover the employee's share of CPF contributions by deducting it from their wages when the contributions are paid for that month. An employer who breaches the abovementioned obligation to make CPF contributions will be liable for:

- (a) a court fine of between S\$1,000 and S\$5,000 per offense and/or up to 6 months' imprisonment for the first conviction; or
- (b) a court fine of between S\$2,000 and S\$10,000 per offense and/or up to 12 months' imprisonment for subsequent convictions.

Employment of Foreign Manpower Act 1990 of Singapore ("EFMA"), Employment of Foreign Manpower (Work Passes) Regulations 2012 of Singapore ("EFMA(R)") and Immigration Act 1959 of Singapore ("Immigration Act")

The employment of foreign workers in Singapore is governed by the EFMA and regulated by MOM. Under Section 5(1) of the EFMA, no person shall employ a foreign employee unless the foreign employee has obtained a valid work pass. Any person who contravenes Section 5(1) of the EFMA shall be guilty of an offense and shall (a) be liable on conviction to a fine at least S\$5,000 and not more than S\$30,000 or to imprisonment for a term not exceeding 12 months or to both; and (b) on a second or subsequent conviction: (i) in the case of an individual, be punished with a fine of at least S\$10,000 and not more than S\$30,000 and with imprisonment for a term of not less than one (1) month and not more than 12 months; or (ii) in any other case, be punished with a fine of at least S\$20,000 and not more than S\$60,000.

A work pass includes, amongst others: (a) employment pass, for foreign professionals, managers and executives (excluding those in financial services) earning at least S\$5,000 per month and who have acceptable qualifications; (b) S Pass, for skilled staff (excluding those in financial services) who earn at least S\$3,150 per month if they are new applicants; and (c) work permit for skilled or semi-skilled migrant workers in the construction, manufacturing, marine shipyard, process or services sectors. The EFMA(R) requires employers of work permit holders, among others, to:

- bear the costs of medical treatment (unless in excess of the minimum mandatory coverage);
- provide acceptable accommodation;
- provide safe working conditions and take such measures as are necessary to ensure the safety and health of the foreign employee; and
- purchase and maintain medical insurance for inpatient care and day surgery with coverage of at least S\$15,000 per every 12-month period of the foreign employee's employment (or for such shorter period where the foreign employee's period of employment is less than 12 months).

Further, the Immigration Act provides that no person, other than a citizen of Singapore, shall enter or attempt to enter Singapore unless, amongst others, he is in possession of a valid pass lawfully issued to him to enter Singapore. Accordingly, an employer of foreign workers is also subject to the Employment Act and the Immigration Act, and the regulations issued pursuant thereto.

Workplace Safety and Health Act 2006 ("WSHA")

Under the WSHA administered by the MOM, every employer has the duty to take, so far as reasonably practicable, measures necessary to ensure the safety and health of his employees at work. These measures include providing and maintaining a safe working environment for the employees, without risk to health, and adequate facilities and arrangements for their welfare at work, ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees, developing and implementing procedures for dealing with emergencies that may arise while the employees are at work and ensuring that the employee at work has adequate instruction, information, training and supervision as is necessary

REGULATORY OVERVIEW

for that employee to perform his work. More specific duties imposed on employers are laid out in the Workplace Safety and Health (General Provisions) Regulations of Singapore, which include taking all reasonably practicable measures to prevent the workplace from being overcrowded and ensuring adequate ventilation of the workplace.

Work Injury Compensation Act 2019 (“WICA”)

The WICA regulated by the MOM applies to employees in respect of injuries suffered by them arising out of and in the course of their employment and sets out, amongst others, the amount of compensation they are entitled to and the methods of calculating such compensation.

The WICA provides that the employer shall be liable to pay compensation under the WICA if personal injury is caused to an employee by accident arising out of and in the course of the employee’s employment with the employer. The amount of compensation shall be computed in accordance with the First Schedule of the WICA, subject to a maximum and minimum limit, taking into account factors such as the severity and permanence of the personal injury suffered. In addition, employers are also required to maintain work injury compensation insurance for all local and foreign employees doing manual work regardless of salary level and local and foreign employees doing non-manual work earning S\$2,600 or less a month, who are engaged under contracts of service (unless exempted). Failure to provide adequate insurance, is an offense carrying a fine of up to S\$10,000 or jail of up to 12 months, or both. Moreover, corporations can also be found liable of offenses under the WICA where an officer, employee, or agent of the corporation commits such offenses within the scope of his or her actual or apparent authority. Likewise if an officer of the corporation, or a person in a position to influence the conduct of the corporation in relation to the commission of the offense had consented or had reasonable knowledge of the offenses committed by a corporation but had not taken action, liability would apply in the same way to him or her.

Further, the WICA provides that where any person (referred to as the principal) in the course of or for the purpose of his trade or business contracts with any other person (referred to as the contractor) for the execution by the contractor of the whole or any part of any work, or for the supply of labor to carry out any work, undertaken by the principal, the Singapore Commissioner for Labor may direct the principal to fulfil the obligations of the employer under the WICA in relation to any employee of the contractor employed in the execution of the work. Where such a direction has been made, the principal shall be liable to pay to any employee of the contractor employed in the execution of the work any compensation which he would have been liable to pay under the WICA if that employee had been immediately employed by the principal, except that the amount of compensation is to be calculated with reference to the earnings of the employee under the contractor.

Laws and Regulations Related to Data Security and Data Privacy

Data Privacy and Security

The Personal Data Protection Act 2012 of Singapore (the “**PDPA**”) governs the collection, use and disclosure of individuals’ personal data (i.e. data, whether true or not, about an individual who can be identified from that data or other information accessible to the relevant organization), and seeks to ensure that organizations comply with a baseline standard of protection for personal data of individuals.

Under the PDPA, an organization is required to comply with the following obligations:

- (a) **Accountability obligation:** organizations must develop and implement the necessary policies and practices in order to meet its obligations under the PDPA and make information about its policies and practices available on request;
- (b) **Notification obligation:** individuals must be notified of the purposes for the collection, use or disclosure of their personal data, prior to such collection, use or disclosure;

REGULATORY OVERVIEW

- (c) **Consent obligation:** the consent of individuals must be obtained for any collection, use or disclosure of their personal data, unless exceptions apply. Additionally, an organization must allow the withdrawal of consent which has been given or is deemed to have been given;
- (d) **Purpose limitation obligation:** personal data must be collected, used or disclosed only for purposes that a reasonable person would consider appropriate in the circumstances, and if applicable, have been notified to the individual concerned;
- (e) **Accuracy obligation:** an organization must make reasonable efforts to ensure that personal data collected by or on its behalf is accurate and complete if such data is likely to be used to make a decision affecting the individual or if such data will be disclosed to another organization;
- (f) **Protection obligation:** an organization must implement reasonable security arrangements for the protection of personal data in its possession or under its control;
- (g) **Retention limitation obligation:** an organization must not keep personal data for longer than it is necessary to fulfill: (i) the purposes for which it was collected; or (ii) a legal or business purpose;
- (h) **Transfer limitation obligation:** personal data must not be transferred out of Singapore except in accordance with the requirements prescribed under the PDPA;
- (i) **Access and correction obligations:** when requested by an individual and unless exceptions apply, an organization must: (i) provide that individual with access to his personal data in the possession or under the control of the organization and information about the ways in which his personal data may have been used or disclosed during the past year; and/or (ii) correct an error or omission in his personal data that is in the possession or under the control of the organization; and
- (j) **Data breach notification obligation:** organizations must take steps to determine, in the event of a data breach, whether it likely results in significant harm to individuals, and/or are of significant scale, and is hence considered a notifiable breach, of which the data breach must be brought to the attention of the Personal Data Protection Commission of Singapore and/or affected individuals.

If an organization is found to be in breach of the PDPA, the Personal Data Protection Commission of Singapore may require the organization to (i) stop collecting, using or disclosing personal data in contravention of the PDPA; (ii) destroy personal data collected in contravention of the PDPA; (iii) provide access to or correct the personal data; and/or (iv) pay a financial penalty of an amount not exceeding S\$1 million or 10% of the organization's annual turnover in Singapore, whichever is higher. A contravention of the PDPA may also give rise to civil or criminal liabilities.

SUMMARY OF APPLICABLE LAWS AND REGULATIONS IN CALIFORNIA, THE U.S.

Regulations relating to Business Operations

All limited liability companies formed in California must comply with the California Revised Uniform Limited Liability Company Act ("**RULLCA**"). The RULLCA regulates the formation, operation, management, dissolutions and other related corporate matters of the limited liability companies established and operated in the State of California.

In addition, all businesses operated in California may need to obtain a business license or similar permit as required by the local government. For any business that will be selling goods, a seller's permit must be obtained from the California Department of Tax and Fee Administration (CDTFA). Failure to obtain a valid seller's permit might result in penalties and fines, as well as criminal citation and legal actions.

REGULATORY OVERVIEW

The California Civil Code (“CCC”) serves as the foundational legal framework governing contract law in the State of California. Sections 1549 — 1701 of the CCC cover the contract law basics, outlining essential principles related to the formation, performance, and enforcement of contracts in California. Key provisions address concepts such as offer and acceptance, consideration, capacity to contract, and the legal enforceability of agreements. In addition to the CCC, relevant case law and specific statutes may also apply to certain types of contracts or situations.

Regulations relating to Nursing Services

In California, the Business and Professions Code regulates the practice of nursing through the Nursing Practice Act, and the California Code of Regulations, through Title 16 and Title 22, establishes health and safety standards for healthcare facilities and regulations relating to nursing practice. This includes, among others, standardized procedure guidelines for nurses and relevant licensure requirements. In addition, the nursing practice and licensure for nurses in California are regulated by the California Board of Registered Nursing (“BRN”). The BRN sets forth essential standards that ensure registered nurses possess the necessary education, training, and qualifications to deliver safe and effective care to mothers and newborns in a postpartum center setting. Nurses practicing in California must hold a valid California RN license, which requires completion of an accredited nursing program, passing the NCLEX-RN examination, and fulfilling ongoing continuing education requirements. The BRN also establishes guidelines for practice, including standards for patient assessment, intervention, and documentation related to patient care.

Regulations relating to Psychological Services

The Health Insurance Portability and Accountability Act (“HIPAA”) imposes strict standards on the protection of patient information, requiring that any psychological records maintained by the center are kept confidential and secure.

Under California law, the Business and Professions Code governs the licensing and practice standards for mental health professionals, requiring that therapists and counselors hold appropriate licenses, such as Licensed Professional Clinical Counselor, Licensed Marriage and Family Therapist (LMFT), or Licensed Clinical Social Worker. These professionals are bound by ethical guidelines that mandate client confidentiality and informed consent.

Regulations on Healthcare Facilities

Title 42 Code of Federal Regulations (“CFR”) regulates various health-related services and establishes the quality standards for care provided in healthcare facilities. It emphasizes patient rights, ensuring that mothers and infants receive respectful and responsive care, and outlines requirements for staff qualifications and training, thereby ensuring that only competent health professionals deliver nursing services. Furthermore, compliance with the regulations under 42 CFR also includes maintaining a safe environment, conducting quality assurance and performance improvement activities, and ensuring appropriate documentation in medical records.

The California Health and Safety Code (“CHSC”) outlines the requirements for licensure and operation of healthcare facilities, including standards for patient care, safety, and staffing. For any postpartum center providing medical services, it must adhere to regulations concerning quality of care, patient rights, and facility compliance, each as outlined in the CHSC. Additionally, CHSC requires all healthcare facilities to maintain proper records, implement infection control measures, and undergo regular inspections to ensure the health and safety of its patients.

In California, the California Department of Public Health (“CDPH”) and local health department regulate healthcare facilities. The CDPH establishes comprehensive standards and guidelines that govern various aspects of facility operations, including staffing requirements, sanitation protocols, patient safety measures, and emergency preparedness. In addition, the department conducts regular inspections and assessments to ensure compliance with state regulations and the CHSC. Healthcare facilities are required to obtain appropriate licensure, which entails meeting the CDPH’s specific criteria for health and safety standards, staffing levels, service offerings, and other required matters.

REGULATORY OVERVIEW

Regulations relating to Local Zoning and Building Safety

Local zoning ordinances regulate the types of businesses that can operate in specific areas. All businesses must comply with local building codes, fire codes, and zoning regulations, as required by local planning department and fire marshal.

Regulations relating to Food Safety

Any facilities that serve packaged food or dietary supplements must comply with federal labeling requirements enforced by the Food and Drug Administration, including providing accurate nutritional information and allergen warnings.

The California Retail Food Code, as outlined in the CHSC, establishes the standards for safe food handling, preparation, and serving in food facilities. In addition to state laws, local health departments enforce specific regulations and may have additional permitting requirements for food service facilities.

Staff involved in food preparation and services may be required to have food safety certifications and training.

Regulations on Data Privacy and Security

The Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and its implementing regulations (collectively, referred to as “**HIPAA**”), imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. HIPAA also prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statements or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services.

In addition, numerous federal and state laws and regulations that address privacy and data security, including state data breach notification laws, state health information privacy laws (e.g., the California Consumer Privacy Act and the California Confidentiality of Medical Information Act), and federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), govern the collection, use, disclosure and protection of health-related and other personal information. Failure to comply with data protection laws and regulations could result in government enforcement actions, which could include civil and/or criminal penalties, private litigation and/or adverse publicity.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

OVERVIEW

Our Group was founded by Mr. Danny Xiang, our founder, the Chairman, executive Director, and chief executive officer of our Company, in 2017. See “Directors and Senior Management” for further details of the background and experience of our Directors and senior management.

In November 2017, we opened our first Saint Bella postpartum center in Hangzhou, and since then we have been consistently expanding our postpartum center network (including self-operated and managed centers) to cover a total of 27 first- and second-tier cities in mainland China as of the Latest Practicable Date, as well as in Hong Kong, Singapore, and the Greater Los Angeles area. We launched our Baby Bella brand of postpartum centers in July 2019 in an effort to diversify our brand portfolio and target especially the younger generation.

Recognizing the significant opportunity presented by China’s rapidly-developing family care industry, we have launched other businesses to enrich our service and product offerings and increase customer lifetime value while we continued to develop our premium postpartum center network. We launched our home care services under the PrimeCare for Family brand in July 2018, capitalizing on the existing customer base of our postpartum centers. With our acquisition of GuangHeTang Foods in October 2021, we ventured into supplying food products.

In October 2023, we opened our first postpartum center outside mainland China in Singapore. In May 2024, we opened our second postpartum center outside mainland China in the Greater Los Angeles Area, the United States.

In preparation for the Listing, our Group underwent the Reorganization. As part of the Reorganization, our Company was incorporated on July 4, 2023 in the Cayman Islands as an exempted company with limited liability to act as the holding company of our Group. Following the Reorganization, our business continues to be conducted through our subsidiaries. See “— Reorganization” below.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

BUSINESS MILESTONES

The following is a summary of our key business development milestones:

Month/Year	Event
November 2017	<ul style="list-style-type: none">• We opened our first Saint Bella postpartum center in Hangzhou.
July 2018	<ul style="list-style-type: none">• We launched our home care services business.
December 2018	<ul style="list-style-type: none">• The expansion of our postpartum center network into four major areas of China, namely Northern China, Central China, the Changjiang River Delta, and the Zhujiang River Delta, was achieved.
July 2019	<ul style="list-style-type: none">• We established our first Baby Bella postpartum center in Foshan.
October 2021	<ul style="list-style-type: none">• We completed our acquisition of GuangHeTang Foods and launched our food products business.
January 2022	<ul style="list-style-type: none">• Our Hong Kong JV opened our first managed Saint Bella postpartum center in Hong Kong.
April 2022	<ul style="list-style-type: none">• We rebranded our postpartum recovery services as “S Treatment Beauty”.
May 2022	<ul style="list-style-type: none">• We acquired the S-bra brand of functional lingerie products.
May 2023	<ul style="list-style-type: none">• We were appointed by the National Technical Committee on Health Care Service to participate in the amendment of the General Requirements for Maternal and Infant Health Care Service Place.
June 2023	<ul style="list-style-type: none">• We entered into a strategic cooperation agreement with Kinoshita Group, one of Japan’s leading senior care service companies.
October 2023	<ul style="list-style-type: none">• We opened our first self-operated Saint Bella postpartum center outside mainland China in Singapore.
May 2024	<ul style="list-style-type: none">• Our first overseas managed Saint Bella postpartum center was opened in the Greater Los Angeles area, the United States.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

MAJOR SHAREHOLDING CHANGES IN HANGZHOU BEIKANG

Hangzhou Beikang is our principal operating subsidiary and is the holding company of our various businesses in mainland China which is wholly-owned by PrimeCare International.

Hangzhou Beikang was established on December 29, 2016 with a registered capital of RMB2 million. On establishment, Hangzhou Beikang was known as Zhuhai Beikang Ze'en Health Management Limited (珠海貝康澤恩健康管理有限公司) and Ms. Hua Xiangli was the registered holder of the entire registered capital of Hangzhou Beikang. On January 12, 2018, Ms. Hua Xiangli transferred 78% and 22% of the registered capital of Hangzhou Beikang to PrimeCare International and Zhuhai Beikang, respectively, for nil consideration respectively. PrimeCare International was then wholly-owned by Mr. Danny Xiang, and Zhuhai Beikang was then owned by Ms. Hua Xiangli, Ms. Minee Lin, Mr. Han Jiwen (then an Independent Third Party), and Ms. Yang Jian (then an Independent Third Party). On September 24, 2019, Hangzhou Beikang adopted its current name. As of the Latest Practicable Date, Hangzhou Beikang has a registered capital of RMB3,260,614.57, which has been fully paid.

The major shareholding changes of Hangzhou Beikang since its establishment were related to the Pre-IPO Investments, which took place between 2018 and 2023. Over the history of our development, we have introduced a number of investors into Hangzhou Beikang. In February 2018, we conducted our Series A Pre-IPO Investment and introduced our first Pre-IPO Investors, Kunshan Tanglu and Gaorong Capital. Together with five subsequent rounds of Pre-IPO Investments, Hangzhou Beikang raised an aggregate of more than RMB300 million from both financial and strategic investors. Our largest Pre-IPO Investor is Tencent Mobility, a participant in our Series C Pre-IPO Investment. Immediately prior to the Reorganization, Tencent Mobility held approximately 11.61% of the registered capital of Hangzhou Beikang.

See “— Pre-IPO Investments” below for further information of the shareholding changes to Hangzhou Beikang in connection with the completion of the relevant Pre-IPO Investments.

MAJOR ACQUISITIONS AND INVESTMENTS

In this section, we set forth details of the acquisitions that we conducted during the Track Record Period and that we consider to be material to us. For each of such transactions, all of the applicable percentage ratios as defined under Rule 14.04(9) of the Listing Rules in respect of the above transaction are less than 25% and accordingly no disclosures are required under Rule 4.05A of the Listing Rules. Save as disclosed in this section, we did not conduct any acquisitions, disposals, or mergers since our inception that we consider to be material to us.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Acquisition of the GuangHeTang Business

We completed our acquisition of the GuangHeTang business (the “**GuangHeTang Business**”), consisting of GuangHeTang Foods, GuangHeTang Catering, and certain assets of GuangHeTang Herbal Biotechnology (Shanghai) Co. Ltd. (廣禾堂草本生物科技(上海)有限公司) (“**GuangHeTang Herbal**”), in October 2021. At the time of our acquisition, GuangHeTang was primarily a brand of traditional women’s health food products, mainly in the form of cooked postpartum meals for supplying to postpartum centers. Due to GuangHeTang’s brand recognition and strong product portfolio, we believed that an investment in the GuangHeTang Business aligned with our strategy to expand our product offerings and increase customer lifetime value.

In preparation for our acquisition of the GuangHeTang Business, we formed Beikang Guanghe in August 2021 with GuangHeTang’s founder, Dr. Chung Yu-fu, who is currently our chief nourishment officer. Since its establishment, Beikang Guanghe has been owned as to 90% by Hangzhou Beikang and 10% by Dr. Chung. On August 17, 2021, Beikang Guanghe entered into an agreement with GuangHeTang Herbal and Dr. Chung to acquire the GuangHeTang Business. We paid a total consideration of RMB30 million, which was determined after arm’s length negotiation between the parties with reference to the net asset value of the GuangHeTang Business as of August 31, 2021 as assessed by an independent valuer. The consideration had been fully settled as of April 2023. To the best of our Directors’ knowledge, prior to the formation of Beikang Guanghe, each of Dr. Chung and the then shareholders of GuangHeTang Herbal was an Independent Third Party.

Since our acquisition of the GuangHeTang Business, we have shifted GuangHeTang’s business strategy by transforming its original focus on supplying cooked postpartum meals, to retail sales of comprehensive food products covering various aspects of women’s health on e-commerce platforms. Accordingly, we decided to dispose of GuangHeTang Catering, GuangHeTang’s cooked postpartum meals unit, which had a lower profit margin. On March 31, 2023, Beikang Guanghe entered into share and business transfer agreements with Dr. Chung Yu-Fu, Mr. Xu Jiancong (an Independent Third Party), and Mr. Wang Cun (an Independent Third Party) (collectively, the “**GHT Catering Buyers**”), whereby Beikang Guanghe agreed to transfer its 100% equity interest in GuangHeTang Catering to the GHT Catering Buyers, for a consideration of approximately RMB24,000. The disposal was completed on July 19, 2023. Following completion, GuangHeTang Catering is owned as to 40% by Mr. Xu Jiancong and 60% by Mr. Wang Cun and hence GuangHeTang Catering is an Independent Third Party. We maintain our business relationship with GuangHeTang Catering. GuangHeTang Catering purchases food products from us; separately, we engage GuangHeTang Catering to provide cooked postpartum meals for several of our postpartum centers. For the years ended December 31, 2023 and 2024, our sales of food products to GuangHeTang Catering amounted to RMB2.8 million and RMB0.1 million, respectively, and our purchases of cooked postpartum meals from GuangHeTang Catering

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

amounted to RMB2.9 million and RMB5.2 million, respectively. The transactions between GuangHeTang Catering and us are in the ordinary course of our business and on terms comparable with our transactions with other third-party customers and suppliers.

Acquisition of the S-bra Line of Lingerie Products

As we saw the potential business synergies between our postpartum recovery services and the S-bra line of lingerie products, we decided to acquire the S-bra business from its then operator in 2022. In preparation for such acquisition, we formed Beikang Hanlian with Hangzhou Hanlian Gongchuang Technology Co., Ltd. (杭州韓聯共創科技有限公司) (“**Gongchuang Technology**”), a company controlled by one of the then owners of the S-bra business, namely Mr. Jin Xiangtai (金相泰), in February 2022. Since its establishment, Beikang Hanlian has been owned as to 80% by Hangzhou Beikang and 20% by Gongchuang Technology. In March 2022, Beikang Hanlian entered into a business and asset transfer agreement to acquire the S-bra business from Gongchuang Technology and Tianjin Hanlian Gongchuang Trading Co., Ltd. (天津韓聯共創商貿有限公司) (“**Gongchuang Trading**”) for a total consideration of RMB2 million. The consideration was determined after arm’s length negotiations between the parties with reference to the value of the S-Bra business as of March 31, 2022 as assessed by an independent valuer. The acquisition had been properly completed and the consideration had been fully settled as of May 2022. To the best of our Directors’ knowledge, prior to the formation of Beikang Hanlian, each of Gongchuang Technology, Gongchuang Trading and their respective shareholders was an Independent Third Party.

Investment in Hangzhou Meihua

As part of our initiative to seek collaboration opportunities with upstream and downstream strategic partners in the family care industry to attain the endorsement on expertise and the access to their target customer group and other resources, we made an investment in Hangzhou Meihua, an operator of a renowned women’s and children’s hospital in Hangzhou. On August 23, 2023, we completed the acquisition of a 7.8125% equity interest in Hangzhou Meihua at a cash consideration of RMB25,000,000.

Investment in Nexus Media

On May 20, 2024, we entered into an agreement with Nexus Media and agreed to subscribe for a 6.3% interest in the share capital of Nexus Media for a cash consideration of HK\$6,000,000. The consideration was determined based on the historic and expected financial performance of Nexus Media and after arms’ length negotiation between the Company and Nexus Media. Completion of the subscription took place in two tranches in June and August 2024, respectively. The remaining 93.7% of the issued share capital of Nexus Media is owned by Mr. Man Tak Hong

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

and Mr. Cheung Chi Sum, each an Independent Third Party. Our Directors believe that the terms of the transaction are fair and reasonable and in the interest of the Shareholders as a whole. Nexus Media is media agency based in Hong Kong with an array of resources and network in the media domain. Its services include providing clients with advertising solutions on different media platforms such as print form, digital media and live events. Our strategic investment in Nexus Media is a deliberate effort to leverage these capabilities to our advantage. We believe Nexus Media's proficiency in devising customized marketing strategies, along with their expansive reach of media platforms including leading luxury lifestyle and fashion magazines and live events, will afford us opportunities to widen our customer reach, and to amplify our brand's presence in the market through advertisements or participation in various live events.

DISPOSAL OF CERTAIN SUBSIDIARIES

In December 2024, we disposed of two subsidiaries which did not operate our core business and which had not commenced operations at the time of the disposals. On December 19, 2024, we entered into share and business transfer agreements with Hangzhou Beixiang Technology Co., Ltd to dispose of 70% equity interests in Chengdu Wenjiang BekZene Internet Hospital Co., Ltd, being our entire shareholding in the company, at a consideration of approximately RMB9,241,000. On December 30, 2024, we entered into share and business transfer agreements with Chengdu Boxing Zhiyuan Technology Co., Ltd to dispose of 70% equity interests in Chengdu Wenjiang Beikang Enhu Outpatient Department Co., Ltd, being our entire shareholding in the company, at a consideration of nil.

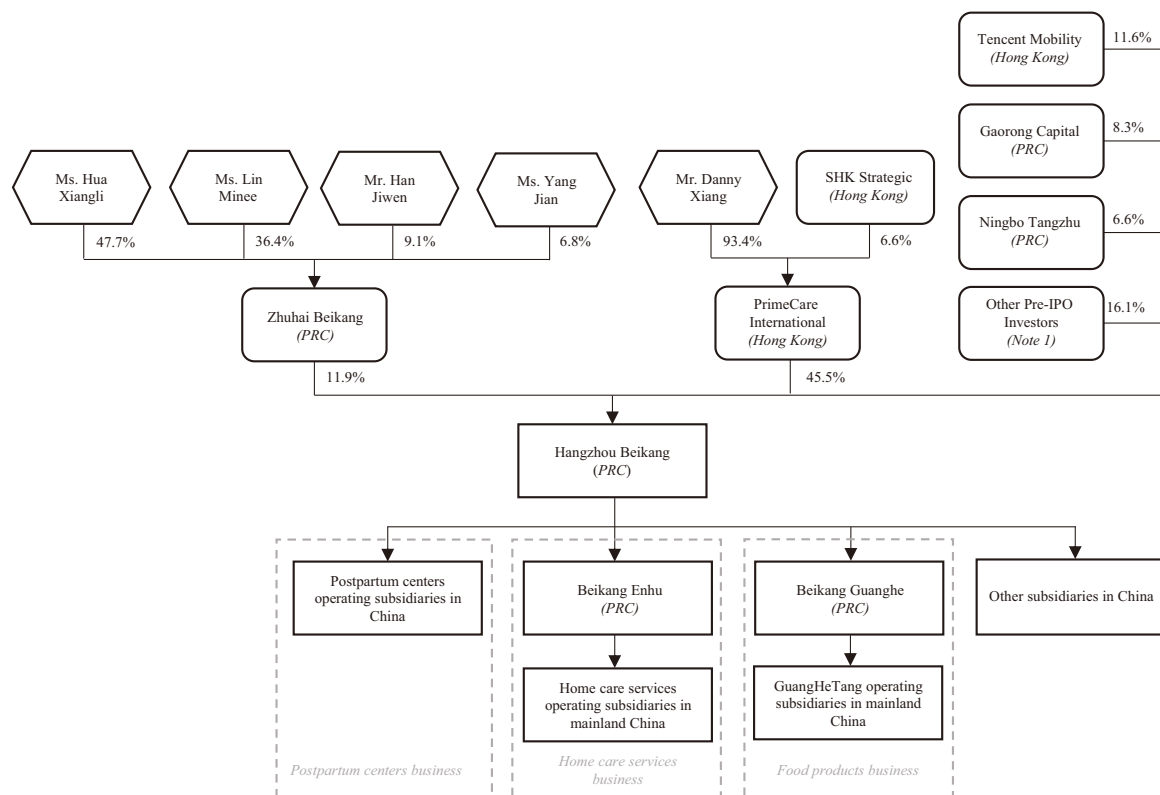
To the best of our knowledge, each of Hangzhou Beixiang Technology Co., Ltd and Chengdu Boxing Zhiyuan Technology Co., Ltd is an Independent Third Party. The consideration for each of the above transactions had been settled as of the Latest Practicable Date, and was determined following an arm's length negotiation largely based on the net asset value of the respective companies, among other things.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

SHAREHOLDING IMMEDIATELY PRIOR TO THE REORGANIZATION

Corporate Structure Immediately Prior to the Reorganization

Prior to the Reorganization, Hangzhou Beikang was the holding company of the businesses and assets of our Group. The following chart sets forth the corporate structure of Hangzhou Beikang and certain subsidiaries immediately prior to the Reorganization:



Notes:

- (1) Such other Pre-IPO Investors (and their respective shareholdings in Hangzhou Beikang) comprised Kunshan Tanglu (4.0%), China Life (2.0%), River Delta (1.8%), Hainan Shengdan (1.7%), C Capital (1.7%), Zhuji Jiantou (1.3%), Gotham Equity (1.2%), Bourn Well (1.1%), Pegasus Capital (0.8%), and Elegant Riverine (0.7%).
- (2) See the notes to the charts in “— Corporate Structure” below for further information on our operating subsidiaries.

REORGANIZATION

In preparation for the Listing, our Group underwent the Reorganization which involved the following steps.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Incorporation of our Company and Saint Bella BVI

Our Company was incorporated on July 4, 2023 to act as the holding company of our Group following the Reorganization.

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorized share capital of US\$50,000 divided into 500,000,000 shares of a par value of US\$0.0001 each. On the date of incorporation of our Company, one Share was allotted and issued at par fully paid to ICS Corporate Services (Cayman) Limited, an Independent Third Party. On the same date, such one Share was transferred to Primecare Investment, and our Company also allotted and issued the following number of Shares at par fully paid to the following persons:

Allottee	Number of Shares
Primecare Investment	309,064
Minee Holdings	531,845
Brainalone	90,909
Deltacare.	68,182

Saint Bella BVI was incorporated on July 20, 2023 as our wholly-owned subsidiary to act as the intermediate holding company of our Group following the Reorganization. On the day of incorporation, one ordinary share of US\$1.0 was allotted and issued at par fully paid to our Company.

Acquisition of PrimeCare International by Saint Bella BVI

Prior to the Reorganization, Hangzhou Beikang was owned as to 45.5% by PrimeCare International, which was in turn owned as to 93.4% and 6.6% by Mr. Danny Xiang and SHK Strategic, respectively.

Pursuant to the Reorganization, (i) Mr. Danny Xiang (through himself and through Primecare BVI, a company then wholly owned by Mr. Danny Xiang) and SHK Strategic subscribed for our new Shares; (ii) our Company used the proceeds from such Share subscription to subscribe for new shares in Saint Bella BVI; (iii) Saint Bella BVI used the proceeds from such share subscription to subscribe for new shares in PrimeCare International; and (iv) PrimeCare International used the proceeds from such share subscription to repurchase all its issued shares held by and repaid all the shareholders' loans owed to Mr. Danny Xiang and SHK Strategic.

The above steps completed on December 21, 2023. As a result, PrimeCare International became a wholly-owned subsidiary of Saint Bella BVI.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Acquisition of the Pre-IPO Investors' Shares in Hangzhou Beikang by PrimeCare International

Prior to the Reorganization, Hangzhou Beikang was owned as to an aggregate of 42.6% by the Pre-IPO Investors.

Pursuant to the Reorganization, each Pre-IPO Investor's shareholding in Hangzhou Beikang was swapped for our Shares. On December 25, 2023, each Pre-IPO Investor transferred its entire equity interest in Hangzhou Beikang to PrimeCare International. In consideration for such equity transfer, (i) our Company issued a proportional number of nil-paid Shares to each PRC offshore Pre-IPO Investor (other than SHK Strategic) on December 21, 2023, to be credited as fully paid upon the completion of the equity transfer; and (ii) our Company issued certain warrants in our Company to each PRC onshore Pre-IPO Investor on December 22, 2023. Such warrants were convertible into a proportional number of Shares and exercisable upon the completion of the relevant overseas direct investment ("ODI") registration by such PRC onshore Pre-IPO Investor, at the same price as the consideration payable for the transfer of the equity interest in Hangzhou Beikang.

The acquisition by PrimeCare International of all the equity interests in Hangzhou Beikang held by the Pre-IPO Investors completed on December 25, 2023. All the nil-paid Shares held by the PRC offshore Pre-IPO Investors were credited as fully paid on the same day. The subscription of our Shares by each of the PRC onshore Pre-IPO Investors as a result of the exercise of the warrants completed on June 7, 2024.

Exit of Zhuhai Beikang from Hangzhou Beikang

Prior to the Reorganization, Hangzhou Beikang was owned as to 11.9% by Zhuhai Beikang, which was in turn owned as to 47.7%, 36.4%, 9.1%, and 6.8% by Ms. Hua Xiangli, Ms. Minee Lin, Mr. Han Jiwen, and Ms. Yang Jian (collectively, the "**Zhuhai Beikang Shareholders**"), respectively.

Pursuant to the Reorganization: (i) Zhuhai Beikang exited Hangzhou Beikang by way of capital reduction on February 9, 2024; and (ii) our Company issued a proportional number of fully-paid Shares to the holding companies nominated by the Zhuhai Beikang Shareholders on June 11, 2024.

The above steps completed on June 11, 2024.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Confirmations

As confirmed by our Directors, each of the share transfers made in the Reorganization was properly and legally completed and settled.

PRC Regulatory Requirements

Our PRC Legal Adviser has confirmed that the PRC subsidiaries in our Group have obtained the requisite government approvals which they shall obtain in material respects in respect of their relevant share transfers of equity interests as described in relation to the Reorganization described in this prospectus. The transfers of equity interests described above have been legally completed.

According to the Regulations on Merger with and Acquisition 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**”) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC, and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise, (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise, (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets, or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign-invested enterprise.

Article 11 of the M&A Rules regulates “affiliated mergers”, which refers to the circumstance where a domestic company or enterprise or a domestic natural person, through an overseas company established or controlled by it/him/her, acquires a domestic company which is related to or connected with it/him/her, and an approval from MOFCOM is required.

Our PRC Legal Adviser is of the opinion that Hangzhou Beikang was a sino-foreign equity joint venture enterprise in December 2023, when the acquisition of the Pre-IPO Investors’ Shares in Hangzhou Beikang by PrimeCare International took place; therefore, this transfer shall be deemed as the equity transfer of a sino-foreign equity joint venture enterprise, and does not involve the circumstance which shall be approved by the MOFCOM under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Adviser.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Allotment and Issue of Shares Pursuant to the Reorganization

Pursuant to the Reorganization, our Company issued a total of 10,000,000 Shares for a total consideration of approximately RMB152.4 million. The consideration for such subscribed Shares was determined with reference to the net asset value of Hangzhou Beikang. The consideration for the above share subscriptions was fully settled as of June 7, 2024.

The following table sets forth further details of the subscribers of our Shares pursuant to the Reorganization:

Subscriber	Relationship with our Group <i>(Note 1)</i>	Number of Shares	% of shareholding
Primecare BVI.	A company wholly owned by Mr. Danny Xiang	3,824,388	38.24%
Mr. Danny Xiang	Founder of our Group, Chairman, executive Director, and our chief executive officer	424,932	4.25%
Primecare Investment	A company wholly owned by Ms. Hua Xiangli, the mother of Mr. Danny Xiang	367,474	3.67%
Minee Holdings	A company wholly owned by Ms. Minee Lin, co-founder of our Group and our chief operating officer	632,359	6.32%
Brainalone	A company wholly owned by Mr. Han Jiwen	108,090	1.08%
Deltacare	A company wholly owned by Ms. Yang Jian. Ms. Yang Jian is one of the owners of River Delta Holdings Limited, the general partner of River Delta	81,068	0.81%
Tencent Mobility	Series A+ and C Pre-IPO Investor	1,161,356	11.61%
Gaorong Capital <i>(Note 2)</i>	Series A, A+, and B+ Pre-IPO Investor and an Independent Third Party	825,755	8.26%
Ningbo Tangzhu <i>(Note 3)</i>	Series A+ Pre-IPO Investor and an Independent Third Party	661,121	6.61%

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Subscriber	Relationship with our Group (Note 1)	Number of Shares	% of shareholding
Kunshan Tanglu (Note 3)	Series A Pre-IPO Investor and an Independent Third Party	396,482	3.96%
SHK Strategic	Series B Pre-IPO Investor and an Independent Third Party	298,470	2.98%
China Life (Note 4)	Pre-IPO Investor and an Independent Third Party	195,513	1.96%
River Delta	Series C-3 Pre-IPO Investor and an Independent Third Party	175,000	1.75%
Hainan Shengdan (Note 5)	Pre-IPO Investor and an Independent Third Party	172,053	1.72%
C Capital	Series C-3 Pre-IPO Investor and an Independent Third Party	169,492	1.69%
Zhuji Jiantou	Series B+ Pre-IPO Investor and an Independent Third Party	127,085	1.27%
Gotham Equity (Note 6)	Pre-IPO Investor and an Independent Third Party	119,153	1.19%
Bourn Well (Note 7)	Series A+ Pre-IPO Investor and an Independent Third Party	107,666	1.08%
Pegasus Capital	Series C-3 Pre-IPO Investor and an Independent Third Party	84,746	0.85%
Elegant Riverine	Series C-3 Pre-IPO Investor and an Independent Third Party	67,797	0.68%

Notes:

- (1) See “— Pre-IPO Investments” below for more information on our Pre-IPO Investments and Pre-IPO Investors.
- (2) On exercise of the warrants, Gaorong Capital nominated its affiliate, Gaorong BK Holding Limited, to hold the Shares in our Company.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

- (3) The general partner of Kunshan Tanglu is Kunshan Tangzhu Investment Management Partnership (Limited Partnership) (昆山唐竹投資管理合夥企業(有限合夥)) (“**Kunshan Tangzhu**”). Kunshan Tangzhu is also a general partner of Ningbo Tangzhu. On exercise of the warrants, Kunshan Tanglu nominated its wholly owned subsidiary, Panda Six Limited, to hold the Shares in our Company.
- (4) China Life acquired its interest in Hangzhou Beikang from Zhuji Jiantou on November 15, 2021 for a consideration of RMB30.0 million.
- (5) Hainan Shengdan acquired its interest in Hangzhou Beikang from Beijing Shengdan Technology Co., Ltd. (北京聖誕科技有限公司), a Series A+ Pre-IPO Investor, on March 23, 2022 for a consideration of approximately RMB35.6 million.
- (6) Gotham Equity acquired its interest in Hangzhou Beikang from PrimeCare International on November 25, 2022 for a consideration of approximately RMB17.6 million.
- (7) In addition to participating in our Series A+ Pre-IPO Investment, Bourn Well also acquired certain interest in Hangzhou Beikang from an existing shareholder on March 23, 2022 for a consideration of approximately RMB14.1 million.

SHARE SWAPS

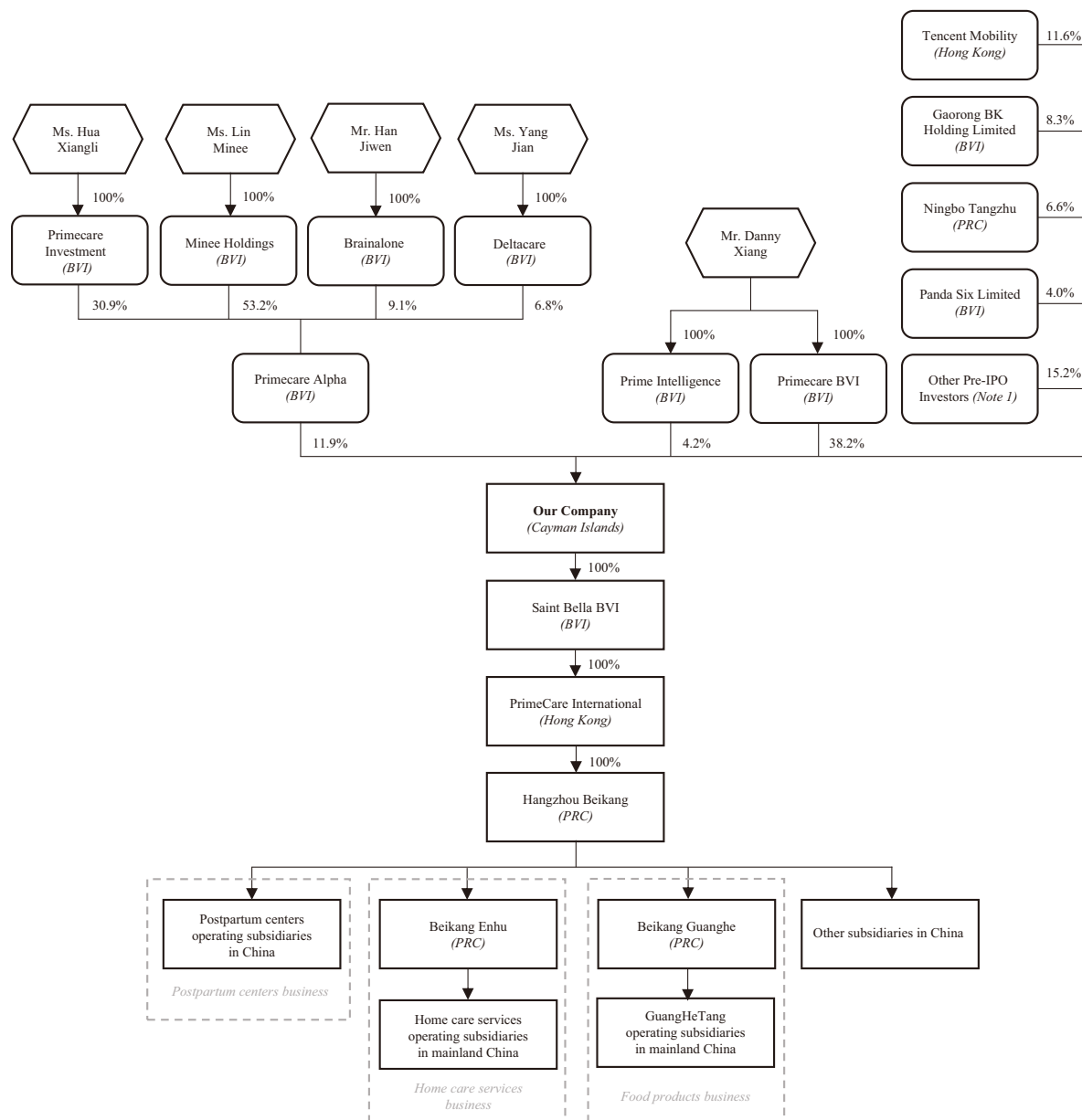
To mirror Zhuhai Beikang’s shareholding structure in Hangzhou Beikang before the Reorganization, Primecare Investment, Minee Holdings, Brainalone and Deltacare consolidated their shareholdings in the Company by holding their Shares through Primecare Alpha. Primecare Alpha is a company incorporated in the BVI with limited liability on June 17, 2024 and is held as to 30.91%, 53.18%, 9.09% and 6.82% by Primecare Investment, Minee Holdings, Brainalone and Deltacare, respectively. On December 31, 2024, our Company issued 1,188,991 new Shares to Primecare Alpha at par value and at the same time repurchased a total of 1,188,991 Shares at par value from Primecare Investment, Minee Holdings, Brainalone and Deltacare.

Separately, on December 31, 2024, our Company repurchased all the Shares held directly by Mr. Danny Xiang and concurrently issued the same number of new Shares to Prime Intelligence at the same price as the repurchased Shares. Prime Intelligence is a company incorporated in the BVI on June 17, 2024 and wholly-owned by Mr. Danny Xiang.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

CORPORATE STRUCTURE AFTER THE REORGANIZATION

The following chart sets forth the shareholding and corporate structure of our Company upon completion of the Reorganization and immediately prior to the completion of the Global Offering:



Notes:

- (1) Such other Pre-IPO Investors (and their respective shareholdings in our Company) comprised SHK Strategic (3.0%), China Life (2.0%), River Delta (1.8%), Hainan Shengdan (1.7%), C Capital (1.7%), Zhuji Jiantou (1.3%), Gotham Equity (1.2%), Bourn Well (1.1%), Pegasus Capital (0.8%), and Elegant Riverine (0.7%).
- (2) See the notes to the charts in “— Corporate Structure” below for further information on our operating subsidiaries.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

SAFE REGISTRATION

Pursuant to SAFE Circular No. 37, promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. 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 restricted from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

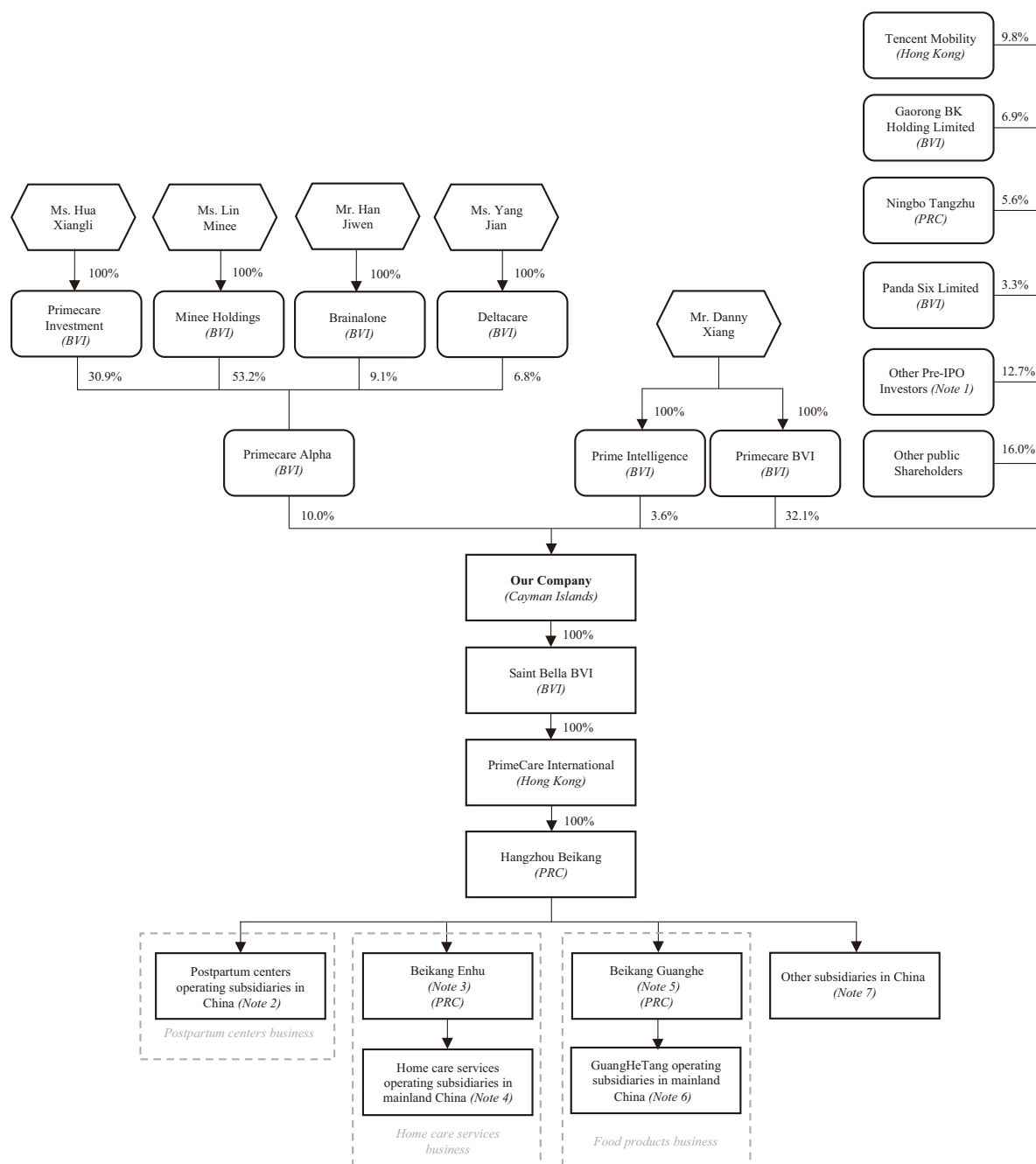
Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

As advised by our PRC Legal Adviser, as of the Latest Practicable Date, our ultimate controlling shareholder Mr. Danny Xiang is not a PRC resident required to conduct registration pursuant to the requirement of SAFE Circular 37.

CORPORATE STRUCTURE

The following chart sets forth the shareholding and corporate structure of our Company and selected operating subsidiaries immediately upon completion of the Capitalization Issue and the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised). We have multiple subsidiaries due to our historical developments, strategic business developments, and nature and geographical coverage of our business operations. The corporate structure of our Group presented has been simplified. See note 1.1 to the Accountants’ Report in Appendix I to this prospectus for further details on our subsidiaries.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE



Notes:

- (1) Such other Pre-IPO Investors (and their respective shareholdings in our Company) comprised SHK Strategic (2.5%), China Life (1.6%), River Delta (1.5%), Hainan Shengdan (1.4%), C Capital (1.4%), Zhuji Jiantou (1.1%), Gotham Equity (1.0%), Bourn Well (0.9%), Pegasus Capital (0.7%), and Elegant Riverine (0.6%).
- (2) Consisting of 44 operating subsidiaries in which our equity interests ranged from 51% to 100% as of the Latest Practicable Date, including Beikang Hanlian which is the holding company of our S-bra line of lingerie products, which are provided as part of our postpartum recovery services.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

- (3) Beikang Enhu is the holding company of our home care services business.
- (4) Consisting of five operating subsidiaries wholly owned by us as of the Latest Practicable Date.
- (5) Beikang Guanghe is the holding company of our food products business.
- (6) Consisting of three operating subsidiaries wholly owned by us as of the Latest Practicable Date.
- (7) Consisting of 10 operating subsidiaries in which our equity interests ranged from 51% to 100% as of the Latest Practicable Date.
- (8) See “Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 2. Substantial Shareholders in our Subsidiaries” in Appendix IV to this prospectus for more information on the minority shareholders in our subsidiaries.

PRE-IPO INVESTMENTS

Investments into our Group

The following table sets forth a summary of our Pre-IPO Investments whereby the Pre-IPO Investors made new capital injection into Hangzhou Beikang:

Round/Pre-IPO Investors	Date of initial investment agreement	Date of last payment of consideration	Approximate amount of consideration	Amount of registered capital of Hangzhou Beikang subscribed for	Cost per Share	Discount to the Offer Price
			(RMB)	(RMB)	(HK\$)	
					(Note 1)	(Note 2)
Seed						
World Trade Center Association (China) Services Limited (Note 3) . .	February 7, 2018	November 9, 2018	650,000	20,200	0.12	98.2%

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Round/Pre-IPO Investors	Date of initial investment agreement	Date of last payment of consideration	Approximate amount of consideration (RMB)	Amount of registered capital of Hangzhou Beikang subscribed for (RMB)	Cost per Share (HK\$) (Note 1)	Discount to the Offer Price (Note 2)
Series A						
Kunshan Tanglu	February 12, 2018	March 15, 2018	8,500,000	264,180	0.15	97.8%
Gaorong Capital	February 12, 2018	April 4, 2018	6,500,000	202,020	0.15	97.8%
Series A+						
Gaorong Capital	January 30, 2019	February 21, 2019	3,189,820	56,353	0.31	95.2%
Ningbo Tangzhu	January 30, 2019	February 13, 2019	18,000,000	317,997	0.31	95.2%
Series B						
PrimeCare International (Note 4) . . .	January 6, 2020	April 21, 2020	10,952,760	132,499	0.46	93.0%
Series B+						
Zhuji Jiantou	June 23, 2020	June 28, 2020	30,000,000	119,381	1.47	77.7%
Gaorong Capital	June 23, 2020	July 8, 2020	10,000,000	39,794	1.47	77.7%
Series C						
Tencent Mobility	February 10, 2021	April 6, 2021	150,000,000	397,938	2.48	62.4%
Series C-3						
C Capital	November 25, 2022	January 18, 2023	50,000,000	62,722	5.41	17.7%
Pegasus Capital	November 25, 2022	December 6, 2022	25,000,000	31,361	5.41	17.7%
Elegant Riverine	November 25, 2022	February 6, 2023	20,000,000	25,089	5.41	17.7%

Notes:

- (1) Calculated by the amount of consideration paid by the Pre-IPO Investor divided by the percentage of registered capital of Hangzhou Beikang subscribed/purchased by such Pre-IPO Investor, then dividing such quotient by 595,420,000, being the number of Shares in issue immediately following completion of the Capitalization Issue and the Global Offering, and converted into HK\$ using the exchange rate of HK\$1.00: RMB0.91537.
- (2) The discount to the Offer Price is calculated based on the Offer Price of HK\$6.58 per Share.
- (3) World Trade Center Association (China) Services Limited (“**World Trade**”) is an Independent Third Party.
- (4) SHK Strategic subscribed for the registered capital of Hangzhou Beikang through PrimeCare International.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

The following table sets forth a summary of our Pre-IPO Investments whereby the Pre-IPO Investors acquired equity interests in Hangzhou Beikang from other Pre-IPO Investors or PrimeCare International:

Transfer among Pre-IPO Investors and other shareholders		Date of transfer agreement	Date of last payment of consideration	Approximate amount of consideration	Amount of registered capital of Hangzhou Beikang	Cost per Share	Discount to the Offer Price
Transferee	Transferor				transferred		
				(RMB)	(RMB)	(HK\$)	
						(Note 1)	(Note 2)
Bourn Well	Kunshan Tanglu	April 24, 2020	June 15, 2020	3,597,201	41,690	0.48	92.7%
Beijing Shengdan Technology Co. Ltd. ("Shengdan Technology") (Note 3)	Kunshan Tanglu	November 27, 2020	November 30, 2020	16,000,000	63,670	1.47	77.7%
Gaorong Capital	Ningbo Tangzhu	February 10, 2021	March 15, 2021	15,000,000	39,794	0.50	92.5%
Tencent Mobility	Ningbo Tangzhu	February 10, 2021	April 13, 2021	5,000,000	13,265	0.50	92.5%
Tencent Mobility	PrimeCare International (Note 4)	February 10, 2021	April 26, 2021	7,000,000	18,570	2.48	62.4%
China Life	Zhuji Jiantou	November 15, 2021	November 26, 2021	30,000,000	72,352	2.72	58.6%
Hainan Shengdan	Shengdan Technology	March 23, 2022	April 21, 2022	35,560,000	63,670	3.67	44.2%
Bourn Well	World Trade	March 23, 2022	April 28, 2022	14,100,465	20,200	4.59	30.3%
Gotham Equity	Bourn Well	November 25, 2022	December 31, 2022	17,575,000	22,047	5.41	17.7%
Gotham Equity	PrimeCare International (Note 5)	November 25, 2022	December 2, 2022	17,575,000	22,047	5.41	17.7%
River Delta	Kunshan Tanglu	July 6, 2023	July 31, 2023	7,845,600	12,097	4.40	33.1%
River Delta	Gaorong Capital	July 6, 2023	August 1, 2023	21,000,000	32,380	4.40	33.1%
River Delta	Ningbo Tangzhu	July 6, 2023	July 31, 2023	13,154,400	20,283	4.40	33.1%

Notes:

- (1) Calculated by the amount of consideration paid by the Pre-IPO Investor divided by the percentage of registered capital of Hangzhou Beikang subscribed/purchased by such Pre-IPO Investor, then dividing such quotient by 595,420,000, being the number of Shares in issue immediately following completion of the Capitalization Issue and the Global Offering, and converted into HK\$ using the exchange rate of HK\$1.00: RMB0.91537
- (2) The discount to the Offer Price is calculated based on the Offer Price of HK\$6.58 per Share.
- (3) Beijing Shengdan Technology Co. Ltd. (北京聖誕科技有限公司) is an affiliate of Hainan Shengdan, and an Independent Third Party.
- (4) The equity interest was sold by PrimeCare International on behalf of Mr. Danny Xiang.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

(5) SHK Strategic sold this equity interest through PrimeCare International.

Basis of Determining the Consideration Paid by Each Pre-IPO Investor

The basis of determination for the consideration for the Pre-IPO Investments was arm's length negotiations between us and the Pre-IPO Investors after taking into consideration the timing of the investments and the status of our business and operating entities. Accordingly, the Pre-IPO Investors acquired their respective interest in the Company at fair market value at the time each such Pre-IPO Investor made its investment. The fair market value of Hangzhou Beikang's equity has increased commensurately with our Group's growth over time.

Use of Proceeds from the Pre-IPO Investments

The proceeds raised by Hangzhou Beikang pursuant to each Pre-IPO Investment had been used as the general working capital of our Group, in particular for the development, expansion, and operation of our business. As of the Latest Practicable Date, all of the net proceeds from the Pre-IPO Investments had been utilized.

Strategic Benefits of the Pre-IPO Investments

At the time of the Pre-IPO Investments, the directors of Hangzhou Beikang were of the view that our Group could benefit from the additional capital that would be provided by each of the Pre-IPO Investors' investments, as well as each of the Pre-IPO Investors' knowledge and experience. The market recognition of Saint Bella as a premium brand of postpartum centers, together with our track record of achieving sustained growth in the early stages of our development, enabled us to become acquainted with reputable professional and strategic investors, some of which became our Pre-IPO Investors following arm's length negotiations.

Our Pre-IPO Investors include experienced investment firms, as well as reputable enterprises operating in diverse sectors with a global footprint, which are able to provide us with unique industry insights and operational guidance. As a result, the directors of Hangzhou Beikang were also of the view that our Group could benefit from our Pre-IPO Investors' commitment to our Group as their investment demonstrates their confidence in the operations of our Group and serves as an endorsement of our performance, strength, and prospects.

Through the Pre-IPO Investments, we successfully broadened our shareholder base. In order to maintain a balanced mix of strategic investors and financial investors, certain Pre-IPO Investors were given the opportunity to partially realize their investment in our Group when additional investors were brought in to diversify our shareholder base. Save for World Trade who provided

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

seed funding to our Group in 2018 and realized its investment gain in 2022, the rest of the Pre-IPO Investors continued to hold equity interests in our Group to enjoy the potential upside from our future growth and development.

Special Rights of the Pre-IPO Investors

Certain of the Pre-IPO Investors were granted certain special rights under a shareholders' agreement entered into among our Company, Mr. Danny Xiang, Primetime BVI, the Pre-IPO Investors and others (the "**Shareholders' Agreement**"), including rights of first refusal, tag rights, pre-emptive rights, rights to invest in our Controlling Shareholders' new projects, repurchase rights, anti-dilution rights, information rights, and drag-along rights. The Pre-IPO Investors' repurchase rights under the Shareholders Agreement are not exercisable upon the filing by our Company of a listing application with the Stock Exchange. If our Company's listing application is withdrawn, not approved, or if our Company fails to complete a qualified IPO approved by the Pre-IPO Investors by the expiry of 18 months from the date of the listing application (whichever is earlier), thereupon the repurchase rights will automatically revive. The Shareholders' Agreement, including all special rights granted to the Pre-IPO Investors, will terminate upon the completion of the Global Offering.

Background of the Pre-IPO Investors

Tencent Mobility is a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of Tencent Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 700). Tencent Holdings Limited and its subsidiaries are principally engaged in the provision of value-added services, online advertising services, and FinTech and business services.

Gaorong Capital, a limited liability partnership established in the PRC, is a private equity fund established in December 2017 with a focus on investments in early-stage and growth-stage projects. Four of Gaorong Capital's limited partners, namely, Zhuhai Gopher Chunyue Equity Investment Fund Center (Limited Partnership) (珠海歌斐純悅股權投資基金中心(有限合夥)), Zhuhai Junchen Equity Investment Center (Limited Partnership) (珠海君晨股權投資中心(有限合夥)), Wuhu Yuji Investment Center (Limited Partnership) (蕪湖鈺璣投資中心(有限合夥)) and Wuhu Gopher Yitian Investment Center (Limited Partnership) (蕪湖歌斐逸天投資中心(有限合夥)), are managed by the same general partner, Gopher Asset Management Co., Ltd. (歌斐資產管理有限公司), and collectively hold approximately 44.64% interest in Gaorong Capital. Save as aforementioned and to the best of our knowledge, the approximately 55.18% remaining interest in Gaorong Capital is held by 10 limited partners who are Independent Third Parties and none of whom holds more than 30% of partnership interests in Gaorong Capital. Gaorong Capital's general partner is Xizang Rongkang Investment Management Co., Ltd. (西藏榕康投資管理有限公司),

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

which holds approximately 0.18% interest in Gaorong Capital and is a wholly owned subsidiary of Xizang Gaorong Capital Management Co., Ltd. (西藏高榕資本管理有限公司) (“**Xizang Gaorong**”). Xizang Gaorong’s focus is on innovative and entrepreneurial sectors such as new technology, new consumption, and healthcare. The sole shareholder of Xizang Gaorong is Beijing Gaorong Capital Management Consulting Co., Ltd. (北京高榕資本管理諮詢有限公司), which is owned as to 33.4%, 33.3%, and 33.3%, respectively, by Zhang Zhen (張震), Gao Xiang (高翔) and Yue Bin (岳斌), who, to the best of our knowledge, are Independent Third Parties.

Ningbo Tangzhu, a limited liability partnership established in China, is a private equity fund focusing on investment in the high technology, internet, consumer services, quasi-financial sectors, and related sectors. Its sole limited partner is Guangdong Liansu Technology Industrial Co., Ltd. (廣東聯塑科技實業有限公司), a wholly-owned subsidiary of China Lesso Group Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 2128) (“**China Lesso**”). One of its general partners, simultaneously serving as the managing partner, is Kunshan Tangzhu Investment Management Partnership (Limited Partnership) (昆山唐竹投資管理合夥企業(有限合夥)) (“**Kunshan Tangzhu**”), who, to the best of our knowledge, is wholly owned by Mr. Ai Qing (“**Mr. Ai**”), an Independent Third Party; while another general partner is Guangdong Liansu Venture Capital Fund Management Co., Ltd. (廣東聯塑創業投資基金管理有限公司) (“**Guangdong Liansu**”). Guangdong Liansu is owned as to 51% by Guangdong Liansu Capital Holdings Limited (廣東聯塑資本控股有限公司) (“**Liansu Capital**”), a company indirectly wholly owned by China Lesso; and 49% by Qingdao Shunnan Investment Co., Ltd. (青島順南投資有限公司) (“**Qingdao Shunnan**”), a company established in the PRC and owned as to 80% by Qingdao Shundong Investment Co., Ltd. (青島順東投資有限公司) (a company which is wholly owned as to 47% Huang Jiexiang (黃潔湘), 28% by Liao Quanneng (廖全能) and 25% by Lin Dewei (林德緯), all of which are Independent Third Parties) and 20% by Foshan Jianyang Enterprise Management Co., Ltd. (佛山市建揚企業管理有限公司) (a company indirectly wholly owned by Luo Jianfeng (羅建峰) who is an Independent Third Party). To the best of our knowledge, each of Guangdong Liansu, Liansu Capital, China Lesso and Qingdao Shunnan is an Independent Third Party. Shanghai Tangzhu Enterprise Management Consulting Co., Ltd. (上海唐竹企業管理諮詢有限公司), a private company wholly owned by Mr. Ai, is the general partner of Kunshan Tangzhu.

Kunshan Tanglu, a limited liability partnership established in China, is a private equity fund focusing on investment in consumer services. Kunshan Tanglu is owned as to approximately 38.84%, 27.74%, 22.20% and 11.10% by its limited partners, Gao Tian (高天), Liu Yajuan (劉雅娟), Zhou Wei (周煒) and Wang Kexin (王可馨), respectively, who, to the best of our knowledge, are Independent Third Parties. Its sole general partner is Kunshan Tangzhu.

SHK Strategic is a company incorporated in Hong Kong and principally engaged in investment holding, securities trading, and financial services. It is a wholly-owned subsidiary of Sun Hung Kai & Co. Limited, a company whose shares are listed on the Stock Exchange (stock

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

code: 86). The ultimate holding company of Sun Hung Kai & Co. Limited is Allied Group Limited, a company whose shares are listed on the Stock Exchange (stock code: 373). The ultimate controlling party of Sun Hung Kai & Co. Limited is the trustees of Lee and Lee Trust.

China Life is a limited partnership established in China. It is primarily engaged in equity investment, investment management, and asset management services. Its general partner is China Life Qiyuan (Beijing) Aged-care Industry Investment Management Co., Ltd. (國壽啓遠(北京)養老產業投資管理有限公司), a company indirectly wholly owned by China Life Insurance (Group) Company (中國人壽保險(集團)公司), which is in turn owned as to 90% by the Ministry of Finance of the PRC. China Life's sole limited partner is China Life Insurance Company Limited, a company whose shares are listed on the Stock Exchange (stock code: 2628) and the Shanghai Stock Exchange (stock code: 601628) and indirectly owned as to 68.37% by the Ministry of Finance of the PRC.

River Delta, acting on behalf of its segregated portfolio, Mirae Asset Prime Alpha SP (Mirae Asset Securities (HK) Limited (未來資產證券(香港)有限公司) acts as co-investment manager of Mirae Asset Prime Alpha SP), is a segregated portfolio company incorporated in the Cayman Islands with limited liability as of August 2021. The sole shareholder of River Delta is River Delta Holdings Limited, a company jointly owned by Ms. Yang Jian (the sole shareholder of Deltacare) and Mr. Zhang Yicheng (an Independent Third Party to the best of our knowledge).

Hainan Shengdan is a limited liability partnership established in China whose general partner is Lin Yukun (林鈺坤) (“**Mr. Lin**”). Its limited partners are Zhuhai Shengdan Investment Co., Ltd. (珠海聖誕投資有限公司) (a company owned as to 99% by Mr. Lin and 1% by Wu Yuping (吳宇萍) (“**Ms. Wu**”)) and Beijing Qingguangzi Technology Co., Ltd. (北京氫光子科技有限公司) (a company owned as to 99.87% by Mr. Lin and 0.13% by Ms. Wu) holding a total of 99.00% of the partnership interests. To the best of our knowledge, Mr. Lin and Ms. Wu are Independent Third Parties.

C Capital is an investment holding vehicle incorporated in the BVI. The scope of investment of C Capital and its associated entities includes the consumer and technology sectors. To the best of our knowledge, the ultimate beneficial owners of C Capital are Cheng Chi Kong and Cheng Yin Pan. C Capital and its ultimate beneficial owners, are Independent Third Parties.

Zhuji Jiantou, is a limited liability partnership established in China, is an investment fund that focuses on investing in the medical industry. Its largest limited partner is Lishui Linghua Equity Investment Partnership (Limited Partnership) (麗水領華股權投資合夥企業(有限合夥)) (which, to the best of our knowledge is an Independent Third Party which is a limited liability partnership owned as to 80% by Ni Baogen (倪寶根) and 20% by Wu Guojun (吳國軍), both of whom are, to the best knowledge of the Company, Independent Third Parties), holding

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

approximately 31.3% of the partnership interest of Zhuji Jiantou. Save as aforementioned and to our best knowledge, none of the other limited partners of Zhuji Jiantou holds more than 30% of partnership interests therein. Its fund management company is Zhejiang Zheshang Jiantou Asset Management Co., Ltd. (浙江浙商建投資產管理有限公司). Zhejiang Zheshang Jiantou Asset Management Co., Ltd. is jointly funded by a number of state-owned enterprises, listed companies, and industry leaders.

Gotham Equity is a company incorporated in Hong Kong with limited liability. The ultimate beneficial owner is Lai Ka Chi, Clement, an Independent Third Party.

Bourn Well, a company incorporated in Hong Kong with limited liability, is a pure equity holding entity established for the sole purpose of holding the investment in our Group. Bourn Well is majority owned by Transcend Capital Partners Limited (“**Transcend Capital**”), a venture capital firm incorporated in the British Virgin Islands that invests in start-ups in Asia. The general partners of Transcend Capital are Derivblock Limited (a company wholly owned by Leung Sin Yeng Winnie), Wong Wing Lam and Ng Chi Fung, all of whom are, to the best of our knowledge, Independent Third Parties. To the best of our knowledge, none of the limited partners of Transcend Capital holds more than 30% of partnership interests therein.

Pegasus Capital, a limited liability partnership established in China, is a fund focused on venture capital investment and owned as to 52.7% by Chongqing Wuba Xinfu Information Technology Co., Ltd. (重慶五八新服信息技術有限公司) (a company wholly owned by 北京五八信息技術有限公司, which, to the best of our knowledge, is ultimately owned as to approximately 86.66% by Yao Jinbo (姚勁波), an Independent Third Party) and 47% by Wuxi Huikai Zhengyuan Venture Capital Partnership Enterprise (Limited Partnership) (無錫惠開正源創業投資合夥企業(有限合夥)) (a limited partnership whose general partner is Wuxi Huikai Zhenghe Private Equity Management Co., Ltd. (無錫惠開正合私募基金管理有限公司) and whose limited partner is Wuxi Huihe New Entrepreneurship Investment Co., Ltd. (無錫惠合新創業投資有限公司), both of which are ultimately owned by Wuxi Huishan Economic Development Zone SASAC (無錫惠山經濟開發區國有資產管理辦公室) and, to the best of our knowledge, are Independent Third Parties). The general partner of Pegasus Capital holding 0.3% interest therein is Wuxi Shenqi Yongcheng Private Equity Fund Management Partnership (Limited Partnership) (無錫神騏永誠私募基金管理合夥企業(有限合夥)), which is ultimately owned as to 90% by Yang Ning (楊寧), who, to the best of our knowledge, is an Independent Third Party. 58.com Inc., a leading online platform of classified information and services, (i) indirectly controls 52.7% of Pegasus Capital; and (ii) is indirectly controlled as to 33.7% by Tencent Mobility. As such, Pegasus Capital is a close associate of Tencent Mobility.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

Elegant Riverine is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Swire Properties Limited, a company whose shares are listed on the Stock Exchange (stock code: 1972) and principally engaged in property investment, property trading, and hotel operations.

PUBLIC FLOAT

Immediately following completion of the Capitalization Issue and the Global Offering (assuming each of the Offer Size Adjustment Option and the Over-allotment Option is not exercised), the following Shareholders will be core connected persons of our Company and hence Shares held by them will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules:

- Primecare BVI, which is wholly owned by Mr. Danny Xiang, and is one of our Controlling Shareholders;
- Prime Intelligence, which is wholly owned by Mr. Danny Xiang, and is one of our Controlling Shareholders;
- Primecare Alpha, which is owned as to 53.18% by Minee Holdings. Minee Holdings is wholly-owned by Ms. Minee Lin, a director of certain of our subsidiaries; and
- Tencent Mobility and its close associate, Pegasus Capital. Tencent Mobility and Pegasus Capital are deemed to be a substantial shareholder for the purpose of the Listing Rules.

Save as disclosed above, no other Shareholder (i) is a core connected person of our Company; (ii) has been financed directly or indirectly by a core connected person of our Company for the acquisition of Shares; or (iii) is accustomed to take instructions from a core connected person of our Company in relation to the acquisition, disposal, voting or other dispositions of the Shares registered in their name or otherwise held by them, and all the Shares held by such Shareholders will be counted towards the public float of our Company for the purpose of Rule 8.08 of the Listing Rules upon Listing. Accordingly, immediately following completion of the Capitalization Issue and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), approximately 43.9% of our issued Shares will be held by the public and counted towards the public float for the purpose of Rule 8.08 of the Listing Rules.

Pursuant to the lock-up undertakings given by each Pre-IPO Investor, the Shares held by each Pre-IPO Investor will be subject to a lock-up period of six months from the Listing Date.

HISTORY, REORGANIZATION, AND CORPORATE STRUCTURE

CONFIRMATION OF THE JOINT SPONSORS

On the basis that (i) the Pre-IPO Investments were irrevocably settled more than 28 clear days before the date of the first filing of the listing application, and (ii) there are no divestment rights granted to the Pre-IPO Investors and other special rights granted to the Pre-IPO Investors will be terminated upon the completion of the Global Offering, the Joint Sponsors have confirmed that the pre-IPO investments disclosed in this section complied with the Stock Exchange's guidance in Chapter 4.2 of the New Listing Guide.

OVERVIEW

We are a leading postpartum care and recovery group in China, and we also offer home care services and food products covering women's needs. We aim to become a leading comprehensive family care group in Asia with an evolving brand portfolio, through enhancing our presence in the existing business segments and operating markets, launching new offerings to tap into new segments such as elderly care services, as well as expanding our service network to promising markets in addition to our established presence in mainland China, Hong Kong, Singapore, and the United States.

According to the Frost & Sullivan Report, we are the largest postpartum care and recovery group both in China and in Asia in terms of revenue from postpartum centers in 2024, the fastest-growing scaled postpartum and recovery group in China in terms of revenue growth rate from 2022 to 2024, and the first postpartum center operator based in mainland China to expand outside of mainland China. In 2024, we had a market share of approximately 1.2% in terms of revenue from postpartum centers in China.

According to the Frost & Sullivan Report, the total addressable market of family care in China has grown rapidly, among which, the markets of postpartum care and recovery services and home child care services reached RMB67.5 billion and RMB35.8 billion, respectively, in 2024, despite having a significantly lower penetration rate compared with mature markets like South Korea and Taiwan, China. The markets of postpartum care and recovery services and home child care services are expected to reach RMB200.8 billion and RMB105.2 billion by 2030, representing a CAGR of 20.4% and 19.1%, respectively, from 2025 to 2030. In addition, the more premium market segment of postpartum care services is expected to grow at a higher rate than average owing to consumers' more sophisticated needs driving a growing demand for professional and customized service. Spotting the wide gap between the demand and existing service offerings available in China, which are in general regional, lacking in professionalism, and fall short of the expected standard, we have developed premium curated offerings in postpartum care and recovery, home child care, and food products to address our customers' needs in various scenarios of family care. According to the Frost & Sullivan Report, there is an increasing popularity of self-pampering products and services and this trend marks a significant shift in women's spending pattern toward personal growth and mental fulfillment.

Since our foundation in 2017, we have constantly redefined and transformed how traditional family care is rendered, by standardizing, professionalizing, customizing, and digitalizing family care services and products. Along the way, we have nurtured a strong brand portfolio that appeals to a large base of customers, and upgraded our operations to be more scalable and better suited to cater to the end market.

BUSINESS

In postpartum care, we have an extensive network of 96 premium postpartum centers under our brand names of Saint Bella, Bella Isla, and Baby Bella comprising 62 self-operated centers (namely centers operated by one of our consolidated subsidiaries and in which we own the majority interest) and 34 managed centers (namely centers wholly or majority owned by third parties and managed by us) as of the Latest Practicable Date. According to the Frost & Sullivan Report, we had the largest network of premium postpartum centers in China in 2024, with leading market share in multiple cities in terms of revenue, such as Hangzhou and Shanghai. Our footprint expanded significantly during the Track Record Period, having added 11, seven, and 34 self-operated or managed centers, respectively, for the years ended December 31, 2022, 2023, and 2024. Additionally, we extended our reach by adding our first managed center in Hong Kong in January 2022, our first self-operated overseas center in Singapore in October 2023, and our first managed overseas center in the Greater Los Angeles area in the United States in May 2024, being the first postpartum center operator based in mainland China to expand outside of mainland China, according to the Frost & Sullivan Report.

We provide premium, professionalized services supported by the largest team of nursing specialists with the relevant professional qualifications in directly-operated postpartum centers among our competitors as of 2024, according to the Frost & Sullivan Report. In our Saint Bella postpartum centers, we are equipped with a stringently trained nursing team to offer 24-hour two-to-one mother and baby care services. To ensure these nursing specialists can deliver trusted services of consistent high quality across all our centers, we pioneered to cooperate with the American Certification Institute (ACI) to set the service benchmark for mother and baby care, and provide systematic training to our nursing specialists. As part of our home care services business, we have engaged a team of thoroughly screened baby care specialists with diverse skill sets, whom we assign to our customers based on their specific family care needs.

Recognizing the younger generation's expectation of receiving extraordinary services at premium postpartum centers, we have developed a proprietary nursing service platform to digitalize our service procedures which help us customize our services to cater to customers' personal and evolving needs. We leverage data to deliver optimized and tailor-made services to our customers. Capable of being deployed via SaaS, our technology infrastructure has enabled us to scale efficiently as we expand our network of postpartum centers organically and inorganically.

Our postpartum centers are located mostly at upscale hotels and a minority at standalone villas. The premium lodging experience complements our postpartum services well, exemplifying professional services delivered with consistent high quality, standardized yet with a personal touch. Our asset-light strategy, which includes our flexible rental arrangements with hotels, not only facilitates rapid expansion but also minimizes capital expenditure, leading to a shorter payback period for our new centers.

BUSINESS

We believe that we have a track record of successfully incubating premium brands in the family care industry. Leveraging our brand image, we believe that social fission marketing plays a key role in contributing to our continued growth. Among our 4,439 postpartum care service packages sold in 2024, approximately 38% of the sales were either referred by our existing customers or acquired via our self-owned online channels (including our websites and mini-programs). Combined with our marketing strategies, we have built a significant online presence and deep brand recognition among users on social media platforms.

Extending our model of professionalized services beyond postpartum care, we offer home care services under our PrimeCare for Family brand. We arrange baby care specialists with the appropriate skills to provide customers with their requested home care services. During the Track Record Period, our home care services witnessed significant revenue growth, as many of our postpartum care service customers started using our home care services or referred our services to their acquaintances. As part of our efforts to extend customer lifetime value, we will continue actively promoting our home care services to customers of our postpartum centers, and improving our service quality to retain existing customers.

Our food products business is conducted through GuangHeTang, a brand we acquired in October 2021. GuangHeTang is one of the industry leaders in China's women's health food products industry with a history of more than 20 years in the area of nourishment, health, and wellness. With plant extracts and patented formulas at the core, our product innovation efforts draw upon traditional Chinese medicine theories to develop a comprehensive product portfolio. Since our acquisition, we have rejuvenated the brand by shifting its focus from offline to online channels and continuously reformulating its product offerings. Today, GuangHeTang's products help women achieve daily health management at different stages, from menstruation to pregnancy, lactation, postpartum, and post-miscarriage. During the Track Record Period, our food products were primarily sold on our self-operated online stores on e-commerce platforms. In 2024, our GuangHeTang flagship stores ranked first on Tmall and Douyin in terms of sales amount in the category of postpartum nutrition. We have also started exploring to cross sell our products at our postpartum centers, as well as developing our self-owned online channels.

We experienced robust growth during the Track Record Period. Our revenue increased by 18.7% from RMB471.5 million for the year ended December 31, 2022 to RMB559.9 million for the year ended December 31, 2023, and further increased by 42.7% to RMB798.7 million for the year ended December 31, 2024. As the revenue generated from our postpartum center and home care services businesses is generally only recognized when we provide service, there is a time delay between entering into a contract with our customer and the recognition of revenue from such contract sales. Therefore, we consider that the contract value of all the contracts entered into with customers for our self-operated postpartum centers and home care service business to be another useful indicator of the performance of these business lines. For the years ended December 31,

BUSINESS

2022, 2023, and 2024, such total contract value for all our business lines amounted to RMB589.2 million, RMB775.5 million, and RMB975.7 million, respectively. For our self-operated postpartum center business, such contract value increased by 28.2% from RMB499.3 million for the year ended December 31, 2022 to RMB640.3 million for the year ended December 31, 2023, and further increased by 18.7% to RMB760.0 million for the year ended December 31, 2024.

Our gross profit margin was 29.9%, 36.5%, and 33.9%, respectively, for the years ended December 31, 2022, 2023, and 2024. We turned around adjusted losses (non-HKFRS measure) (defined as loss for the year adjusted by adding back fair value changes in financial instruments issued to investors, share-based payment expenses, and listing expenses) of RMB44.6 million for the year ended December 31, 2022 to an adjusted profit (non-HKFRS measure) of RMB20.8 million and RMB42.3 million for the years ended December 31, 2023 and 2024, respectively, primarily due to the continued growth in our businesses, the improved gross profit margin, as well as our ability to control our expenses.

OUR STRENGTHS

We believe that the following strengths have contributed to our success to date:

We are a leading postpartum care and recovery group both in Asia and China, capturing growing demand for premium services and products

We are a leading postpartum care and recovery group both in Asia and in China. According to the Frost & Sullivan Report, we are the largest postpartum care and recovery group both in Asia and China in terms of revenue from postpartum centers in 2024. We focus on providing premium services and products that address the ever-growing under-served family care demand from the lifestyle-driven younger generation. Our current and planned services cover a wide spectrum of customer needs — from postpartum care and recovery, to home childcare and elderly care — and are complemented by wellness product offerings such as women's health food products. We have achieved leading market positions in several key categories:

- *Postpartum care and recovery:* We are a leading premium service provider with an extensive nationwide network of premium postpartum centers in China. According to the Frost & Sullivan Report, we had the largest network of premium postpartum centers in China in 2024, with leading market share in multiple cities in terms of revenue, such as Hangzhou and Shanghai. As of the Latest Practicable Date, we had a network of 94 postpartum centers under our brands — comprising 61 self-operated centers (namely centers operated by one of our consolidated subsidiaries and in which we own the majority interest) and 33 managed centers (namely centers which were wholly or majority owned by third parties and managed by us) — across 27 first- and second-tier

cities in mainland China and in Hong Kong. According to the Frost & Sullivan Report, we were the fastest-growing scaled postpartum and recovery group in terms of growth rate of revenue from 2022 to 2024. While we continue to expand our market share in China by opening new centers and consolidating existing players, we are the first postpartum center operator based in mainland China to expand outside of mainland China, according to the Frost & Sullivan Report, with the first managed center outside mainland China opened in Hong Kong in January 2022, the first self-operated overseas center opened in Singapore in October 2023, and the first managed overseas center in the Greater Los Angeles area in the United States in May 2024.

- *Home care services:* According to the Frost & Sullivan Report, we are one of the leading nationwide home child care service providers in China in terms of revenue. With our team of thoroughly screened home care specialists with diverse skill sets, we address our customers' specific family care needs on a customized basis and have successfully extended the lifetime value of our customers. As our postpartum care customers can seamlessly transition to enjoy our home care services, this also helps build customer trust and increase customer satisfaction, thereby giving us a competitive advantage over other standalone operators.
- *Food products:* According to the Frost & Sullivan Report, we are the first family care service provider in China that also offers a sizable portfolio of women's health food products. We believe that our product portfolio — which features products covering different stages of women's nutritional needs — creates significant synergies with our other businesses and sets us apart from pure play service or product providers.

Young families are becoming increasingly aware and receptive of utilizing high-quality services from trained professionals to meet their family care demand, rather than relying on *yuesao* (月嫂), whose quality of service is usually inconsistent and unguaranteed due to the general lack of systematic training. However, the existing professional service offerings by postpartum centers in China's market are in general regional, fragmented, lacking in professionalism, and fall short of the expected standard. This wide gap between demand for and supply of high-quality service presents significant opportunities for trusted professional service providers to address customers' needs in different scenarios of family care.

Powered by our profound understanding of customer needs, and equipped with the digitalization tools and a professional nursing approach, we set out to drive a change in how family care services are rendered and perceived by young people. We believe that our ability to provide quality services under our premium brands enables us to benefit from the enormous growth opportunities of the family care industry, which is driven primarily by consumers'

improving consumption consciousness and increasing acceptance of a scientific care approach, the transformation of family structure to a smaller family size with full-time working parents, the delayed aged of childbearing, and favorable government policies.

According to the Frost & Sullivan Report, the penetration rate of postpartum centers and home child care services in China increased from 1.3% and 0.6% in 2019 to 6.0% and 1.5% in 2024, respectively, and their respective market size grew at a CAGR of 20.1% and 14.2% from 2019 to 2024 to reach RMB29.6 billion and RMB35.8 billion. Such penetration rates remained considerably lower than those in mature Asian markets such as South Korea and Taiwan, China. According to the Frost & Sullivan Report, the penetration rates of postpartum centers in South Korea and Taiwan, China were above 60% in 2024, indicating ample room for growth in China.

Having built up a leading market position through our network of premium postpartum centers, we believe we are well positioned to provide our customers with extended family care solutions as we continue to enrich our service and product offerings. Through our postpartum center network, we engage with our target customers at one of the earliest yet most critical stages of their family care journey, and carry the relationship forward to ensuing phases of the lifecycle by providing additional services and products. We believe that postpartum care only represents a small proportion of the lifetime value we are able to create. For example, according to the Frost & Sullivan Report, the market size of the family care industry in China (excluding elderly care) was approximately five times that of postpartum care in 2024, representing huge market potential for us to tap into.

Premium brand portfolio and comprehensive offerings appealing to a loyal customer base

We believe that we have a track record of successfully incubating premium brands in the family care industry that enable us to capture and develop a strong bonding with a wide range of customers who have strong consumption power and willingness to pay for the reliable, quality service and product they desire. We adopt a multi-brand strategy with diverse, premium service and product offerings, with a view to building a loyal customer base that can always return to us for their evolving needs at different stages of the lifecycle. By operating complementary brands with distinctive brand identities under which we offer differentiated services and products, we also appeal to a diversified population and are well-positioned to expand rapidly and increase our market share across market segments and locations.

The key features of our brand portfolio are highlighted as follows:

- *Brands for postpartum centers:* We created and developed Saint Bella – our flagship ultra-premium postpartum center brand – as an impactful, trustworthy, and quality premium brand in the family care industry. Our Saint Bella brand has achieved great

success and is positioned as an icon for beauty and confidence, appealing to a clientele with high purchasing power, who are also the luxury consumers. We envision that Saint Bella's target customers are family-caring individuals, with elegant and sophisticated tastes and relentless pursuit for prestige, excellence, and uncompromising quality in lifestyle. In 2023, Saint Bella became the most-searched brand of postpartum centers on Xiaohongshu, according to the Frost & Sullivan Report.

Building on the success of Saint Bella, we quickly incubated Baby Bella as another prominent brand that stands for empowerment by technology, targeting younger customers with strong willingness to pay. In January 2024, we launched our third brand of postpartum centers, Bella Isla, which aims to prioritize women's mental health after giving birth by providing them with a soothing environment.

- *Brand for food products:* Our rejuvenation of GuangHeTang (a brand focused on traditional women's health food products) after acquisition is another testimony to our deep understanding of customer needs and ability to forge impactful brands. Since we acquired GuangHeTang in October 2021, we have transformed the brand by shifting its focus from offline to online channels, continuously reformulating its product offerings, and expanding its product portfolio to cover different stages of women's health needs. In 2024, our GuangHeTang flagship stores ranked first on Tmall and Douyin in terms of sales amount in the category of postpartum nutrition.
- *Other brands:* Leveraging our ability to successfully incubate premium brands, we have developed several growing brands and have started building unique brand images for our home care services (under the PrimeCare for Family brand), our postpartum recovery services (under the S Treatment Beauty brand), and our line of lingerie products (under the S-bra brand), targeting an increasingly diverse customer base.

We believe that our premium brand portfolio has also allowed us to benefit from social fission marketing in the social media era. Combined with our marketing strategies, we have built a significant online presence among users on social media platforms. In the area of postpartum care, we believe that our premium branding has allowed us to swiftly ramp up the operations of our postpartum centers. The selling and distribution expenses for our postpartum center business were RMB34.5 million, RMB44.2 million, and RMB53.9 million, respectively, for the years ended December 31, 2022, 2023, and 2024. The selling and distribution expenses for our postpartum center business as a percentage of our revenue for the same business line decreased from 8.5% for the year ended December 31, 2022 to 9.5%, and 7.9%, respectively, for the years ended December 31, 2023, and 2024.

We believe that our premier brand proposition and clientele also make us a desired partner for various collaboration opportunities with other luxury brands, reinforcing and complementing our own brand. Through our co-branding activities, joint product design, and long-term salon with those brands, we offer exclusive and limited-edition co-branded luxury products and services to our customers. To increase and extend over time the value of our brands to our customers, we offer our customers preferential access and discounts with luxury partners across beauty, healthcare, lifestyle, shopping, and more, through our membership program.

Conscious of our increasing social impact, we proactively advocate for care and support for women, and endeavor to raise wider awareness of the challenges and opportunities women face at different stages of life. For example, we have curated exhibitions that walk through the life-transforming journey of pregnancy and childbirth, to call for more appreciation for women and mothers. The latest exhibition of this series took place in Shanghai in 2023, attracted more than 25,000 visitors, and generated more than 3 million impressions on social media platforms. We also support various social causes and charities that promote women's health, education, and empowerment.

As a result of our strong brand power, we have accumulated a loyal group of customers, who also proactively refer us to others. For example, among our postpartum care service customers in 2024, approximately 84% of them also spent on our other services or products in 2024 and through April 2025. Most of our home care services customers were former customers of our postpartum care services, to whom we increased the lifetime value we delivered. In addition, among our 4,439 postpartum care service packages sold in 2024, approximately 38% of the sales were either referred by our existing customers or acquired via our self-owned online channels (including our websites and mini-programs) as a result of our strong branding. Our ability to tap into such customer acquisition channels has reduced our reliance on active customer acquisition activities.

Transformative approach to postpartum care and other family care services

We believe we have redefined and transformed modern family care by professionalizing, standardizing, digitalizing, and customizing the services we offer:

- *Professionalize:* We provide premium, professionalized services supported by a team of 693 nursing specialists with the relevant professional qualifications as of the Latest Practicable Date, and our team size of professional nursing specialists at directly-operated postpartum centers was the largest among our competitors as of 2024, according to the Frost & Sullivan Report. We have designed an effective grading system for the nursing specialists at our postpartum centers based on their experience and qualifications with clear reporting lines, and we offer our staff a clear roadmap of career progression based on a comprehensive staff evaluation framework. Our nursing

specialists and baby care specialists undergo rigorous training and strict screening before onboarding, which, combined with our well-designed incentive mechanism, form one of the keys to our superior services. In comparison, according to the Frost & Sullivan Report, many of our competitors largely rely on *yuesao* or *yu'ersao* (育兒嫂) who generally are not trained systematically or professionally. During the Track Record Period, we achieved a turnover rate of nursing specialists of approximately 32.7% in 2023, which was lower than the industry average of approximately 40-50%, according to the Frost & Sullivan Report. This lower turnover rate reflects our structured career progression and well-established training system. Leveraging on our professional knowledge, we have created a comprehensive training system in relation to family care skills.

- *Standardize:* We have set the service benchmark and compiled standard operating procedures (SOPs) for mother and baby care, through cooperation among the American Certification Institute (ACI) and PhD experts. Such SOPs are deployed across all our postpartum centers to ensure consistency in service quality, and have a comprehensive coverage on the key business processes of our postpartum center business, including detailed division of labor, procedures for mother and baby care, and sales and marketing. The rollout of our SOPs increases our scalability and facilitates quality control. As a recognition of our position as an industry leader, we have been invited by the National Technical Committee on Health Care Service to participate in the review of national standards in the area of mother and child care in China.
- *Digitalize:* We are one of the first SaaS-enabled market players with proprietary IT platform, and have leveraged data and other cutting-edge technology to deliver optimized and tailor-made services to our customers, improve our operating efficiency, and facilitate business expansion.
- *Customize:* According to the Frost & Sullivan Report, we are a pioneer in offering a comprehensive and personalized postpartum care program at our postpartum centers. For example, we tailor our care plan for our customers, addressing their physical and mental care needs based on our ongoing assessment of their and their babies' conditions. The menus for our postpartum meals are designed by experts and nutritionists to address women's specific nutritional requirements after childbirth, and customized according to each customer's dietary preferences and recovery processes. For our postpartum recovery services, we provide professional consultation and assessment to help customers choose the most appropriate procedures, and we also provide customized lingerie products under our S-bra brand to cater to women's changing body shape during

the period of gestation. Our home care services are customized in accordance with our customers' expectations of the skills of baby care specialists, and are constantly adjusted based on our customers' evolving needs.

We provide systematic, professional, and high-quality services, which we believe has resulted in high customer satisfaction.

With our insights into the evolving family care needs of our customers, we can provide holistic, systematic coverage for different stages of their family care journey across our different business lines. As we continue to improve our care model and widely put it into practice in postpartum care, we are prepared to apply it to other areas like home care and elderly care services.

Proprietary technology platform to digitalize services and increase operational efficiency

We place a strong emphasis on technology empowerment as a young company, as a result of which we have enjoyed significant benefits in enhancing customer experience and promoting our operational efficiency. Thanks to our nationwide presence and scaled platform, we have access to a wide range of customer data that have helped us streamline our operations and enhance our service quality and customer experience, as evidenced in the excellent customer feedback.

Assisted by our proprietary IT infrastructure, we systematically manage our postpartum centers and monitor the implementation of our SOPs. In particular, our IT infrastructure helps improve our service quality and increases our operational efficiency across our nationwide network of postpartum centers in the following manners:

- *Providing high-quality scientific services:* We optimize postpartum care by collecting, with the consent of our customers, and visualizing data such as sleep quality, weight, and metabolic condition. Based on such data, we deliver optimized, scientific, and efficient care services to our customers. For mothers, we are able to provide customized service offerings tailored to their individual needs and preferences, such as personalized stress management solutions based on the data we collected. For babies, we monitor their dietary and metabolic conditions and optimize our work processes to help prevent common issues such as diaper rash. We deploy our proprietary nursing service platform across all our centers, so as to effectively monitor the health data of mothers and babies, as well as the performance of our SOPs.
- *Improving operating efficiency:* Our management team monitors the front to back-end of operation through a visualized operation dashboard of our proprietary nursing service platform on a real-time basis. Our nursing service platform also features a dynamic,

data-driven staffing system that can help us allocate and dispatch nursing specialists according to the demand for different services and availability of each center. Other modules of our technology platform include those used for tracking customer acquisition and retention, supply chain, and other key performance indicators, enabling us to consistently improve our SOPs and to optimize resource allocation and decision making.

- *Facilitating business expansion:* Our technology has empowered new postpartum centers in our network via SaaS to improve their service quality and efficiency through real-time sharing and assistance, ramping up new participants in our platform and ecosystem. Leveraging our existing IT infrastructure, we are well positioned to quickly expand our postpartum center network through organic growth and business consolidation, and to extend and implement our data-empowered algorithms to cover home care and elderly care services.

Accordingly, we believe that our technological capabilities and wealth of customer data accumulated across our nationwide network have helped us significantly improve our customer satisfaction, operational efficiency, and market leadership in the family care industry. This gives us a considerable first-mover advantage and presents significant entry barriers to our competitors in the premium segment of the family care industry. As we continuously upgrade our IT infrastructure, we are confident that our technology-driven approach will continue to differentiate us from our peers and enable us to capture the growing demand for high-quality family care services in China.

Scalable operation enabled by the asset-light approach, unparalleled access to human capital and other resources, and proven success in business expansion and integration

We operate on an asset-light and scalable model that has helped us achieve rapid growth, high profitability, and strong operating cash flows, with the following key features:

- *Asset-light business model with flexible rental arrangements:* Leveraging our premium brand positioning and healthy and consistent customer flow, we can enter into exclusive cooperation with upscale hotel operators to offer premium lodging experiences in prime locations. Instead of acquiring real estate properties to operate our centers, we primarily utilize flexible arrangements with hotel operators under which we reserve rooms based on actual demand, in addition to entering into fixed-term leases for more mature centers in some cases to obtain better rates. We have observed that operators who adopt or focus on the self-construction model tend to experience slower growth. This is primarily due to the significant upfront capital investments required, coupled with high maintenance expenses and demanding management costs. Our asset-light approach enables fast rollout and swift network expansion; and the low capex commitment has helped us

BUSINESS

achieve a short payback period for our network expansion through organic growth and consolidation of competitors, and we were generally able to achieve net positive operating cash flows within three months of operation for each new center during the Track Record Period. Thanks to this model, we also saw robust revenue growth with stable profitability and operating cash flows during the Track Record Period.

- *Unparalleled access to human capital:* We believe that the wealth of our resources of nursing specialists and scientific training system also supported our rapid expansion and created an entry barrier for our potential competitors. Underpinned by our relationship with over 30 nursing schools, we have an ample supply of nursing specialists, who usually have tertiary education background. We have also set up rigorous training programs for our nursing specialists to develop various skillsets for different service offerings, such as postpartum care and home care. With our nationwide presence and extensive network, we have benefited from the flexibility of cross-staffing nursing specialists between adjacent centers to cope with surge of demands.

Our asset-light and scalable model has also enabled us to conduct synergistic consolidations at reasonable costs, in order to selectively enter new markets and consolidate existing markets. As our platform capabilities continue to mature, we have successfully consolidated other players, upgrading their services and integrating them into our premium network in an effort to rapidly extend our customer base. Through consolidations of local competitors, we have entered four new cities, namely Nanjing, Taiyuan, Haikou, and Ningbo; and increased our market share in two additional cities, namely Shenzhen and Suzhou.

With our deep understanding of the family care lifecycle, we have also been successful in expanding our business vertically along the broader family care value chain, as evidenced by our acquisition of GuangHeTang, a women's health food products brand, to complement our service offerings. Since our acquisition of the brand in October 2021, we have drawn upon its expertise in the area of women's health food products to redesign our postpartum menus with additional emphasis on functionality while continuing to increase the variety of dietary choices, including a selection of different cuisines and vegetarian meals, thereby improving the overall customer experience at our postpartum centers.

In August 2023, we have also completed the acquisition of a 7.8125% equity interest in Hangzhou Meihua, an operator of a renowned women's and children's hospital in Hangzhou. The investment has been another testimony to our capability of forming strategic partnership and integrating the upstream of our business value chain.

Visionary management and supportive shareholder base

We have a visionary management team which has been pioneers in China's premium postpartum care industry. The team is highly responsive to identify and seize emerging opportunities in the market. Under their leadership, our Group has become a leader in the family care industry.

Mr. Danny Xiang, our founder, Chairman and chief executive officer, identified customer needs from the perspective of a younger generation of consumers of family care services, and has a profound understanding of the industry landscape. In recognition of his achievements in the family care industry, Mr. Danny Xiang was awarded the Zhejiang Youth Entrepreneurship Award (浙江省青年創業獎), an award jointly selected by the Zhejiang Provincial Committee of the Communist Youth League, the Zhejiang Provincial Department of Human Resources and Social Security, and the Zhejiang Provincial Youth Federation. Ms. Minee Lin, our co-founder and chief operating officer, has leveraged her experience in branding operations in the lifestyle industry to help us construct our brand portfolio and successfully calibrate our brand positioning. She also offers unique insights into our service and product development from a female perspective.

Our chief nursing officer, Dr. Liu Mei-fang, has a PhD in nursing, and has more than 20 years of experience in maternal and infant care. She is an IBCLC international lactation consultant, and a certified instructor of the American Certification Institute's maternal and infant care program. Dr. Chung Yu-fu, our chief nourishment officer, is the inventor of three patented formulas of women's health food products currently owned by our Group. Dr. Chung is also among the first group of nutrition instructors of the National Health Commission of the People's Republic of China (中華人民共和國國家衛生健康委員會), and is an industry researcher of the Maternal and Child Health Management Research Center of the Institute of Healthy Yangtze River Delta of Shanghai Jiao Tong University (上海交通大學健康長三角研究院母嬰健康管理研究中心). He was also the former guest lecturer of the Postpartum Center CEO Class of Shanghai Jiao Tong University (上海交通大學月子中心總裁研修班).

We have also benefited from the support from our Shareholders, including strategic shareholders such as Tencent and Swire Properties. Our Shareholders have provided us with unique industry insights and operational guidance, which have enabled us to pursue our growth opportunities and enhance our competitive advantages in the evolving markets we operate in.

OUR STRATEGIES

We plan to implement the following strategies:

To further expand our family care platform through diversifying our service and product portfolio in order to capture longer lifetime value of customers with an increasing high-value customer base

We will leverage our high-value and loyal customers to continue to expand services and products across sub-verticals, in order to better fulfill and cultivate the care needs from the mothers and the whole family. Specifically, we plan to enrich our service and product offerings in the following areas:

- *Food products:* We plan to increase the value of our customers with diversified services and product offerings along the value chain of our existing business lines. For example, we will further expand the product portfolio of our food products business by covering more areas of women's daily nutrition needs to meet the huge demand for women's desire to maintain healthy condition. Our goal is to shift from focusing solely on addressing issues faced by women during pregnancy and postpartum to addressing women's health issues throughout their entire life cycle. This includes managing menstrual health, ovarian care, and maintenance during menopause, among others. To support the continued growth our food products business, we will continue to invest in technical innovation to improve our production efficiency, including in the area of ingredients extraction, purification, and preparation.
- *New retail brands:* We will consider launching additional retail brands according to our deep understanding of user behavior and leveraging long-term customer stickiness on the basis of our existing businesses. We are constantly exploring to leverage our strengths in creating new brands and promoting new products, to launch new products such as health supplements for all family members and various types of family care demand, including those suitable for women from pregnancy to the postpartum period, or for infants.

BUSINESS

- *Postpartum recovery services:* We will continue to expand our postpartum recovery service offerings to cater to the growing needs of rejuvenation and recovery. We plan to extend the duration of our customer service cycle and provide a broader range of services to our customers. Currently, our primary focus is on providing services to customers after they have given birth, but we aim to expand our services to include the prenatal period, addressing issues such as breast shape maintenance, reduction of stretch marks, and lightening of pigmentation during pregnancy. In addition to these prenatal services, we plan to continuously add new categories to our postpartum services to meet emerging needs such as skin whitening. We also plan to reduce our reliance on third-party service providers by providing more services using our internal resources.
- *Elderly care services:* We plan to extend the lifetime value of our customers by entering the elderly care market and selectively launching new services according to market demand. Through our postpartum center and home care businesses, we have captured a group of affluent customers with a strong demand for family care services. As they enter the age where they have to take care of elderly parents and newborn children, we strive to build on our existing relationship with them and extend the lifetime value. With our strong customer understanding, a track record of building influential brands and transforming customer needs into high-end products, and our experience in training and managing a team of highly-skilled nursing specialists, we believe we are well positioned to quickly penetrate the market in the elderly care sector.

In the area of elderly care, we have entered into a cooperation agreement with a subsidiary of Kinoshita Group, a leading elderly care service provider in Japan, which will enable us to benefit from training and other operational support. Through collaboration with Kinoshita Group and other professional institutions in the future, we plan to continue to enrich our services and products portfolio, and monetize the lifetime value of customers and their family members. We plan to explore different service models for elderly care, including deploying elderly care specialists to provide home care service for the elderly at their home and providing management services to third-party elderly care institutions in which we expect to charge fees in return for providing services and exercising supervision, including but not limited to advising the setup and fit-out of such new and/or existing elderly care institutions, formulation of business plans and growth strategies, advising and implementing operational policies and quality control, as well as recruitment and supervision of personnel.

Strategically expand our postpartum center network in China and selected overseas markets to further scale up our customer base for our family care platform

We intend to continue customer cultivation and conversion through expansion of our postpartum center network, which is an important customer traffic entrance for our integrated family care platform. Our organic expansion strategy is as follows:

- *Expansion in mainland China:* We intend to continue strengthening our postpartum center network in mainland China, targeting to achieve a 30% market share in selected key cities across the nation. For example, we plan to continue expanding our Baby Bella network in mainland China, and we also plan to increase our network of postpartum centers operated in standalone villas to be equipped with even more facilities tailored to postpartum care, and which give potential customers a more private experience, so as to capture additional market share in core cities.
- *Expansion outside mainland China:* According to the Frost & Sullivan Report, the market size of the global postpartum centers industry has also exhibited significant growth globally, from US\$7.3 billion in 2019 to US\$12.9 billion in 2024, at a CAGR of 12.0%, and such market size is expected to grow from US\$14.6 billion in 2025 to US\$31.9 billion in 2030, at a CAGR of 16.8%, but this market potential has been largely untapped. Following the opening of our first managed postpartum center in Hong Kong in January 2022, our first self-operated overseas center in Singapore in October 2023, and our first managed overseas center in the Greater Los Angeles area in May 2024, we intend to penetrate highly selective international cities with a sizable Chinese population such as New York, Paris, and London, matching the cities' cultural vibrancy and the premium positioning of our Saint Bella brand. We will target primarily the overseas Chinese families, and also other populations as our business continues to expand internationally. In the initial stage of our overseas operations, we will primarily target overseas Chinese families with the same customer persona as our existing customer groups in China, in order to quickly penetrate the new market and build our brand recognition. We will leverage our established online presence to market to our targeted customers. We will then consider gradually starting to market our services to other Asian and non-Asian populations after establishing our presence in the new market. As a complement to our postpartum center network, we also plan to expand our food products business internationally.

We also intend to leverage our proven track record, the scalability of our business model, our successful acquisition strategies, as well as brand awareness to strengthen our leading position and to penetrate broader client bases in core cities. In addition to continuing our organic expansion,

when opportunities arise, we intend to strategically consolidate and integrate high-quality postpartum centers in targeted markets, in order to quickly ramp up market share, utilizing our first mover advantage to consolidate the market.

Build stronger brand awareness and customer loyalty

We plan to further promote our brands and increase customer loyalty both in China and abroad.

In an effort to deliver premium services to our customers, we will continuously emphasize the consistent high-quality and professional brand positioning across different business lines within our family care platform with an expanding footprint in new markets. During the rapid expansion into a larger network, we will rigorously enforce our quality control protocols and continuously stick to our high-standard services. We will continue to fine-tune our SOPs using our accumulated knowledge to better address our customers' needs and provide more personalized services.

Social fission marketing will remain one of our focuses for the promotion of our services and products, and we will encourage more user-generated content and cultivate customer recommendation and referral mechanisms. We offer incentives, such as service period extensions, to customers who successfully refer our services to their acquaintances. We will also conduct thorough market research based on both our accumulated data and external surveys, to gain more insights on the demand and preference of potential customers, and choose more effective channels for our marketing activities.

We will explore to partner with well-known upstream and downstream strategic partners, including premium hospitals, to attain the endorsement on expertise and the access to their target customer group and other resources. For example, in August 2023, we completed the acquisition of a 7.8125% equity interest in Hangzhou Meihua, one of our strategic partners engaged in the operation of a renowned women's and children's hospital in Hangzhou. Through the jointly-formed postpartum centers we may cooperate with hospitals, not only will we be able to win customers who need more convenient medical support, but also further solidify our brand image for scientific services through endorsement and recognition from the premium hospitals.

We will continue to build, maintain, and upgrade our comprehensive membership program with exclusive activities and one-stop services along lifecycle to enhance customer stickiness. We will continue to explore partnership opportunities to offer our members more privileges, such as access to exclusive events, as well as exclusive offers at upscale hotel chains. Capitalizing on our customer base with an online presence via our membership program, we will explore other monetization opportunities such as cross-selling third-party products and services on our platform.

Continue to cultivate nursing talent and build up the team needed for business expansion

We will continue to enhance the training and acquisition of nursing talent. We believe that talent training and our ability to maintain a pool of professionals who can to meet customers' evolving expectations will lay a crucial foundation for us to expand our family care network rapidly and ensure our service quality. We plan to foster more family care specialists by attracting new joiners to match the needs from our network. We will also continuously provide training to existing specialists on relevant knowledge and experience from both internal training programs and through cooperation with external institutions. As we continue to develop our training programs for our nursing specialists and baby care specialists based on the practical experience accumulated, we aim to create a culture of continued learning among our professionals. We will also continue to enhance training standards for the purpose of complying with different regulations in mainland China, Hong Kong, Singapore, the United States, and other overseas markets.

In terms of talent acquisition, we will seek to collaborate with more nursing schools to source and train more nursing talent, including to participate in the design of nursing courses for diversified service scenarios. We will also attract and foster more operational and management talents for our business expansion needs. We plan to further improve the retention rate of our nursing specialists by further increasing the visibility of their career progression, offering more relocation opportunities as our business expands, and improve the attractiveness of our remuneration package, including through our Share Award Scheme.

In the longer run, we hope to replicate our training system in other areas of family care, including to empower the elderly care services we plan to launch.

Continue to upgrade our IT infrastructure and explore SaaS offerings for our other businesses

We will continue to upgrade our IT infrastructure to improve our service quality and increases our operational efficiency. In particular, we will pursue more technology iterations to achieve digitalized customer centric services. For example, we plan to continuously increase the dimensions of data we collect and make available through our proprietary nursing service platform to help our professionals deliver more personalized services to our customers.

We have entered into a five-year strategic partnership with an artificial intelligence enterprise to explore the application of large language models in our operations. We intend to leverage the data collected in the course of our operations to improve the SOPs of our nursing services and to launch a customer-facing interactive coaching application in accordance with the applicable laws and regulations to further improve the quality of our service delivery and enhance our brand awareness. Our ultimate goal is to transform our IT infrastructure into an integrated platform

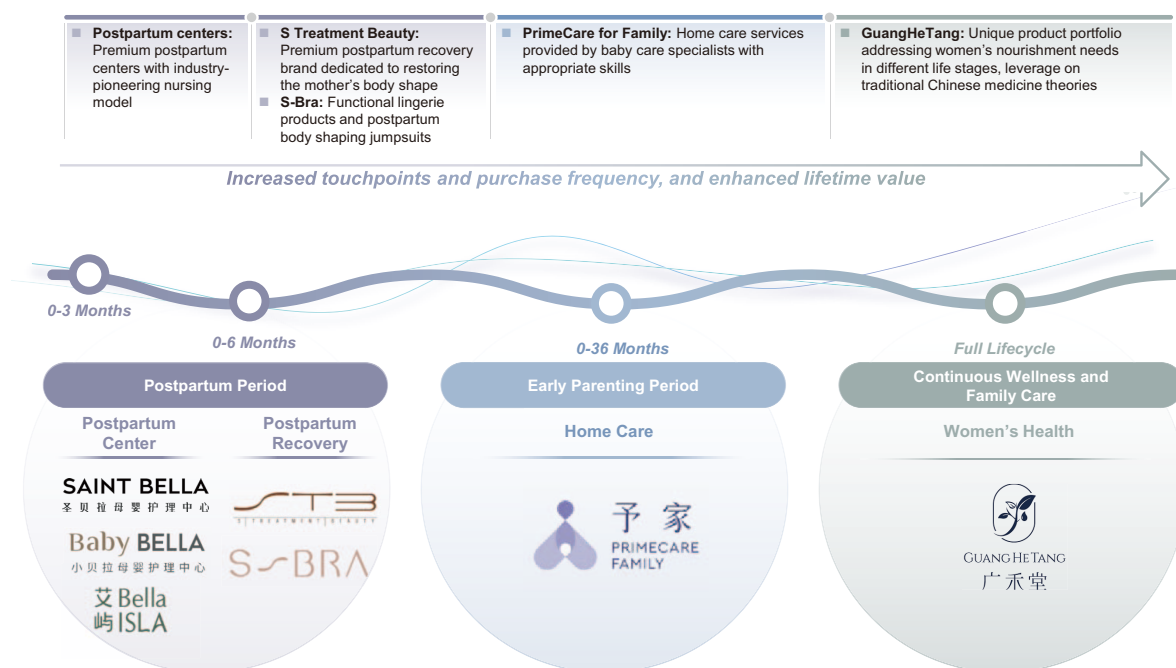
BUSINESS

known as PrimeCare Intelligence, which applies AIoT device, large language models, and other artificial intelligence technologies to further increase the efficiency of our operations based on the data we collect across our network. We will both make use of PrimeCare Intelligence within the postpartum care industry, and also explore its application in other areas such as elderly care. With the insights provided by PrimeCare Intelligence, we also hope to support basic scientific research and advance the understanding of common diseases.

As our IT capabilities becomes increasingly mature, we intend to offer our technology platforms through SaaS to other postpartum center businesses, primarily those in lower-tier cities where we have no plans of opening our own centers. We believe that such SaaS offerings not only represent a new source of direct income in the form of license fees, but will also help us strengthen our position in the supply chain as users of our SaaS offerings could conveniently source nursing consumables through our platform.

OUR BUSINESS MODEL

Our comprehensive family care services cover a wide spectrum of customer needs which extend their lifetime value — throughout the journey of postpartum care and recovery to home child care, and complemented by wellness product offerings such as food products.



BUSINESS

OUR BUSINESSES

During the Track Record Period, we operated three major lines of business, namely postpartum centers (including our postpartum care services and postpartum recovery services), home care services, and food products.

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Postpartum centers	407,333	86.4%	467,529	83.5%	678,355	85.0%
Home care services	34,930	7.4%	45,309	8.1%	69,065	8.6%
Food products	29,259	6.2%	47,071	8.4%	51,246	6.4%
Total.	471,522	100.0%	559,909	100.0%	798,666	100.0%

For our postpartum center and home care service businesses, we generally require advance payments from customers. As the revenue generated from these businesses is generally only recognized when we provide service, there is a time delay between entering into a contract with our customer and the recognition of revenue from such contract sales. See “Financial Information — Material Accounting Information and Critical Estimates and Judgments — Material Accounting Policies — Revenue Recognition” for more information. Therefore, we consider that the contract value of all the contracts entered into with customers for our postpartum center and home care service businesses to be another useful indicator of the performance of these business lines in a specific period.

The following table sets forth a breakdown of the total contract value of the contracts entered into with customers for our self-operated postpartum centers and home care services business and the total gross merchandise value for our food products business for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Postpartum centers (<i>Note 1</i>)	499,254	640,330	759,964
Home care services (<i>Note 2</i>)	47,733	64,192	122,898
Food products (<i>Note 3</i>)	42,203	70,954	92,866
Total.	589,190	775,476	975,728

BUSINESS

Notes:


- (1) Revenue from the provision of postpartum care services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group. Revenue from the provision of postpartum recovery services is recognized at the point in time when services are delivered to customers.
- (2) Revenue from the provision of home care services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group.
- (3) “Gross merchandise value” refers to the total monetary value of merchandise sold over a period of time. Revenue from the sale of food products is recognized at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer. There was a difference between the gross merchandise value and revenue for our food products business primarily because (i) the gross merchandise value was inclusive of tax whereas revenue was exclusive of tax; (ii) the corresponding contract value would be included in the gross merchandise value as soon as a customer placed an order, whereas there would be a time gap for revenue recognition; and (iii) revenue would be impacted by refunds from customers.

We believe that a significant portion of such contract value will be recognized as revenue within 12 months. For our postpartum center business, most customers book our services when they are pregnant; for our home care services business, most customers enter into a contract of less than 12 months initially and will look to renew the contract if they continue to have demand for our services. As of December 31, 2024, 94.7% of our contract liabilities as of December 31, 2023 had been recognized as revenue. As of December 31, 2023, 86.0% of our contract liabilities as of December 31, 2022 had been recognized as revenue.






Our Brand Portfolio

We operate a multi-brand strategy with diverse service and product offerings that enable us to capture and develop a strong bond with a wide range of customers.

The following table summarizes our brands as of the Latest Practicable Date:

Brand	Line of Business	Launch Year	Description
SAINT BELLA 圣贝拉母婴护理中心 Saint Bella	Postpartum centers	2017	Our flagship ultra-premium postpartum center brand
 Bella Isla	Postpartum centers	2024	Our premium postpartum center brand focusing on women’s mental health through providing a soothing environment

BUSINESS

Brand	Line of Business	Launch Year	Description
 小贝拉母婴护理中心 Baby Bella	Postpartum centers	2019	Our premium postpartum center brand
 S Treatment Beauty	Postpartum centers	2022 (Note 1)	Our brand for postpartum recovery services
 PrimeCare for Family	Home care services	2018	Our brand for home care services
 广禾堂 GUANGHE TANG GuangHeTang	Food products	2021 (Note 2)	Our brand for women's health food products
 S-bra	Postpartum centers	2022 (Note 3)	Our brand for lingerie products provided as part of our postpartum recovery services

Notes:

- (1) We rebranded our postpartum recovery services as S Treatment Beauty in April 2022.
- (2) We completed the acquisition of our GuangHeTang brand in October 2021.
- (3) We completed the acquisition of our S-bra brand in May 2022.

Postpartum Centers

We are a leading operator of premium postpartum centers in China. According to the Frost & Sullivan Report, we are the largest postpartum care and recovery group both in Asia and in China in terms of revenue from postpartum centers in 2024, as well as the fastest-growing scaled postpartum and recovery group in terms of growth rate of revenue from 2022 to 2024.

BUSINESS

In China, as of the Latest Practicable Date, we had a network of 94 postpartum centers under our brands — comprising 61 self-operated centers (namely centers operated by one of our consolidated subsidiaries and in which we own the majority interest) and 33 managed centers (namely centers which were wholly or majority owned by third parties and managed by us) — across 27 first- and second-tier cities in mainland China and in Hong Kong. According to the Frost & Sullivan Report, our market share in the postpartum center market in Hangzhou and Shanghai in 2024 was 16.0% and 5.7%, respectively, in terms of revenue.

We are the first postpartum center operator based in mainland China to expand outside of mainland China, according to the Frost & Sullivan Report. As of the Latest Practicable Date, we had one managed center in Hong Kong, one self-operated center in Singapore, and one managed center in the Greater Los Angeles area.

We operate on an asset-light business model with a network of self-operated and managed centers located mostly at upscale hotels and a minority at standalone villas.

Brands

We operate our postpartum centers under our Saint Bella, Bella Isla, and Baby Bella brands. The profile of each of our brands is set forth as follows:

	Saint Bella	Bella Isla	Baby Bella
Positioning . .	Ultra-premium postpartum care brand	Premium postpartum care brand that focuses on women’s mental health	Affordable luxury postpartum care brand
Target customers . .	High net worth families (<i>Note 1</i>) in first-tier/new first-tier cities with high living standards	White-collar women from middle to high-income families (<i>Note 2</i>) who appreciate the joy of self-pampering	Young middle class families
Price range for a 28-day stay.	Starting from RMB138,800	Starting from RMB108,800	Starting from RMB68,800

BUSINESS

	Saint Bella	Bella Isla	Baby Bella
Mode of care services . .	24-hour two-to-one mother and baby care services	24-hour one-to-one mother and baby care services with various daily activities focused on mental health arranged for new mothers (with an additional specialist providing mother and baby care services for 12 hours a day)	One-to-one mother and baby care services for 12 hours a day and centralized on-call support for the remaining time within the day

Notes:

- (1) According to the 2023 Hurun Wealth Report, high net worth families are defined as those with a net asset value of over RMB10 million.
- (2) According to the 2018 White Paper on China's Emerging Middle-Class Circles published by Hurun, China's emerging middle-class families are those with an annual household income of RMB300,000 in first-tier cities, or RMB200,000 and above in new first-tier and other cities, and with a household net asset value of over RMB3 million.

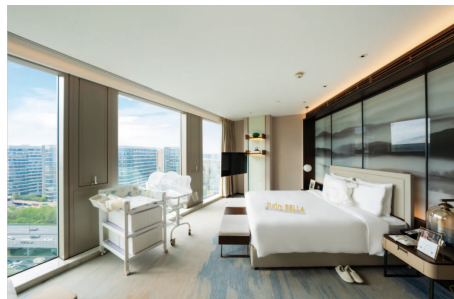
We originally established a sub-brand under the Baby Bella brand, namely Baby Bella Deluxe, offering more premium services than other Baby Bella centers. After the launch of our Bella Isla brand, we had rebranded six Baby Bella Deluxe centers to Bella Isla in order to create more distinct brand identities for our Bella Isla and Baby Bella brands.

We pay particular attention to women's mental health at our Bella Isla centers. We have designed and implemented a preventive treatment system aimed at creating a soothing experience during customers' stay with us. We have a team experienced in a relevant field such as mental health or family education, dedicated to improving the service experience through the collection of customers' feedback and coordinating to adjust our service delivery to meet our customers' mental needs. We also organize daily activities to help customers relax and relieve the stress during the postpartum period. These activities include meditation, art, handcraft, yoga, and singing bowl workshops.

BUSINESS



Reception area of one of our Saint Bella centers.



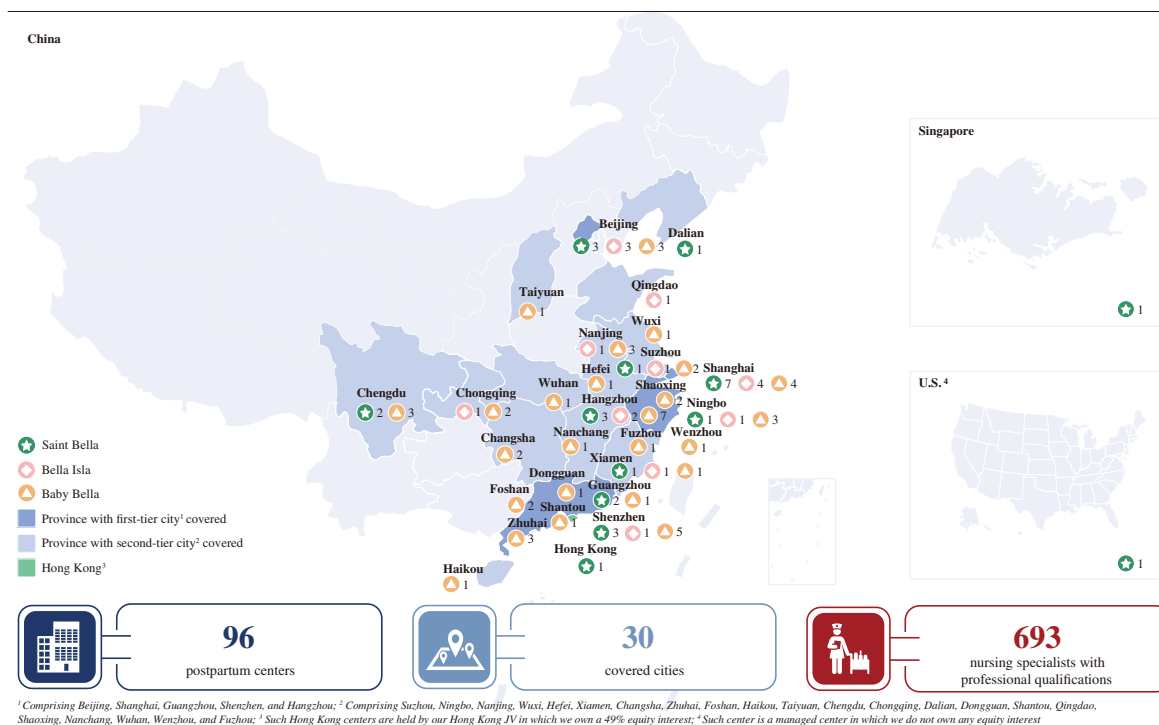
The interiors of a room for our customers' stay at one of our Baby Bella centers.

Network of Postpartum Centers

As of the Latest Practicable Date, we had a network of 93 postpartum centers under our brands — comprising 61 self-operated centers (namely centers operated by one of our consolidated subsidiaries and in which we own the majority interest) and 32 managed centers (namely centers which were wholly or majority owned by third parties and managed by us) — in 27 cities across mainland China, as well as one managed center in Hong Kong, one self-operated center in Singapore, and one managed center in the Greater Los Angeles area. Given our positioning as an operator of premium postpartum centers, our network in mainland China was exclusively located in first- and second-tier cities. As of the Latest Practicable Date, our network of self-operated or managed postpartum centers comprised 27 Saint Bella centers (including four Bella Villa centers), 16 Bella Isla centers, and 53 Baby Bella centers.

BUSINESS

The locations of our network of postpartum centers as of the Latest Practicable Date are illustrated as follows:



Our footprint expanded significantly during the Track Record Period, having added 11, seven, and 34 self-operated or managed centers, respectively, for the years ended December 31, 2022, 2023, and 2024. We have expanded our postpartum center network through organic growth and acquisitions. See “Expansion Strategies” below for details of our expansion strategies.

Due to our flexible arrangement with hotel operators, we have been able to adjust the scale of our operations in specific centers and also selectively cease the operation of centers following a comprehensive assessment of the geographical locations of our center network from the perspective of strategic planning and the results of operations of individual centers. For example, we may decide to close a center situated in a more remote location after the opening of a new center in the same city in order to avoid cannibalization. For the years ended December 31, 2022, 2023, and 2024, we ceased the operation of two, two, and two self-operated centers, respectively due to strategic planning of locations of our postpartum centers. One of our managed centers in Hong Kong ceased operations in 2024 following a comprehensive assessment of the operations in Hong Kong by our Hong Kong JV.

BUSINESS

The following table sets forth a breakdown of the network of postpartum centers under our brand names, by brand and by type, as of the dates indicated:

	As of December 31,			As of the Latest Practicable Date
	2022	2023	2024	
Total				
Saint Bella	14	18	23	27
Bella Isla	—	—	14	16
Baby Bella	22	25	40	53
	36	43	77	96
Self-operated centers (Note 1)				
Saint Bella	13	16	19	20
Bella Isla	—	—	10	12
Baby Bella	22	24	29	30
	35	40	58	62
Managed centers (Note 2)				
Saint Bella	1	2	4	7
Bella Isla	—	—	4	4
Baby Bella	—	1	11	23
	1	3	19	34

Notes:

- (1) An self-operated center is a postpartum center operated by one of our consolidated subsidiaries and in which we own the majority interest.
- (2) A managed center is a postpartum center whose equity interest is wholly or majority owned by a third party and to which we provide management services.

BUSINESS

The following table sets forth the movement of the postpartum centers under our brands (including self-operated and managed centers) during the Track Record Period:

	Year ended December 31,		
	2022	2023	2024
Number of centers at the beginning of period	25	36	43
Number of added centers during the period.	13	9	37
Number of closed centers during the period	2	2	3
Net increase in number of centers during the period	11	7	34
Number of centers at the end of period	36	43	77

The following table sets forth the number of our self-operated or managed postpartum centers by location and by brand as of the dates indicated:

	As of December 31,			As of the Latest Practicable Date
	2022	2023	2024	
Mainland China				
<i>First-tier cities (Note 1)</i>				
Saint Bella.	11	13	15	18
Bella Isla.	—	—	8	10
Baby Bella.	9	9	18	20
	20	22	41	48
<i>Second-tier cities (Note 2)</i>				
Saint Bella.	2	2	5	6
Bella Isla.	—	—	6	6
Baby Bella	13	16	22	33
	15	18	33	45

BUSINESS

	As of December 31,			As of the Latest Practicable Date
	2022	2023	2024	
Outside Mainland China				
<i>Hong Kong (Note 3)</i>				
Saint Bella.	1	2	1	1
<i>Singapore</i>				
Saint Bella	—	1	1	1
<i>The Greater Los Angeles area</i>				
<i>(Note 4)</i>				
Saint Bella	—	—	1	1
	1	3	3	3
Total				
Saint Bella.	14	18	23	27
Bella Isla.	—	—	14	16
Baby Bella	22	25	40	53
	36	43	77	96

Notes:

- (1) Comprising Beijing, Shanghai, Guangzhou, Shenzhen, and Hangzhou. Our network in such first-tier cities included nil, nil, nine, and 14 managed centers as of December 31, 2022, 2023, and 2024 and the Latest Practicable Date, respectively.
- (2) Comprising Suzhou, Ningbo, Nanjing, Wuxi, Hefei, Xiamen, Changsha, Zhuhai, Foshan, Haikou, Taiyuan, Chengdu, Chongqing, Dalian, Dongguan, Shantou, Qingdao, Shaoxing, Nanchang, Wuhan, Wenzhou, and Fuzhou. Our network in such second-tier cities included nil, one, eight, and 18 managed centers as of December 31, 2022, 2023, and 2024 and the Latest Practicable Date, respectively.
- (3) Held by our Hong Kong JV in which we own a 49% equity interest.
- (4) Such center is a managed center in which we do not own any equity interest.

BUSINESS

The following table sets forth a breakdown of the revenue generated from our postpartum center business by nature of services or products and by brand for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Postpartum care services						
Saint Bella	203,169	49.9%	205,322	43.9%	269,643	39.7%
Bella Isla (<i>Note 1</i>)	—	—	—	—	43,868	6.5%
Baby Bella (<i>Note 1</i>).	141,561	34.8%	173,048	37.0%	222,439	32.8%
	344,730	84.7%	378,370	80.9%	535,950	79.0%
Postpartum recovery services						
Saint Bella	35,949	8.8%	48,564	10.4%	54,752	8.1%
Bella Isla (<i>Note 1</i>)	—	—	—	—	5,352	0.7%
Baby Bella (<i>Note 1</i>).	12,666	3.1%	23,345	5.0%	32,387	4.8%
	48,615	11.9%	71,909	15.4%	92,491	13.6%
Others (<i>Note 2</i>)	13,988	3.4%	17,250	3.7%	49,914	7.4%
Total revenue from our						
postpartum center business . . .	407,333	100.0%	467,529	100.0%	678,355	100.0%

Notes:

- (1) We rebranded six postpartum centers under the Baby Bella brand to Bella Isla during the year ended December 31, 2024.
- (2) Including mainly management fees from our managed postpartum centers, as well as miscellaneous services and products offered at our postpartum centers.

BUSINESS

The following table sets forth a geographical breakdown of the revenue generated from our postpartum center business for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
Mainland China						
First-tier cities (Note 1)	289,946	71.2%	326,948	69.9%	461,533	68.0%
Second-tier cities (Note 2)	114,808	28.2%	138,431	29.6%	207,700	30.7%
	404,754	99.4%	465,379	99.5%	669,233	98.7%
Outside Mainland China						
(Note 3)	2,579	0.6%	2,150	0.5%	9,122	1.3%
Total revenue from our						
postpartum center business . . .	407,333	100.0%	467,529	100.0%	678,355	100.0%

Notes:

- (1) Comprising Beijing, Shanghai, Guangzhou, Shenzhen, and Hangzhou.
- (2) Comprising Suzhou, Ningbo, Nanjing, Wuxi, Hefei, Xiamen, Changsha, Zhuhai, Foshan, Haikou, Taiyuan, Chengdu, Chongqing, Dalian, Dongguan, Shantou, Qingdao, Shaoxing, Nanchang, Wuhan, Wenzhou, and Fuzhou.
- (3) Comprising Hong Kong, Singapore, and the United States as of December 31, 2024.

(A) Same-Store Sales Growth

We closely track the revenue generated by our postpartum centers in the most recent accounting period relative to the revenue it generated in a similar period in the past, or same-store sales growth, to monitor how our postpartum centers have performed over time and the ramp-up of new centers. We see this also a useful metric to differentiate between revenue growth that comes from new centers and growth from improved operations at existing centers.

In general, our postpartum centers would experience significant growth at the early stage, and reach a more stable level of customer volume following the initial ramp-up period. In the first year of operations, our new centers gradually gain recognition as we continue to acquire new customers. As a result, due to the fixed costs involved in our operations such as labor cost and rental and related cost, both the revenue and gross profit margin for our new centers for the first year are generally lower. As the operations of the centers become more mature, the operational performance per center would in general gradually improve.

BUSINESS

During the Track Record Period, our profitability and gross profit margin were affected by the fact that some of our postpartum centers were at the initial ramp-up stage. For example, as of December 31, 2022, 2023, and 2024, we had a network of 35, 40, and 58 self-operated postpartum centers, of which 10, five, and 18 had less than one year of operation history. Our profitability gradually improved with more centers becoming more mature during the Track Record Period. For the years ended December 31, 2022, 2023, and 2024, our postpartum center business achieved a gross profit margin of 28.7%, 34.1%, and 31.8%, respectively.

The following table sets forth the total revenue contributed by our self-operated postpartum centers by year of addition, as well as the period-over-period growth of revenue for each cohort of centers during the Track Record Period:

Postpartum centers added:	Number of added centers during the period	Total revenue contribution for the year ended December 31,			Period-over-period growth for the year ended December 31,	
		2022	2023	2024	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
Before 2022 . . .	25	371,227	349,035	434,684	(6.0%)	24.5%
In 2022	10	30,379	95,191	142,220	213.3%	49.4%
In 2023	5	—	14,754	49,599	N/A	236.2%
In 2024	18	—	—	18,233	N/A	N/A
Total	58	401,606	458,980	644,736	14.3%	40.5%

During the Track Record Period, our same-store sales growth was affected by the outbreak of COVID-19. In particular, we experienced negative same-store sales growth in 2023 for our postpartum centers opened before 2022 due to the long-tail impact of the COVID-19 outbreak, despite the fact that our centers opened in 2022 experienced a strong revenue growth in 2023 post the initial ramp-up. While the COVID-19 pandemic subsided in 2024, our centers opened before 2022 and in 2022 had become more mature by 2024 and had a rapid growth of revenue. See “Financial Information — Key Factors Affecting our Results of Operations — Adverse Impact of COVID-19” in this prospectus for more information about the impact of COVID-19 on our same-store sales growth during the Track Record Period. We recorded positive same-store revenue growth for the year ended December 31, 2024, as the impact of COVID-19 further subsided.

(B) Customer Acquisition

We have successfully capitalized on changes in how consumers perceive product information in the social media era. According to the Frost & Sullivan Report, nowadays consumers are increasingly guided by what they see on social media platforms in pursuit of products and services that encompass quality, reliability, premium experience, and fulfillment of desire in a full package. Combined with our marketing strategies, we have built a significant online presence and deep brand recognition among users. This has enabled us to capitalize on the positive words about us shared by our customers within their social circles.

Accordingly, with our track record of successfully incubating premium brands in the family care industry that enable us to capture and develop a strong bond with our customers, we believe that social fission marketing plays a key role in our continued growth. Among our 4,439 postpartum care service packages sold in 2024, approximately 38% of the sales were either referred by our existing customers or acquired via our self-owned online channels (including our websites and mini-programs).

Postpartum Care Services

We offer a full suite of postpartum care services at our postpartum centers including accommodation, mother and baby care, and catering. Customers reside at our centers during the whole duration to enjoy round-the-clock services.

(A) Accommodation

Our postpartum centers are located mostly at upscale hotels and, for some of our Saint Bella centers, standalone villas. We provide customers with a range of accommodation options, including standard premium hotel rooms and more spacious suites. We stock the rooms with high-quality daily supplies such as diapers, babies' clothing, towels, milk bottles, and skin care products under prestigious brands; as well as basic healthcare equipment and consumables such as blood pressure monitors, stethoscopes, and disinfectants for nursing needs.

In addition to rooms for accommodation of our customers, we also reserve hotel rooms as offices, reception areas, postpartum recovery rooms, storage rooms, and, in Baby Bella centers, nursery rooms where babies are taken care of at night.

(B) Mother and Baby Care

Supported by a professionalized team, we have constantly been making innovations to the mother and baby care model at our postpartum centers. At our Saint Bella centers, we provide two-to-one personalized care services to our customers 24 hours a day, with a nursing specialist stationed at a customer's room at any time during her stay through shifts. At our Baby Bella centers, we offer different care models based on the packages selected by our customers. Customers seeking more intensive care can choose a care model similar to that offered in our Saint Bella centers. Additionally, at Baby Bella centers, we offer one-to-one nursing services for 12 hours a day and centralized on-call support for the remaining time, ensuring sufficient nursing resources for every customer. The specialized nursery rooms at our Baby Bella centers not only allow our nursing specialists to take care of babies at night in an optimized environment, but also satisfy our customers' needs for better rest quality and more privacy at night.

Our nursing specialists are assisted by our proprietary nursing service platform which enables real-time monitoring of mothers' and babies' conditions. We collect, with the consent of our customers, data on the vital signs of mothers and babies in the course of our daily care routines conducted by our nursing specialists. We also collect data based on customers' feedback. Utilizing our accumulated knowledge of mother and baby care and assisted by the collected data, our system helps us design individualized operating procedures for each customer. Based on such data, we also provide personalized stress management solutions to mothers. See "Nursing Service Platform" below for more information.

We provide a range of specialized professional mother care services that address the mother's physical and mental health alike. These services include:

- lochia discharge monitoring and management;
- breast care procedures including daily breast health assessment and professional breast care services;
- routine perineal care during the entire postpartum period;
- uterine recovery monitoring and soothing massage; and
- specialized care for abdominal and incision wounds.

Taking into account key vital signs of the baby, we customize an individualized and scientific feeding plan for each customer, whether it is breastfeeding, artificial feeding, or a combination of both. For breastfeeding mothers, our IBCLC-certified consultants, who must fulfill the relevant

education and clinical practice requirements in order to be so certified, provide painless lactation services, as well as guidance on the collection and storage of breast milk, the desired breastfeeding posture and other breast care routines. We also provide mental support to our customers focusing on identifying any feelings of sadness or depression to promote a positive emotional state.

As part of our round-the-clock care model, our comprehensive baby care services start from a physical assessment of the baby upon our customer's arrival. We track the baby's growth curve thereafter on a daily basis.

Our nursing services for the baby include:

- regular daily care routines such as shower, burping, and urination and excretion monitoring and care;
- specialized care procedures such as skin condition assessment, jaundice monitoring and care, intestinal pain care, as well as diaper rash assessment and care;
- early infant training such as swimming, visual training, tactile training, and music listening; and
- daily visits and health consultations by nurses.

(C) Training and Educational Sessions for Parents of New-born Babies

We have designed and offer a baby care course to our customers at our postpartum centers. The structure of the course corresponds to the growth stage of the baby. The topics covered by our course include basic knowledge such as feeding methods and basic techniques for assessing the baby's health.

We also organize routine health knowledge educational sessions both in the form of one-to-one sessions and small-group seminars by senior obstetricians and health experts, who are either our employees or external consultants engaged via platforms operated by third-party human resources service providers, covering topics such as basic knowledge on health science, lifestyle habits, common health issues for newborn babies and mothers, as well as daily living and exercise health guidance. This helps our customers resolve issues they may face when taking care of newborn babies. In addition, we provide advice on postpartum cuisine planning for our customers, aiming to help them maintain a nutritional diet during the lactation period. The abovementioned service providers match our job requests and specific requirements on their online platforms with the relevant senior obstetricians and health experts.

(D) Postpartum Meals

Our packages include three meals a day, as well as a selection of nutritional snacks and herbal teas in between meals.

Our meal program aims to provide nursing mothers with the required nutrition and calories they need to support their babies and themselves. Most of the meals served at our postpartum centers are freshly supplied by the hotels at which our centers are located, in accordance with our menus which are designed by health experts and nutritionists.

Our menus for individual customers are customized based on their dietary preferences and allergies, and the meals undergo stringent quality check by our customer experience specialists before being served. We request hotel staff to follow specific protocols on how the meals should be served — such as on the packaging and timing of the service, as well as the gender of the servers — with a view to maintaining a high hygienic standard and ensuring privacy for our customers.

(E) Daily Life Services and Amenities

At our postpartum centers, we provide butler services to take care of mothers' daily living. In addition to regular housekeeping, disinfection, and nightly turndown services, we provide specialized daily life services such as nurse-assisted traditional Chinese medicine body rub and foot bath services.

At our Saint Bella centers in particular, we emphasize the concept of recuperation with art. We have designed a series of classes that provide our customers with a variety of artistic experiences over their stay with us. We offer music therapy sessions in the morning, movie sessions in the afternoon, art appreciation sessions in the evening, and poetry sessions before sleep. For our nightly poetry sessions, we encourage participation by the father in order to foster family bond. Through multi-dimensional artistic edification, we aim to give emotional support to women after giving birth, and to help their babies grow healthily.

We also offer a variety of amenity options, such as regular yoga workshops, aimed at elevating our customers' quality of life during their stay with us.

(F) Other Care Services

When our customers receive medical attention outside our postpartum centers, we offer to provide them with continuous care. We provide special baby care services to our customers who have to visit the hospital during their stay with us. Such services include basic baby care services feeding assistance, diapers changing, and soothing babies to sleep in the hospital.

We offer special packages for twins and for our customers who have undergone miscarriages. For the latter, we offer stay packages that specifically address women's health and psychological needs during this special period. Such packages are typically seven or 14 days and provide services such as nursing care, assistance with daily living, health status monitoring and assessment, and depression evaluation and psychological support.

(G) Legal Compliance Matters

According to Article 23 of the Regulations on the Administration of Medical Institutions (《醫療機構管理條例》) (revised in 2022), any institution or individual must not engage in medical practice without having obtained the Medical Institution Practice License or without having filed for record. According to Article 88(1) of the Implementation Rules for the Regulations on the Administration of Medical Institutions (《醫療機構管理條例實施細則》) (revised in 2017), diagnostic and therapeutic activities refer to the activities of making judgments on diseases and eliminating diseases, alleviating conditions, reducing pain, improving functions, prolonging life, and helping patients to restore their health through a variety of inspections and the use of medicines, instruments, and surgeries.

Considering that (i) according to our Company's confirmation, the relevant medical practitioners and nursing specialists are engaged or employed by our Group to provide health and non-medical consultation services, covering topics such as basic knowledge on health science, lifestyle habits, common health issues for newborn babies and mothers, as well as daily living and exercise health guidance, and are not involved any activities of providing any medical-related services, diagnosis, treatment, or issuing any prescriptions to our customers; and (ii) after consultation with the competent healthcare authorities in places where the main business of our Group locates, the staff of such authorities indicated that engaging or employing medical practitioners and nursing specialists to carry out the aforementioned services with no issuance of prescriptions does not constitute diagnostic and therapeutic activities and therefore obtaining the license to practice as a medical institution is not required, our PRC Legal Adviser is of the view that, our Group's engagement or employment of medical practitioners and nursing specialists to provide the aforesaid services, which does not involve diagnostic and therapeutic activities, medical-related services, or issuance of prescriptions, does not constitute a breach of relevant requirements of the Regulations on the Administration of Medical Institutions.

As of January 1, 2025, none of our operating subsidiaries in mainland China possessed a valid medical institution practice license. We will comply with all foreign capital access requirements that may be applicable from time to time.

Postpartum Recovery Services

We provide postpartum recovery services at our postpartum centers under the brand name of S Treatment Beauty, which is positioned as a premium postpartum recovery brand dedicated to developing a postpartum recovery system that combines technology and ingenuity.

We offer a range of postpartum recovery procedures aimed at repairing the mother's body shape affected by pregnancy, childbirth, and lactation; as well as improving the mother's metabolism, waste expulsion, and blood circulation.

(A) Procedures

The typical procedures of postpartum recovery services we offer at our postpartum centers are set forth as follows:

- *Physical conditioning:* We offer massage sessions utilizing a variety of plant extracts aimed at relieving looseness and swelling. We also offer Chinese traditional hair care and other physical conditioning procedures.
- *Postpartum muscle recovery:* We offer thermal therapy sessions aimed at relieving soreness of body parts most affected by childbirth such as the hip and the back. We also apply our postpartum recovery equipment to help relax muscles by the use of electric current.
- *Postpartum skin recovery:* We offer specialized skin recovery sessions aimed at improving looseness of the skin as a result of giving birth.
- *Lactation consultancy:* We provide IBCLC lactation consultancy services as part of our postpartum recovery services, formulating personalized breastfeeding plans for our customers to prevent breastfeeding-related issues.
- *Body shaping procedures:* We provide customized body shape recovery rehabilitation courses for the mother, addressing common issues in women's bone structure, particularly the pelvic bone, after giving birth.

(B) Equipment

We equip our postpartum centers with advanced equipment for postpartum recovery. A description of our major equipment is set forth as follows:

- *Multi-functional machines:* Our postpartum centers are equipped with multi-functional machines that can be used for various treatments aimed at improving overall well-being and comfort.
- *Pelvic-floor muscle stimulation machines:* Supplied by an aesthetics equipment manufacturer based in the United Kingdom, such machines apply electromagnetic energy to cause pelvic-floor muscle contractions in a non-invasive manner, and thus help with restoring neuromuscular control.
- *Fascia sculpting devices:* These devices use painless suction to stimulate lymphatic drainage and deep repair of the fascia layer for postpartum mothers, and help to repair the pelvic floor, spine, rectus abdominis, and oblique muscles, as well as the muscle and bone fascia tissues.

(C) Postpartum Recovery Specialists

During the Track Record Period, we had in-house postpartum recovery specialists as well as third-party service providers to provide postpartum recovery services to our customers at our postpartum centers upon our request. We evaluate whether to cooperate with third-party suppliers to provide specific services based on a comprehensive assessment of customer demand and whether such suppliers possess the necessary professional skills. As of the Latest Practicable Date, we maintained cooperative relationships with 11 third-party service providers. To the best of our knowledge, such postpartum recovery service suppliers are local service providers in the major cities where we operate and are mostly engaged in providing health management or consultation services. The types of postpartum recovery services typically provided by third-party suppliers mainly include pelvic floor care, vaginal care, and customized recovery plans.

We generally enter into cooperation agreements with our third-party service providers, stipulating that the requested services should be performed in our postpartum centers. We pay a pre-agreed percentage of our revenue from the postpartum recovery services to the third-party suppliers rendering such services. Such costs amounted to RMB14.5 million, RMB16.5 million, and RMB20.9 million, respectively, for the years ended December 31, 2022, 2023, and 2024, amounting to 43.5%, 41.4%, and 38.9% of the total cost of sales of our postpartum recovery services for the respective periods. Going forward, we plan to continue utilizing our in-house team and third-party service providers for providing postpartum recovery services.

BUSINESS

The salient terms of our agreements with third-party postpartum recovery service providers are set forth as follows:

Rights and obligations:	The service providers shall be subject to our management, including cooperating with us to improve the quality of service. The service providers shall take responsibility for their services provided to our customers and bear any tortious liability or losses or injuries resulting from any provision of such services.
Payment:	We generally settle service fees with our service providers on a monthly basis.
Term and termination:	Such agreements mostly have a term of one year. We have the right to terminate an agreement immediately under a number of scenarios, such as if the services provided by the service provider does not meet the agreed standards.

(D) Lingerie Products

As part of our postpartum recovery services, we sell bespoke functional lingerie products as well as postpartum shaping jumpsuits under our S-bra brand. We provide lingerie customizing services having regard to women's body shape during different stages of gestation. Our postpartum shaping jumpsuits are aimed to give support to the body of women with different body shapes. We provide one-to-one consultation services on the selection of our jumpsuit products.

The S-bra brand has its origins in South Korea. We acquired the brand in May 2022. For details, see "History, Reorganization, and Corporate Structure — Major Acquisitions and Investments — Acquisition of the S-bra Line of Lingerie Products". We source the raw materials of our lingerie products from a number of countries including France, Germany, Japan, China, and Italy. We conduct the internal design in-house tailoring to customers' needs. In order to ensure consistency in our product quality, our team also monitors the key production steps handled by third-party tailors we engage, and we conduct quality control of the final products. After delivery of a product, we make an appointment with the customer to hear her feedback, based on which we provide complimentary fitting and alteration services where necessary.

As of the Latest Practicable Date, the price of each piece of our lingerie products ranged from approximately RMB2,680 to RMB23,800, with an average price of RMB3,753 for the year ended December 31, 2024. We also offer packages of multiple customized products to our customers as their body shape changes during pregnancy and after giving birth.

BUSINESS

Service Packages

(A) Postpartum Care Services

We offer all-inclusive service packages to customers of our postpartum care services for a fixed price. Such service packages include accommodation, care services, catering, consultation services, as well as other value-added services offered at our postpartum centers. Our service packages also include complimentary sessions of postpartum recovery procedures, depending on the types of packages selected by our customers.

Customers of our postpartum care services may choose to stay with us for a minimum of 28 days, and we welcome and encourage mothers who require more intensive care services to stay longer with us. Accordingly, we also routinely offer 42-day and 56-day packages to potential customers. Customers may also extend their stay with us on an ad hoc basis upon seven days' notice in advance, and the fees for the extended stay will be calculated proportionately based on their original service packages.

The following table sets forth the standard price of our postpartum care packages offered at our self-operated and managed centers in the mainland China market by brand as of the Latest Practicable Date, assuming a 28-day stay:

	<u>Saint Bella</u>	<u>Bella Isla</u>	<u>Baby Bella</u>
Price	Starting from RMB138,800	Starting from RMB108,800	Starting from RMB68,800

The pricing of our service packages varies depending on factors such as the type of accommodation (such as standard premium hotel rooms or suites), amenity and catering choices, and the brands of supplies and consumables.

As the market recognition for our brands continued to improve during the Track Record Period, the average contract value of self-operated postpartum care services per room night for our Saint Bella centers increased from RMB6,740 for the year ended December 31, 2022 to RMB6,887 for the year ended December 31, 2023, and further increased to RMB7,015 for the year ended December 31, 2024, corresponding to an increasing trend in the pricing of our service packages. The average contract value of self-operated postpartum care services per room night for our Baby Bella centers increased from RMB3,328 for the year ended December 31, 2022 to RMB3,478 for the year ended December 31, 2023, and decreased to RMB3,298 for the year ended December 31, 2024, in part because we rebranded six Baby Bella Deluxe centers (originally a sub-brand under

BUSINESS

the Baby Bella brand) to Bella Isla. Such centers offered more premium services and had a higher average contract value per room night. See “Selected Operating Data” below for more information about such operating data.

In addition to the above basic service fees, we also charge our customer extra fees in certain pre-agreed scenarios, for example if our customer gives birth to twins, her stay overlaps with a public holiday, or the baby requires special care due to health conditions.

(B) Postpartum Recovery Services

During the Track Record Period, most of the customers of our postpartum recovery services were also customers of our postpartum care services. We recommend postpartum recovery services to prospective customers based on their specific needs. We offer different options for our customers to purchase our postpartum recovery services, which may be offered as packages of multiple sessions of selected procedures, or may be purchased as individual sessions.

Due to the varying service nature, the price per session of our postpartum recovery services also varies widely. Such price can range from under RMB1,000 for a thermal therapy session, to over RMB30,000 for a customized body management package.

We also offer selected complimentary postpartum recovery services to customers of our postpartum care services, based on their service packages. Our postpartum recovery services, whether included as part of our postpartum center service package or purchased on a standalone basis, must be consumed within a specified period.

Our Professionals

As of the Latest Practicable Date, we had 693 nursing specialists who had obtained the relevant professional qualifications providing postpartum care services at our postpartum centers. We recruit nursing specialists primarily through graduate recruitment programs at the more than 30 nursing schools where our employment and internship opportunities are placed, and a minority from other channels including recruitment agencies and recruitment websites.

BUSINESS

We train nursing specialists based on the standards we have established, instead of using *yuesao* or *yu'ersao* who generally are not trained systematically or professionally, to deliver high quality, professional service. We have designed a comprehensive training program for our nursing specialists, covering aspects such as common healthcare issues for newborn babies and their mothers, baby care techniques, and other practicable knowhow for postpartum care. We set periodic written exams and practical skills tests. We maintain an effective grading system for the nursing specialists based on their seniority and qualifications. We have also designed an evaluation framework for our nursing specialists and laid out a clear roadmap for their career progression.

At our postpartum centers, the grades of our nursing specialists affect the nature of the procedures they may perform. We ensure that our nursing specialists' work is adequately supervised, and that senior nursing specialists are ultimately responsible for overseeing our postpartum care services. Our chief nursing officer, Dr. Liu Mei-fang, has a PhD in nursing, and has more than 20 years of experience in maternal and infant care. She is an IBCLC international lactation consultant, and a certified instructor of the American Certification Institute's maternal and infant care program. As part of our effort to ensure a uniform application of our service procedures, in each region across our network, we have a senior nurse responsible for supervising the training of nursing specialists.

While there is no requisite qualification or license for nursing specialists working in the postpartum centers under PRC laws, we encourage our nursing specialists to pursue continuous professional studies and training. Advancement to senior levels is contingent upon obtaining further qualifications, such as ACI certifications, in addition to their professional qualifications. As of the Latest Practicable Date, approximately 97% of our nursing specialists providing postpartum care services at our postpartum centers in mainland China had obtained the relevant professional qualifications, namely passing the applicable nurse practicing qualification examinations. We inspect the relevant certificates obtained by our nursing specialists to verify their professional qualifications, either before employment or after the individual has obtained the certificate. Our nursing specialists' remuneration package is commensurate with their grades.

In addition to nursing specialists, we employed 97 full-time postpartum recovery specialists at our postpartum centers as of December 31, 2024. We recruit postpartum recovery specialists based on a comprehensive assessment of their experience and expertise in performing the postpartum recovery procedures required at our postpartum centers, as well as their soft skills such as the ability to communicate effectively with customers.

Nursing Service Platform

Our proprietary, self-developed nursing service platform is a comprehensive, modular IT platform we have designed and perfected over the years to enable efficient management of our postpartum centers.

Our nursing service platform is deployed across our network of postpartum centers, providing regular updates and improvements to our service procedures consistently. It is also capable of being deployed through SaaS to quickly improve the service quality and efficiency of our new centers.

Utilizing the wealth of data collected with the consent of our customers in the course of our service and visualized via our cloud-based system, our professionals apply our accumulated knowledge of mother and baby care to design individualized operating procedures for each customer. We would prepare a detailed report for each customer summarizing the statistics of our care work, such as the number of times the baby was fed, as well as statistics about the recovery of the mother and the growth of the baby.

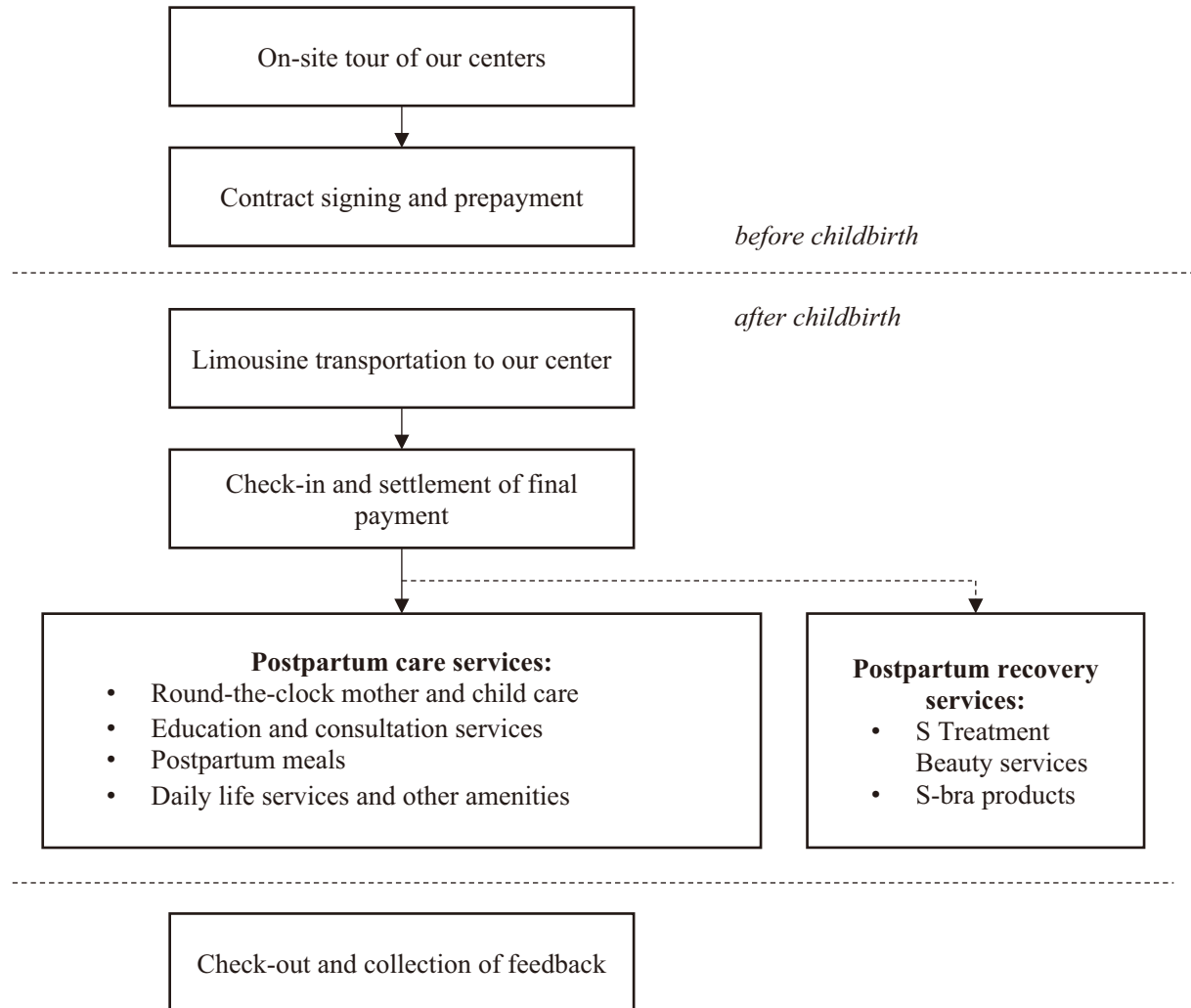
Dashboard of our nursing service platform, allowing our nursing specialists to view key data for mothers and babies at specific postpartum centers



BUSINESS

Business Process

The following diagram illustrates the business process of our postpartum center business:



- *On-site tour of our centers:* Our potential customer makes an appointment to visit one of our postpartum centers and receive a guided tour of our facilities. We may also arrange postpartum meal tasting during the visit upon request.
- *Contract signing and prepayment:* Our customer typically confirms her booking with us a few months before the expected date of giving birth. We typically require a 50% advance payment upon signing of the service contract. See “Key Contract Terms with Customers” below for details.

BUSINESS

- *Limousine transportation to our center:* On the day of commencement of stay, we escort our customer to our postpartum center.
- *Provision of service:* Our customer enjoys postpartum care services and postpartum recovery services at our center. We focus on customers experience and will periodically ask for feedbacks from our customers for continuous improvement on services during their stay with us.
- *Check-out and collection of feedback:* As our businesses rely heavily on the word of mouth, we value customer feedback. User engagement also plays a vital role in our targeted marketing efforts.

Relationship with Cooperating Hotels

Most of our postpartum centers are strategically located at upscale hotels to offer customers with premium lodging experiences. We reserve hotel rooms for our customers' stay as part of our postpartum care services, for providing postpartum recovery services, and for use as our offices and some other functional rooms. We formulate our room reservation strategy for each center on a case-by-case basis including (i) the flexible arrangement which we mostly rely on to rapidly scale the business of individual centers and (ii) the fixed-term hotel room reservation arrangement we enter into to obtain better rates for our more mature centers.

(A) Room Reservation Strategies

Our flexible arrangement with cooperating hotel operators allows us to reserve rooms based on actual demand without undertaking any minimum commitment of hotel room reservations. In general, such flexible arrangement is set forth in framework agreements with hotel operators that govern room reservation and the services to be provided. These agreements typically have short to medium terms of one to two years, and therefore offer us the flexibility to adapt to demand changes or service quality issues, by switching premises or renegotiating commercial terms.

In general, we reserve rooms after customers have confirmed their stay with us, and as we would liaise with hotel operators about our customers' reservations in advance, we did not encounter any situation where we were unable to arrange accommodation for a signed customer during the Track Record Period. In the unlikely event that we are unable to arrange a room, we will liaise with our customer to switch to another hotel in the same city.

The rates at which we reserve hotel rooms under flexible arrangement are usually not subject to fluctuations of the occupancy rates of the hotels. The relevant agreements do not generally set out an upper limit of rooms available for our reservation, and may not be terminated by either

BUSINESS

party unless in case of serious breaches. For our new centers during the ramp-up period in which a stable level of customer volume has not yet been reached, we generally reserve rooms for customers' stay under such flexible arrangement.

For our more mature centers with a stable customer volume, we would also consider, on a case-by-case basis, entering into leases for hotel rooms in bulk or on an entire floor for customers' stay at a discount for a fixed term usually ranging from one to three years, in addition to continuing to reserve rooms under flexible arrangement. Before entering into a longer-term lease to reserve rooms for customers' stay, we would make a comprehensive assessment of the operational outlook for each individual center, such as the number of bookings by our customers in the coming months. We would consider entering into fixed-term leases with hotel operators if we are confident that the discount offered by the hotel operator and the predicted future customer flow justify a longer term commitment. At most of our postpartum centers, we also reserve rooms on a fixed-term basis for general use as offices or other purposes.

The following table sets forth a breakdown of the rental costs (including depreciation of right-of-use assets) as recorded under cost of sales for hotel rooms, for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Reserved under flexible arrangement	67,039	54.9%	70,840	56.4%	122,953	63.4%
Reserved under fixed-term leases:						
For customers' stay, occupied . .	31,836	26.1%	34,177	27.2%	44,022	22.7%
For customers' stay, unoccupied .	15,196	12.4%	11,884	9.5%	14,149	7.3%
For delivering postpartum recovery services.	8,102	6.6%	8,672	6.9%	12,852	6.6%
	<u>122,173</u>	<u>100.0%</u>	<u>125,573</u>	<u>100.0%</u>	<u>193,977</u>	<u>100.0%</u>

Hotel rooms reserved under flexible arrangements are in general fully occupied as the reservations are made in accordance with the duration of the customers' stay. As there are inevitably gaps between different customers' stay, some of our rooms reserved under fixed-term leases are unoccupied for certain periods of time. For the years ended December 31, 2022, 2023, and 2024, approximately 67.1%, 73.0%, and 78.3%, respectively, of our hotel rooms reserved under fixed-term leases for customers' stay and delivering postpartum recovery services were occupied. The occupancy rate of our hotel rooms reserved under fixed-term leases was affected by the COVID-19 outbreak during the Track Record Period. See "Financial Information — Results of Operations" for more information.

BUSINESS

(B) Rental Cost Management Strategies

In addition to strategically entering into flexible or fixed-term rental arrangement with hotel operators, we have also implemented and will continue to develop the following strategies to mitigate the risk of rising rental costs of hotel rooms:

- *Diversification of hotel partners.* By partnering with a diverse range of hotel operators, we aim to enhance our bargaining power and reduce reliance on any single hotel operator, thereby increasing our ability to negotiate favorable terms.
- *Cost management and operational efficiency.* We continuously review our operational processes to identify opportunities for cost savings and efficiency improvements, which may help offset the impact of increased rental costs.
- *Flexible pricing strategies.* We monitor market conditions and customer demand closely to adjust our pricing strategies where feasible, seeking to balance competitiveness and the need to maintain profitability.
- *Exploration of alternative locations.* We constantly evaluate the feasibility of operating our postpartum centers in alternative locations to reduce dependence on hotel room rentals and provide postpartum services with comparable or cheaper costs.

(C) Agreements with Hotel Operators

We entered into separate agreement(s) with each of the entities operating the hotels that accommodated our self-operated postpartum centers during the Track Record Period. The form of agreements we enter into with hotel operators varies from supplier to supplier. All our cooperating hotel operators are fully aware of the nature of services we provide at their premises.

In addition to those disclosed above, the salient terms of our agreements with hotel operators under flexible arrangements and fixed-term leases are set forth as follows:

Service scope:

The services provided by hotel operators typically include room keeping services at no extra charges, as well as supplying postpartum meals at pre-agreed rates.

Exclusivity:

Within the terms of our agreements with cooperating hotel operators, we are in some cases granted the exclusive rights to operate postpartum centers on the premises.

BUSINESS

Roles and responsibilities:

The hotel operators usually have an obligation to maintain the hotel rooms in good repair, and we are otherwise responsible for losses or liabilities in the course of using the hotel rooms including the responsibilities or legal consequences for any incidents, accidents, or injuries that occur at the hotel premises during the course of postpartum services.

Payment:

We are typically required to make advance payments for the room charges before our customers begin their stay with us.

During the Track Record Period, we did not encounter any significant difficulties in negotiating extension of hotel agreements, and the room charges for reserving hotel rooms for our postpartum centers remained relatively stable.

During the Track Record Period, we entered into written agreements with hotel operators, some of which explicitly include exclusivity terms for our operation of postpartum centers in their properties. However, due to internal policies, certain hotel operators were unable to formalize exclusivity in writing, despite adherence to these terms in practice. To the best of our knowledge, as of the Latest Practicable Date, only four out of our 62 self-operated centers were located in hotel properties where other competitors also operated.

Standalone Villa-Style Postpartum Centers

We had one, three, four, and four standalone villa-style postpartum center(s) as of December 31, 2022, 2023, and 2024 and the Latest Practicable Date, respectively. The rest of our postpartum centers were located at hotels.

We operate our standalone villas in the properties rented from third parties and convert such properties into ones that are suitable for the delivery of premium postpartum care services. The postpartum meals are mostly prepared on premise. We engage third-party suppliers for the necessary ancillary services at our standalone villa-style centers.

As of the Latest Practicable Date, all of our standalone villa-style postpartum centers were operated under flexible arrangement.

Legal Compliance Matters

Based on the advice by our legal advisers in the relevant jurisdictions, we are not aware of any specific laws in each of mainland China, Hong Kong, Singapore, or the U.S. state of California which prohibit the operation or management of postpartum centers at hotels or which prohibit entering into arrangements with hotel operators for such purposes.

Expansion Strategies

During the Track Record Period, we expanded our postpartum center network through organic growth and consolidation of our competitors. We intend to continue to do so in the future in order to increase our market share in key cities in China, and also expand our footprint in selected overseas markets. For more information about how we manage our expanding network, see “Management of our Network” below.

(A) Organic Expansion

We believe the location of a store is critical for a store’s long-term success, and we carefully consider potential markets and conduct a systematic evaluation of each potential new site for our postpartum center. Our site selection criteria primarily include:

- the total market size of postpartum centers in the area, estimated by factors such as the number of search results of postpartum centers on shopping information platforms, and spending power of residents in the area, as evidenced by metrics such as GDP per capita;
- the availability of premium hotels where our postpartum centers can be located, the facilities offered by the hotels, and the quality of service of the hotels;
- geographical location, such as the distance from major hospitals and the convenience of the location;
- whether the location can provide an optimized lodging experience for the family which addresses the core needs of postpartum women;
- our current store network and number and nature of competitors in the area; and
- rental costs and estimated return on investment.

BUSINESS

The opening of both our self-operated and managed centers is subject to the site selection process taking into account the above factors. We conduct research and analyze the profile of targeted customer base as well as the number of our self-operated or managed centers within each potential new center's coverage area and reduce the risk of cannibalization between our existing centers (including both self-operated and managed centers). The location of upscale hotels will also affect our site selection process. We generally do not open a new postpartum center that is under the same brand within 20 minutes of driving distance.

Utilizing the data accumulated by our existing network of postpartum centers, we are able to classify the target customers in an identified area into several standardized categories with different traits. Based on this information, we will design the decoration, layout, promotion, and marketing method for the new center tackling the pain points of such customers.

(B) Consolidation of Competitors

When appropriate opportunities arise, we also consider acquiring centers in order to increase our market share in existing cities, and also to swiftly expand into new markets by utilizing the existing connection and resources of the target. We would mainly consider rebranding the acquired centers to Baby Bella, while we focus on organic growth for our Saint Bella and Bella Isla networks.

We systematically review and screen potential targets using a number of criteria, including:

- *Location:* We focus on identifying targets in core areas of first- and second-tier cities and provincial capitals, operating in properties that meet the standards of our Saint Bella or Baby Bella brands.
- *Customer base:* We select targets operating premium centers whose average spending per customer is among the top ten in the local market, with brands that have strong influence in the local market.
- *Revenue and profitability:* We focus on targets with annual revenue per center exceeding RMB5 million with a net profit in the most recent financial period, and exhibiting a growing trend in profitability; and
- *Operations:* We evaluate each target's business model and the quality of services, with reference to ratings on online platforms.

We believe our IT infrastructure and standardized operating procedures will aid us in successfully integrating and increasing the profitability of our newly acquired centers. In particular, our proprietary nursing service platform is capable of being deployed through SaaS and features modules such as dynamic staffing and room reservation management. Our IT platform has helped us successfully rebrand and integrate our acquired centers and improved their service quality and efficiency.

In addition, after the completion of the acquisition of a new center, we move quickly to integrate the branding of the center and transition its operations using our standard operating procedures for newly-signed customers. Whenever practicable, we would retain the service personnel of the acquired center who meet our standards and train them on our standard system.

We acquired three, one, and nil center(s), respectively, for the years ended December 31, 2022, 2023, and 2024. Through consolidations of local competitors, we have entered four new cities, namely Nanjing, Taiyuan, Haikou, and Ningbo; and increased our market share in two additional cities, namely Shenzhen and Suzhou. For the years ended December 31, 2022, 2023, and 2024, 9.8%, 11.9%, and 15.1% of the revenue generated from our postpartum center business were derived from our acquired centers, respectively.

Managed Postpartum Centers

We may consider, on a case-by-case basis, cooperating with third parties to open postpartum centers under our brands. Generally, the equity interests of these centers are wholly or majority owned by third parties, and we charge management fees, usually in terms of an initial fixed amount and/or 5–15% of the revenue generated by such centers, in return for providing management and other services.

Our managed centers are a part of our effort to refine our business model by exploring to expand our outreach to customers and quickly generate income from individual centers, but eliminating the need for such centers to go through the ramp-up period for new postpartum centers or assuming the operational costs and expenses as would be the case for our self-operated centers. Going forward, we may consider negotiating with the majority owners of our managed centers to make further equity investments in such centers if we determine that incorporating them into our network of self-operated centers would be profitable and cost-effective.

(A) Roles and Responsibilities

We maintain oversight of our managed postpartum centers to ensure consistent service quality and operational efficiency across all service locations operating under our brands. Typically, we advise and assist our managed centers with the setup and fit-out of new centers, formulation of

BUSINESS

business plans and annual budgets, implementation of internal policies and quality control, promotional and marketing support, recruitment and supervision of employees, and equipment procurement. Our partner has the obligation to provide the relevant funding, and is also responsible for the appointment or recruitment of certain personnel of the relevant postpartum center.

On an ongoing basis, we oversee the implementation of operational policies and procedures at each managed center. This includes the development and enforcement of our SOPs. We conduct regular on-site inspections and audits at least once a month to monitor compliance with our SOPs and to identify areas for improvement. We provide ongoing support to center staff to ensure that all personnel are equipped with the necessary skills and knowledge to deliver high-quality postpartum care in accordance with our brand standards. Based on our managed centers' needs, we also provide other forms of ad hoc support, such as staff secondment.

We also provide brand support to our managed postpartum centers by establishing and enforcing a unified brand identity centered around our trademarks. Specifically, the managed centers' external communications, promotional materials, and other documents used in promotional activities and daily operations are subject to our review and approval. We believe that this helps ensure the consistent and high-quality brand presentation across all the postpartum centers bearing our brands.

The operating costs of our managed postpartum centers are borne by the entities holding the managed centers. Through entering into management service agreements, we maintain control over the quality of the services provided at such centers. All the postpartum centers (other than our self-operated centers) to which we have granted the right to use our brands are our managed centers. We closely monitor the use of our intellectual property to ensure consistency in brand presentation.

As the agreements with customers are generally entered into by the entities owning the managed centers, we do not have contractual relationships with such customers and are not directly exposed to liability arising from disputes between them and the entities owning the centers. However, we would be liable under the relevant management service agreements if we were found to have not fulfilled our obligations, including those summarized below. In addition, as the managed centers are operated under our brands, we are also exposed to potential damage to our reputation in the event of negative publicity of such centers. See "Risk Factors — Risks Relating to our Business and Industry — Negative publicity may adversely affect our reputation and thus our business, financial condition, and results of operations" for more information.

(B) Network of Managed Centers and Background of Cooperating Partners

As of the Latest Practicable Date, our managed postpartum centers comprised (i) one Saint Bella center in Hong Kong operated by our Hong Kong JV; (ii) five Saint Bella centers, four Bella Isla centers, and 23 Baby Bella centers in mainland China, through collaboration with more than 10 different partners; and (iii) one Saint Bella center in the Greater Los Angeles area through cooperation with a partner with whom we also cooperate to operate two managed centers in mainland China. We have entered into a management service agreement with the majority owner of each of such centers.

We formed our 49%-owned Hong Kong JV with Humansa, a company engaged in the health and wellness business, to develop postpartum center businesses in Hong Kong. We have entered into a management service agreement with our Hong Kong JV, pursuant to which we provide certain branding and operational support to our Hong Kong JV, and in return we are entitled to receive a management fee amounting to 5% of our Hong Kong JV's annual revenue.

In mainland China, we cooperate with recognized local players with relevant resources in the industry to open postpartum centers. Our partners comprise (i) a state-owned enterprise based in Shangcheng District, Hangzhou, primarily engaged in capital operations, asset management, commerce and cultural tourism, urban construction, and municipal maintenance; (ii) an A-share listed traditional Chinese medicine enterprise; (iii) two investment management institutions with investment expertise in the pharmaceutical and/or hotel industries; and (iv) certain individuals who we believe have good familiarity and local resources relating to the postpartum care industry. In respect of our 32 managed centers in mainland China as of the Latest Practicable Date, we owned equity interests ranging from approximately 14.5% to 30% in nine of those centers. In the mainland China market, we plan to continue to expand our network of managed centers primarily under the Baby Bella brand going forward, while we continue to open self-operated centers under the Saint Bella (including standalone villa-style Bella Villa centers) and Bella Isla brands, as well as some Baby Bella centers.

Most of our managed postpartum centers began operations in 2024. For the year ended December 31, 2024, there were a total of 271 customers who stayed at our managed postpartum centers, and an average of 25 customers for each of our managed postpartum centers (calculated by 271 divided by the average number of managed centers at the beginning of the period and the end of the period).

BUSINESS

(C) Management Service Agreements

The salient terms of the management service agreements in respect of our managed postpartum centers are summarized as follows:

Roles and responsibilities:	The agreements typically provide for the respective roles and responsibilities of the parties. We would typically provide the management services disclosed in “Roles and Responsibilities” above. In general, each party shall be responsible for ensuring that it is compliant in the relevant laws and regulations in the performance of its obligations.
Management fees:	We are typically entitled to management fees ranging from 5% to 15% of the revenue generated by the relevant centers in return for our branding and operational support.
Intellectual property:	We shall license certain intellectual property rights, including our brand names, for the purpose of operating the cooperating postpartum centers. We retain the ownership of such intellectual property rights. Our partner or the relevant operating entity must not use our intellectual property save as permitted or with our consent.
Termination:	The agreements generally may be terminated by either party giving prior notice, or by either party for cause at any time, subject to any applicable notice or cure requirement relating to the event triggering cause. Upon termination, the other party shall cease to have any right to operate under the brand.

Miscellaneous Services and Products at Postpartum Centers

We engage third-party suppliers to provide services to the customers of our postpartum care services such as photography and fetal hair production. We also sell miscellaneous goods, such as daily supplies for mothers and babies, at our postpartum centers and through our self-operated mini-program online store.

Home Care Services

We offer home care services under our PrimeCare for Family brand. We arrange baby care specialists with the appropriate skills to provide customers with their requested home care services.

Services

The home care services we provide typically include nursery of babies, babysitting, and infant development. We also provide services beyond childcare, including consultancy services relating to lactation and postpartum recovery, coaching services to new parents, and nutritious meal cooking for new moms.

With our team of thoroughly screened home care specialists with diverse skill sets, we address our customers' specific family care needs on a customized basis. Prior to the commencement of the service period, we would gain an understanding of our customers' expectations of the baby care specialists, and arrange the most suitable candidates to provide services in accordance with our customers' requirements. Where necessary, we would provide additional training to our baby care specialists to respond to our customers' demand. We proactively maintain communication with our customers during our relationship to obtain feedback, and constantly adjust our service offerings in response to the growth stage of the baby and our customers' other evolving needs.

We offer our home care services as packages ranging from three to 36 months at an annual price range of approximately RMB172,800 to RMB384,000 as of the Latest Practicable Date. Most customers would choose packages of three to 12 months. In 2024, we launched a “Hundred Days Companion” (百日隨行) home care services package targeting the customers of our postpartum care services, offering them seamless transition to our home care services as soon as they check out from our postpartum centers.

We price our home care services based on a number of factors, including:

- number of days of service;
- the type of package (nursery, consultancy, or both);
- number of baby care specialists required;
- number of care subjects; and

- whether overnight stay by our baby care specialists is required.

As part of our home care services, our in-house nursing experts also provide consultancy services to our customers remotely. Our customers may purchase our consultancy services either on a standalone basis, or as a bundled package with our home care services.

Baby Care Specialists

Our baby care specialists have different skill sets to cater to evolving home care needs as the baby grows, spanning from baby care, new mom coaching, early education, to nutritious meal cooking. We had 719 baby care specialists with one or more ongoing customer engagements at any time during the year ended December 31, 2024, approximately 35% of whom were aged under 40.

Most of our baby care specialists are not our employees. During the Track Record Period, we primarily engaged human resources service providers to assist in recruiting our baby care specialists and paying them on our behalf. We require the suppliers to conduct due diligence, as well as mental health and personality assessments on candidates before onboarding. We look for candidates with solid experience, good communication skills, and where applicable, relevant certificates. To ensure that our baby care specialists can competently deliver services, we require candidates to complete a training course that we organize. Before the first day of a job assignment, we provide one-on-one guidance to prepare each baby care specialist for the specific engagement. We provide briefing on topics ranging from the specific expectations of the customer, to what to be brought to the customer's premises. From time to time, we also arrange on-site monitoring of their services as part of our quality control measures. Through regular communication with our customers, we gain a better understanding of their expectations and feedback, and liaise with our baby care specialists to examine how to improve our services.

We liaise with human resources service providers to arrange baby care specialists with the relevant experience and expertise to provide the services requested by our customers. We do not have employment relationship with such baby care specialists, and the human resources service providers are responsible for settling the relevant payment and ensuring that the baby care specialists possess the expertise as agreed with us. While we will conduct necessary verification of the baby care specialists' background and qualifications and remain primarily responsible for the performance of the contracts with our customers, the human resources service providers would be responsible for coordinating the resolution and compensating us for any resulting losses if a baby care specialist violates the work requirements issued by our Group and leading to claims against us or causing us to suffer economic losses, according to the agreement between the human resources service providers and us.

BUSINESS

We believe that engaging baby care specialists through an external supplier is in line with the industry norm in the home child care industry. With their specialized recruitment platform, we believe that the human resources service providers have access to different channels to recruit talents with diverse skillsets.

The key terms of our agreement with the human resources service providers are summarized as follows:

Roles and Responsibilities:	The suppliers are responsible for arranging service personnel to meet our business needs.
Service Fees:	The suppliers would charge us a percentage of the amount payable to the service personnel, including baby care specialists, as the service fee.
Settlement of Payment:	The suppliers are responsible for settling the payment with the service personnel. We shall pay the above service fee to the suppliers at the same time as the amount payable to the service personnel.
Term and Termination:	The agreement is valid for an initial term of one or two years, subject to automatic renewal. If a party is in breach of the agreement, the other party is entitled to terminate the agreement.

See “Customers and Suppliers — Major Suppliers” below for more information.

Customer Acquisition

During the Track Record Period, the growth of our home care services mainly relied on our postpartum center business, as most of the customers of our home care services were former customers of our postpartum care services or introduced to our services through referrals. Among the 574 total customers who purchased our home care service packages on a standalone basis in 2024, approximately 76% were former customers of our postpartum care services.

As part of our strategy to increase customer lifetime value, we will continue actively promoting our home care services to customers of our postpartum centers, and improving our service quality to retain existing customers.

BUSINESS

We did not make any significant investment in sales and marketing activities for our home care services targeting customers beyond our existing customer of our postpartum center business, in part because we were restrained from rapidly expanding the business due to the limited number of our baby care specialists. As our training capacity increases, we plan to scale up the engagement of baby care specialists and explore launching new marketing initiatives to develop our home care services as a more independent business unit.

Additionally, we offer incentives, such as service period extensions, to customers who successfully refer our services to their acquaintances.

Food Products

Our food products business is conducted through GuangHeTang Foods, which we acquired in October 2021 and owns our GuangHeTang brand. According to the Frost & Sullivan Report, GuangHeTang is one of the industry leaders in China's women's health food products industry with a history of more than 20 years in the area of nourishment, health, and wellness. With plant extracts and patented formulas at the core, our product innovation efforts draw upon traditional Chinese medicine theories to develop a comprehensive product portfolio. Over the years, GuangHeTang has formulated a four-stage postpartum care model and a three-stage miscarriage recovery system. We believe that a solid foundation in theoretical research and product science distinguishes us from other traditional Chinese healthcare product suppliers.

Since our acquisition, we have rejuvenated the brand by shifting its focus from offline to online channels, continuously reformulating its product offerings, and expanding its product. Today, GuangHeTang's products help women achieve daily health management at different stages, from menstruation to pregnancy, lactation, postpartum, and post-miscarriage.

Product Types and Price Ranges

According to the Frost & Sullivan Report, GuangHeTang pioneered a unique product portfolio which addresses women's nourishment needs in different life stages. Leveraging its accumulated knowledge, user insights, and product research and development capabilities, GuangHeTang has developed a line of food products featuring patented formulas reflecting its understanding of women's health needs, encompassing products in the categories of nourishment beverages, foods and ingredients for cooking, herbal teas, and instant foods. Today, GuangHeTang's products help women achieve daily health management at different stages, from menstruation to pregnancy, lactation, postpartum, and post-miscarriage.

BUSINESS




While most of our food products have leveraged China’s traditional knowledge in women’s nutritional needs, we have made considerable efforts in product innovation. We analyze our customer portrait based on the data and feedback from our customers collected from e-commerce platforms and have launched products with emphasis on the quality of ingredients and with improved flavors to appeal to a larger customer base.

Prior to our acquisition, one of the business focuses of GuangHeTang was the supply of cooked postpartum meals to postpartum centers. Since our acquisition, we have repositioned the brand as a retailer of food products and gradually scaled down the offline postpartum meal business which had a lower profit margin. We ceased GuangHeTang’s offline postpartum meal business in March 2023. Meanwhile, we have continued to draw upon its expertise in the area of women’s health food products to redesign our postpartum menus with additional emphasis on functionality. We added the variety of dietary choices, including a selection of different cuisines and vegetarian meals, thereby improving the overall customer experience at our postpartum centers.

As of December 31, 2024, we had approximately 90 SKUs under our food products business. The following table summarizes the different categories of our food products sold on e-commerce platforms as of December 31, 2024, and selected products under each category:

Product category	Selected products	Price range (per SKU)
Pregnancy  <i>Chun qi herbal tea</i>	Our <i>zao yan wan jiao</i> (早燕晚膠) product contains readily edible fish maw and swallow soups aimed to address pregnant women’s dietary needs in the morning and at night. <i>Chun qi</i> (春氣) is a herbal tea product prepared with natural nutritious ingredients in accordance with our self-developed formula.	RMB278–RMB668

BUSINESS

Product category	Selected products	Price range (per SKU)
<p>Postpartum and lactation</p>  <p><i>Yue zhi jing hua postpartum soup gift package</i></p>	<p>We offer a full course of soup ingredients for the full 28-day or 42-day postpartum period with our feature product <i>yue zhi jing hua</i> (月之精華). We also offer standalone health food products such as our patented soup formula for the promotion of lactation known as <i>yue nai tang</i> (月乃湯), as well as other health food products.</p>	RMB188–RMB3,980
<p>Post-miscarriage</p>  <p><i>Yi ru chu paste package</i></p>	<p>For women who have undergone miscarriage, we offer a 14-day course of paste (膏方) product known as <i>yi ru chu</i> (亦如初) prepared with health food ingredients to help them achieve physical recovery.</p>	RMB1,980
<p>Daily wellness</p>  <p><i>757 mei yue jing hua drinks</i></p>	<p>We have developed products addressing women's specific health issues in daily life, such as our <i>chun ji</i> (春機) herbal tea to help recover from sleep deprivation, and our 757 <i>mei yue jing hua</i> (757美月精華) drinks to help achieve conditioning during women's menstrual cycle.</p>	RMB59–RMB799

Sales Channels

As we gradually scaled down GuangHeTang's offline postpartum meal business during the Track Record Period and eventually disposed of GuangHeTang Catering which operated such business, our food products are now primarily sold on e-commerce platforms, where we directly sell our products to end consumers through our self-operated online stores. Such e-commerce platforms include Tmall, JD.com, and Douyin. End consumers place orders for our products through these e-commerce platforms and we will be responsible for delivery of the products to the end consumers. Customers pay for our products through the e-commerce platforms, which will subsequently settle the payments with us according to the policies of these platforms.

In addition, we have started to sell our food products through our self-operated GuangHeTang mini-program. We have also established strong cross-selling synergies with our other service offerings, as we offer GuangHeTang's products at our postpartum centers as part of our postpartum care packages.

We also sell a small portion of GuangHeTang products to corporate customers including postpartum center operators and retailers which resell our products to end customers. These corporate customers were mostly engaged before we acquired the GuangHeTang brand. Going forward, we plan to focus on developing our e-commerce sales channel and have no plans to actively engage additional corporate customers. Following our disposal of GuangHeTang Catering, we continue our business relationship with GuangHeTang Catering. GuangHeTang Catering purchases food products from us. For the years ended December 31, 2023 and 2024, our sales of food products to GuangHeTang Catering amounted to RMB2.8 million and RMB0.1 million, respectively. Our Directors confirm that our sales of GuangHeTang products to GuangHeTang Catering are conducted in the ordinary course of our business and on terms comparable with our transactions with other third-party customers. GuangHeTang Catering is an Independent Third Party.

Product Development

Since its establishment, GuangHeTang has obtained numerous invention patents for its formulas of food products, demonstrating its strong capabilities in product innovation. Based on the continuous iteration of experiments and unique user insights, we have innovatively incorporated plant extracts and patented formulas at the foundation, and developed a comprehensive product portfolio to lead the trend of modern Chinese nourishing products.

We have a dedicated product development team for our food products business that is responsible for initiating and formulating new products based on market research, customer needs analysis, and product function appeals.

Our product development process consists of the following steps:

- *Product initiation and feasibility studies:* Our brand and operation departments propose new product ideas based on market research, customer needs analysis, and product function appeals. Cross-department meetings are held to preliminarily determine the product function appeals, forms, prices, and other parameters.
- *Development stage:* Our product development department develops the new product formula, conducts small-scale and medium-scale tests, and optimizes the formula. Our product department prepares the raw material procurement plan, including the packaging materials. Our brand department designs the product packaging.
- *Pricing and product launch:* The pricing of the new product is determined with reference to a number of factors including production costs, market information, and our sales strategies. Our brand department refines the sales strategies and prepares promotional materials. The new product is launched together with accompanying marketing campaigns.

Production

The production of our food products typically involves the following key steps:

- *Procurement and inspection of raw materials:* We are responsible for sourcing the key ingredients of our products. We conduct inspection of the raw materials of our products to ensure that the agreed technical specifications are met.
- *Preparation and blending of key ingredients:* The key raw materials of our products are prepared and blended in accordance with our proprietary formulas.
- *Further processing by contract manufacturers:* We deliver the blended, semi-finished products to our contract manufacturers for further processing. Such processes may include cleaning, purification, and cooking and high temperature sterilization of semi-finished products.
- *Packaging:* The semi-finished products are packaged at the premises of our contract manufacturers.

BUSINESS

In general, we perform blending procedures for key ingredients in our own workshop, so as to prevent leakage of our proprietary formulas. Our workshop is located in Shanghai with a total floor area of 200 square meters. During the Track Record Period, we did not experience any significant disruption in our production process as a result of shortage in production capacity.

The salient terms of our agreements with contract manufacturers are set forth as follows:

Payment: We are generally required to make a partial or full prepayment, and settle the balance of the payment (if any) upon acceptance of the final products.

Product quality: The final products shall comply with all applicable national and industry standards. Where we suffer any loss as a result of the products' non-compliance with any applicable standards, the contract manufacturers shall be liable to compensate us.

Confidentiality: The contract manufacturers shall keep confidential all information about the technical specifications of our products, our production plans, and our product packaging design.

Product Returns

For our food products business, we are committed to providing high-quality and safe products that meet the needs and expectations of our customers. In line with e-commerce platforms' policies, if customers are not satisfied with their purchases, they can make a product return within a specified number of days after receiving the goods without cause. We reserve the right to reject any product return requests that do not comply with such policies.

We had limited product returns by customers of our food products business after the corresponding sales amount has been recognized as revenue during the Track Record Period.

Legal Compliance Matters

During the Track Record Period, all edible products produced by our Group or third parties commissioned by us were ordinary foods for the purpose of PRC laws and regulations and the Chinese medicinal materials added to the relevant products do not contain any substances outside the "list of substances that are traditionally both food and Chinese medicinal materials" (《藥食同源物質目錄》), and these products do not contain any of the substances listed in the Catalog of Raw Materials for Health Food (《保健食品原料目錄》). According to our PRC Legal Adviser, pursuant to the relevant provisions of the Food Safety Law of the PRC and the Measures for the

BUSINESS

Administration of Food Business Licenses and Registration, the relevant entity shall obtain a Food Business License to conduct food sales business, and a Food Production License to conduct ordinary food production and processing business. In addition, companies that only sell prepackaged food (and do not sell other food) shall file for record as food businesses.

As of the Latest Practicable Date, (i) the relevant entities engaging in the sales and production of our food products had obtained the Food Business License and the Food Production License, and completed the relevant filing; and (ii) to the best of our knowledge, the third parties commissioned by us to produce our food products had obtained the Food Production License.

Customer Relationship Management

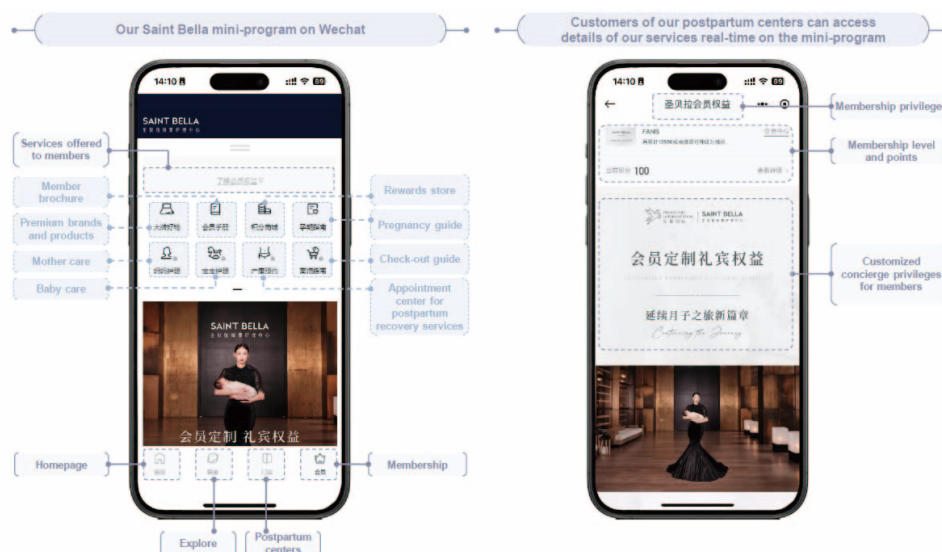
IT Infrastructure

Our CRM platform consists of two core components, namely a customer-facing mini program for each of our Saint Bella and Baby Bella brand, and a back-end platform which allows our staff to access customers' data with their consent.

Our customer-facing mini-program allow customers to browse all the available services at our postpartum centers and to make appointment for selected postpartum care and recovery services. Our customers can also access real-time daily nursing data and the advice of our senior nurses as well as other useful guidelines on the mini-program.

As our businesses rely heavily on the word of mouth, the recommendation of serviced customers is highly valuable to us. The backend of our CRM platform automatically pushes customized reminders of tasks to our sales team, such as upon birthdays or other key dates for our customers.

Accordingly, our CRM platform helps us interact effectively with our customers, and also allows us to meet our customers' existing needs while further exploring and satisfying their potential demand for our services and products.



Membership Program

In order to improve customer stickiness, we have established a membership program “Sapphire Union” linking our different lines of business. Our customers are awarded membership points whenever they spend on our postpartum care services, postpartum recovery services, or home care services, and their membership level corresponds to their lifetime spending with our Group.

We organize exclusive events for our members, such as co-branding events, arts and music events, and social parties with celebrities. See “Marketing and Pricing — Marketing Initiatives” below for more information on our co-branding events. In addition, our members can use membership points to redeem merchandise, as well as enjoy benefits provided by our business partners spanning beauty, medical care, fashion, shopping, and travel. We have also cooperated with a number of shopping mall chains to establish membership tier reciprocity mechanisms, demonstrating the strength of our brand.

Our self-developed CRM platform features a membership operation module. Our members can access their membership benefits, track their membership level progress, and redeem membership points for goods and services through our customer-facing mini-program. As of December 31, 2022, 2023, and 2024, our membership program had 15,814, 28,346, and 44,218 registered members, respectively.

BUSINESS

The following table sets forth the levels of our membership program, the lifetime spending with our Group in order to reach each level, and the benefits available to the members of each level:

Membership level	Required lifetime spending	Benefits
Exclusive	RMB128,800	<ul style="list-style-type: none"> Amenities upon signing, check-in, check-out; seasonal gifts and e-vouchers
Gold	RMB258,800	<ul style="list-style-type: none"> All exclusive level benefits Complimentary one-to-one expert consultation sessions, including unlimited consultation with one of our regional nursing supervisors, and one Chinese medicine and nutrition consultation session Participation in co-branding events with luxury brands
Platinum	RMB388,800	<ul style="list-style-type: none"> All gold level benefits Complimentary consultation sessions with our chief nursing officer; and one complimentary postpartum recovery consultation session Participation in selected art education series for the family
Blue Diamond	RMB588,800	<ul style="list-style-type: none"> All platinum level benefits Unlimited expert consultation sessions on Chinese medicine and nutrition and with our chief nursing officer Invitation to selected opening ceremonies and our Saint Bella gala dinner

BUSINESS

Selected Operating Data

The following table sets forth our selected operating data:

	As of or for the year ended December 31,		
	2022	2023	2024
Self-operated postpartum centers:			
Average contract value of postpartum care services per room night (<i>Note 1</i>)			
— Saint Bella centers	RMB6,740	RMB6,887	RMB7,015
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB4,423
— Baby Bella centers (<i>Note 2</i>)	RMB3,328	RMB3,478	RMB3,298
Average contract value per postpartum recovery customer (<i>Note 3</i>)			
— Saint Bella centers	RMB47,183	RMB45,765	RMB41,880
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB19,257
— Baby Bella centers (<i>Note 2</i>)	RMB18,844	RMB19,223	RMB16,822
Number of hotel rooms reserved for self-operated postpartum centers as of the end of the period	405	459	867
Number of postpartum care customers for self-operated postpartum centers (<i>Note 4</i>)			
— Saint Bella centers	1,082	1,145	1,387
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	303
— Baby Bella centers (<i>Note 2</i>)	1,574	1,977	2,726
Average number of postpartum care customers per self-operated postpartum center (<i>Note 5</i>)			
— Saint Bella centers	92	90	84
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	70
— Baby Bella centers (<i>Note 2</i>)	97	100	100

BUSINESS

	As of or for the year ended December 31,		
	2022	2023	2024
Average revenue per postpartum care customer at self-operated postpartum centers (<i>Note 6</i>)			
— Saint Bella centers	RMB224,781	RMB225,275	RMB239,155
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB167,197
— Baby Bella centers (<i>Note 2</i>)	RMB100,631	RMB101,690	RMB96,246
Average revenue per postpartum recovery customer at self-operated postpartum centers (<i>Note 7</i>)			
— Saint Bella centers	RMB38,531	RMB35,217	RMB33,003
— Bella Isla centers (<i>Note 2</i>)	N/A	N/A	RMB13,182
— Baby Bella centers (<i>Note 2</i>)	RMB11,631	RMB11,874	RMB12,686
Average advertising expenses per postpartum care and recovery customer (<i>Note 8</i>)	RMB5,601	RMB5,617	RMB5,423
Home care services:			
Number of service packages for home care services (<i>Note 9</i>)	815	815	2,045
Average contract value per service package for home care services (<i>Note 10</i>)	RMB58,568	RMB78,763	RMB60,097
Average revenue per home care services customer (<i>Note 11</i>)	RMB54,493	RMB58,313	RMB65,651
Average advertising expenses per home care services customer (<i>Note 12</i>)	RMB878	RMB1,167	RMB1,444
Women's health food products:			
Number of orders placed by customers on our GuangHeTang online stores	33,974	74,837	115,105
Average contract value per online order (<i>Note 13</i>)	RMB740	RMB799	RMB796

Notes:

- (1) Calculated as the total contract value of all the contracts entered into with postpartum care customers during the period, divided by the total number of room nights of postpartum care services we provided during the period.
- (2) We rebranded six Baby Bella Deluxe centers (originally a sub-brand under the Baby Bella brand) to Bella Isla during the year ended December 31, 2024. Such rebranded centers offered more premium services than our Baby Bella centers and had a higher average contract value per customer. This resulted in decreases in the average contract value and revenue per customer at our self-operated Baby Bella centers in 2024.

BUSINESS

- (3) Calculated as the total contract value of all the contracts entered into with postpartum recovery customers during the period, divided by the total number of postpartum recovery service customers who purchased postpartum recovery services at our self-operated postpartum centers. The average contract value per postpartum recovery customer at our self-operated Saint Bella centers decreased in 2024 primarily because we offered certain discounted service packages to acquire more customers.
- (4) The number of customers who commenced their stay at our self-operated postpartum centers during the period.
- (5) Calculated as the number of signed customers of our postpartum care services at our self-operated postpartum centers during the period, divided by the average number of self-operated centers that commenced operation at the beginning of the period and the end of the period. The decrease in the average number of postpartum care customers per self-operated Saint Bella center in 2024 was attributable to the fact that two Saint Bella centers newly opened during the year only began acquiring most customers in the second half of the year, and the majority of such customers have not yet commenced their stay by the end of 2024.
- (6) Calculated as the total revenue generated from our self-operated postpartum centers, divided by the number of customers who commenced their stay at such self-operated postpartum centers during the period.
- (7) Calculated as the total revenue generated from our postpartum recovery services divided by the number of customers who purchased postpartum recovery services at our self-operated postpartum centers during the period. The average revenue per postpartum recovery customer at our self-operated Saint Bella centers decreased in 2024 primarily because we offered certain discounted service packages to acquire more customers.
- (8) Calculated as the advertising expenses for our postpartum care and recovery business, divided by the number of newly signed postpartum care and recovery customers during the period. The major customer acquisition costs for postpartum care and recovery business are advertising expenses.
- (9) The number of contracts entered into with home care service customers during the period.
- (10) Calculated as the total contract value for our home care service business, divided by the number of contracts entered into with home care service customers during the period. In 2024, the average contract value per service package for home care services decreased primarily because we launched a shorter-term home care services package targeting the customers of our postpartum care services.
- (11) Calculated as the total revenue generated from our home care services, divided by the number of customers who consumed our home care service packages during the period. In 2024, contract renewals by existing customers contributed to higher average revenue per home care services customer.
- (12) Calculated as the advertising expenses for our home care services, divided by the number of newly signed home care service customers who purchased our home care service packages on a standalone basis during the period. The major customer acquisition costs for home care service are advertising expenses.
- (13) Calculated as the total contract value generated from our food products business through online channel divided by the number of orders placed by customers on our GuangHeTang online stores during the period.

MANAGEMENT OF OUR NETWORK

In order to standardize the service quality across our network, our specialized operation team has established a systematic SOP system, including a number of guidelines that covers various key aspects of delivering of our service. The systematic SOP system covers preparation work prior to opening, continuous training, supervision, and real-time follow up with customers in regarding to feedbacks to our services. Our specialized team also carries out assessment and review for our expansion initiatives. We will deploy our systematic SOP system to all centers newly added to our network.

We have developed standardized procedures and operating protocols for opening new centers. We also have a specialized middle-office operation department in charge of the preparation, training, guidance, supervision, and real-time follow-up and review for our expansion initiatives. This ensures that our quality of service is consistent across our existing centers.

Deployment of SOPs

We place a strong emphasis on ensuring a uniform service standard across our network. We have set the service benchmark and compiled standard operating procedures (SOPs) for mother and baby care, through cooperation among the American Certification Institute (ACI) and PhD experts. Such SOPs are deployed across all our postpartum centers to ensure consistency in service quality, and have a comprehensive coverage on the key business processes of our postpartum center business, including detailed division of labor, preparation of rooms at our postpartum centers, and sales and marketing. The rollout of our SOPs increases our scalability and facilitates quality control.

We have adopted the following measures to ensure that our SOPs are consistently applied throughout our network:

- *Rigorous staff training:* We have designed a comprehensive training program for our nursing specialists, who are required to take monthly written exams and pass monthly practical skills tests as part of their performance evaluation. We require our nursing staff to obtain the relevant qualifications, including under the ACI certification system.
- *Self-monitoring:* On the level of individual centers, center managers are required to conduct periodical self-inspection on the proper application of our SOPs and report to our headquarters of any deviations.

- *Oversight:* On the headquarters level, we have a specialized department to ensure that our SOPs are consistently applied throughout our network, based on the reports submitted by center managers and on-site inspections.

IT Infrastructure

Our proprietary nursing service platform not only assists our nursing specialists at our postpartum centers in the performance their daily care work, it also contains modules designed for the efficient management of our network, featuring functions such as staff scheduling, room reservation management, and inventory management. The backend of our platform allows our senior management to monitor the operations of individual centers and formulate business strategies supported by data. As our network of postpartum centers expands, we believe that such a centralized center management system is indispensable for us to achieve economies of scale. As of December 31, 2024, we had collected and stored personal data on our nursing service platform in relation to approximately 83,600 individuals, including primarily our customers and staff.

Specifically, some of the functions of our nursing service platform include:

- *Staff scheduling:* As our postpartum center business requires booking well in advance, our staff scheduling system allows us to improve efficiency by arranging shifts for nursing specialists, transferring staff across centers, and improving the utilization rate of our staff.
- *Staff evaluation:* Data collected and stored on the platform, such as customers' feedback and complaints, assist us in the evaluation of the performance of our staff.
- *Staff training:* Our platform features training modules which allow our staff to complete training and assessment remotely.
- *Room reservation management:* As most of the rooms we rent at our postpartum centers are arranged to us on demand, our internal room reservation management system enables us to allocate room resources more efficiently by reducing vacancy and increasing the utilization rate of each room we rent.
- *Inventory management:* Our platform provides real-time updates on the inventory levels of the daily consumables of our postpartum centers. Managers of individual centers of our network may place orders on our platform for the required supplies, facilitating our bulk purchase of goods at a more competitive price.

BUSINESS

- *Contract management:* Typically, contracts with the customers of our postpartum centers are electronically signed. This streamlines the entire transaction process comprising contract signing, contract management, and record keeping.
- *Salary settlement:* Our salary settlement system helps us manage the payroll of both our professional staff and the baby care specialists we engage for our home care business.

INFORMATION TECHNOLOGY

Our key IT infrastructure primarily consists of a proprietary nursing service platform which both assists our nursing specialists at our postpartum centers in the performance of the daily care work and helps us improve operational efficiency, and a proprietary CRM platform which creates an online contact point with our customers and provides us with valuable customer data.

We believe that each of our technology platforms is capable of being easily deployed at our new postpartum centers, as well as other service areas such as home care and elderly care, through SaaS. By doing so, we can leverage our technology to improve service quality and efficiency, bringing in additional participants in our ecosystem.

See “Our Businesses — Postpartum Centers — Nursing Service Platform”, “Our Businesses — Postpartum Centers — Customer Relationship Management”, and “Management of our Network” above for more information.

MARKETING AND PRICING

Marketing Initiatives

In addition to winning customers from social fission marketing, we have an online-focused marketing strategy, supported by our offline events which are mainly aimed at retaining existing customers.

During the Track Record Period, our advertising expenses primarily consisted of our spending on online advertisement and promotional content. We engage influencers on Xiaohongshu to promote our services on their channels. The influencers usually publish vlogs based on their personal experience featuring our postpartum centers and cooperate with us in marketing activities. We also promote our services and products on shopping information and e-commerce platforms.

BUSINESS

We believe that our premier brand and clientele make us a desired partner for various collaboration opportunities with other luxury brands, reinforcing and complementing our own brand image. Through our co-branding activities, we offer exclusive and limited-edition luxury products and services to our customers. Our co-branding initiatives include co-branded products, jointly-organized exhibition events, and private sale events for luxury accessories and skin care products.

In an effort to retain customers and increase customer loyalty, we also organize exclusive private events for our members, such as private music concerts, arts events, and social parties with celebrities, in addition to offering them exclusive access to the above co-branding activities.

Our Pricing

As we are positioned as a premium service provider, our service packages typically have a price premium over those offered by our competitors in terms of average price per day of stay, according to the Frost & Sullivan Report. We take into account many factors when pricing our postpartum care services. Some of these factors include:

- the competitiveness of our service offerings relative to those of our competitors;
- the quality of accommodation and catering services at the relevant hotels;
- market trends such as the discounts offered by our competitors, and the occupancy rates of beds at local maternity hospitals;
- our brand premium; and
- costs and expenses for the operations of our postpartum centers, including rental and labor costs and expenses.

We determine and review the pricing of our other services and products on a case-by-case basis. Factors we take into account include the competitiveness of the services or products, the intended market positioning of the services or products, costs and expenses involved in delivering the services or products, the volume of orders, and market responses.

QUALITY MANAGEMENT

Service Quality Management

We conduct the following practices as part of our comprehensive service quality management system:

- We have implemented comprehensive customer service guidelines. Such guidelines detail the requirements for our staff in the course of customer reception, communication, and service. Our standardized protocols for customer service help create a uniform customer experience at our centers and elevate our brand image.
- At our postpartum centers, we have established standards for the pre-arrival preparation of our customer's room and subsequent cleaning procedures. The health of the mother and baby being our top priority, we ensure that they live in a hygienic environment during their stay with us.
- For our postpartum center business and home care business alike, we have implemented operational safety guidelines and manuals for performing service procedures and the use of treatment devices, detailing the contents and standards for each step of our service processes from client. We have also implemented a series of internal management protocol to manage the behavior of our service personnel.
- At our postpartum centers, we implement a clear division of labor to ensure that our customers can receive high-quality services in any of the stores in our network. We ensure that each staff member is familiarized with their responsibilities, and that they work together seamlessly to provide high-quality services to our customers.
- We value feedback from our customers and take every complaint seriously. We follow a set of detailed guidelines on handling customer complaints. We classify each complaint based on severity and escalate the matter to the relevant manager as required. We respond to our customers' concerns within a specified timeframe. We maintain detailed records of all customer complaints. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaint or claims from our customers relating to the provision of services, and refunds to customers did not have any material impact on our results of operations.
- We regularly conduct review of the performance of our staff and the baby care specialists for our home care business. Our professionals are properly trained when joining us and accept on-the-job training regularly.

Product Quality Management

We are committed to ensuring the quality and safety of our food products. We have established and implemented a comprehensive product quality management system that covers the entire product life cycle, from raw material sourcing and production to storage and distribution.

We source our raw materials from qualified and reputable suppliers in China. We conduct regular audits and inspections on our suppliers to verify their compliance with our quality standards and specifications, as well as the relevant laws and regulations in China. We also periodically conduct tests on the raw materials for their identity and purity before accepting them into our inventory.

We follow Good Manufacturing Practice (GMP) guidelines and relevant industry standards during our key production processes. We monitor and control the production process through various quality control measures, such as in-process testing, batch sampling, and equipment calibration. We maintain detailed records and documentation of the production process and the quality control results.

We also require our contract manufacturers to comply with our quality standards and specifications. We supervise and inspect their operations on a regular basis to ensure the quality and consistency of the packaging materials, labels, and seals. We also conduct random sampling and testing of the packaged goods before releasing them for storage and distribution.

DATA PRIVACY AND SECURITY

We accumulate data in our business operations. We put an emphasis on the compliance with relevant laws and regulations on data protection and privacy in our business operations and we seek to ensure the data that we accumulate is not misappropriated or misused. We believe that we have the necessary processes in place to ensure the data privacy, protection, and security in the jurisdictions in which we operate.

During our ordinary course of business, we collect data of our clients in relation to the services we provide, primarily including the names, ages, contact information, basic health information, and other service-related records of our customers and, where applicable, their children. We collect such information primarily for service planning, delivery of our services, and customer engagement. As of December 31, 2024, we had collected and stored personal data on our nursing service platform in relation to approximately 83,600 individuals, including primarily our customers and staff. We store such personal data locally within each jurisdiction in which we operate. In China, we use the cloud storage service provided by one of the leading internet companies to store such data. The personal data we collect are processed in accordance with our customers' consent, or necessary for providing

BUSINESS

services to our customers, or necessary for us to fulfill legal or regulatory obligations. We control and keep such information and data, and generally store such personal information and data for the minimum time necessary for the purpose of their processing and in compliance with relevant laws and regulations.

We treat all data we accumulate as confidential. We do not disclose any information we gather from customers unless such disclosure is legally permissible. We have put in place appropriate physical, electronic, and managerial procedures to safeguard and secure our data assets, including to prevent unauthorized access, to preserve their integrity, and to ensure their appropriate use. We encrypt our data transmission using the HTTPS protocol, and have adopted web firewall services to safeguard against cyber attacks that target the transmission of our data. Our staff members with different levels or job duties are assigned different levels of access permissions to our systems and data. We have central controls to govern user roles and permissions. In addition, we have established hardware firewalls where all traffic is inspected and filtered. We conduct comprehensive security reviews of our data assets and ad hoc security reviews as needed from time to time. During the Track Record Period and up to the Latest Practicable Date, we did not have any breach in relation to data privacy, protection, or security in jurisdictions in which we operate.

We have assigned personnel to oversee the legal compliance of our business practices in relation to data privacy. We provide ongoing training to our operations and technology staff to enhance their knowledge on the protection of data privacy.

During the Track Record Period and up to the Latest Practicable Date, we did not engage in any cross-border transmission of personal data of our customers. Unless with the consent of the user or as permitted by law, we have not disclosed any personal data of our customers to any third party. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we did not experience any material data or personal confidential information leakage or loss or any other personal 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. Based on the foregoing, our PRC Legal Adviser is of the view that we had complied with all applicable currently effective PRC laws and regulations on data privacy and security in all material respects during the Track Record Period and up to the Latest Practicable Date.

CUSTOMERS AND SUPPLIERS

Customers

During the Track Record Period, our customers mainly consisted of individual customers of our postpartum center business, home care services business, and food products business, as well as third-party partners of our managed postpartum centers. For each year in the Track Record Period, revenue from our five largest customers accounted for less than 5% of our total revenue for the respective periods.

We generally require our customers to make advance payments for our postpartum care services. We also sell our home care services and a portion of our postpartum recovery services as prepaid packages. Advance payments for our postpartum care services and 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 when the service is delivered to our customers. For more information on our contract liabilities, see “Financial Information — Description of Major Line Items in our Consolidated Statements of Financial Position — Contract Liabilities”.

Major Suppliers

For each year in the Track Record Period, our five largest suppliers in terms of total purchase amount consisted of hotel operators in mainland China from which we rented rooms for our postpartum centers, as well as human resources service providers we engaged to recruit and arrange payment to primarily our baby care specialists for our home care services and other service personnel. See “Our Businesses — Postpartum Centers — Relationship with Cooperating Hotels” above for more information about our arrangement with hotel operators and “Our Businesses — Home Care Services — Baby Care Specialists” for more information about our arrangement with the human resources service providers.

Procurement from our five largest suppliers in each year of the Track Record Period represented 24.8%, 20.4%, and 26.4% of our total procurement, respectively, and procurement from our largest supplier in each year of the Track Record Period represented 7.1%, 5.9%, and 10.5% of our total procurement, respectively.

BUSINESS

The following tables set forth the basic information of our Group’s five largest suppliers in each year of the Track Record Period:

Five largest suppliers for the year ended December 31, 2024	Length of relationship with our Group	Background and location	Credit terms	Transaction amount <i>RMB'000</i>	Percentage to total procurement of our Group %
Supplier A.	Since 2023	A human resources service provider based in Shanghai, primarily assisting our Group in recruiting baby care specialists for home care services and other service personnel. See “Business — Our Businesses — Home Care Services — Baby Care Specialists” for more information.	30 days	53,992	10.5%
Supplier B.	Since 2017	A company which operates a hotel in Shangcheng District, Hangzhou. To the best of our knowledge, it is a joint venture between a leading state-owned enterprise and a Hong Kong based property developer listed on the Stock Exchange.	30 days (Note)	22,845	4.5%
Supplier C.	Since 2023	A human resources service provider based in Hunan, primarily assisting our Group in recruiting baby care specialists for home care services and other service personnel. See “Business — Home Care Services — Baby Care Specialists” for more information.	30 days	20,759	4.1%
Supplier D.	Since 2020	A company which operates a hotel in Jing’an District, Shanghai. To the best of our knowledge, it is a joint venture between a Hong Kong based property developer and a Hong Kong based real estate developer listed on the Stock Exchange.	30 days (Note)	18,950	3.7%

BUSINESS

Five largest suppliers for the year ended December 31, 2024	Length of relationship with our Group	Background and location	Credit terms	Transaction amount <i>RMB'000</i>	Percentage to total procurement of our Group %
Supplier E.	Since 2019	A company which operates a hotel in Nanshan District, Shenzhen. To the best of our knowledge, it is a Shenzhen-based property developer.	Prepayment	18,556	3.6%
Total				135,102	26.4%

Five largest suppliers for the year ended December 31, 2023	Length of relationship with our Group	Background and location	Credit terms	Transaction amount <i>RMB'000</i>	Percentage to total procurement of our Group %
Supplier F.	Since 2021	A human resources service provider based in Zhejiang, primarily assisting our Group in recruiting baby care specialists for home care services and other service personnel. See “Business — Our Businesses — Home Care Services — Baby Care Specialists” for more information.	30 days	21,875	5.9%
Supplier B.	Since 2017	A company which operates a hotel in Shangcheng District, Hangzhou. To the best of our knowledge, it is a joint venture between a leading state-owned enterprise and a Hong Kong based property developer listed on the Stock Exchange.	30 days (Note)	17,311	4.7%
Supplier D	Since 2020	A company which operates a hotel in Jing'an District, Shanghai. To the best of our knowledge, it is a joint venture between a Hong Kong based property developer and a Hong Kong based real estate developer listed on the Stock Exchange.	30 days (Note)	16,409	4.4%

BUSINESS

Five largest suppliers for the year ended December 31, 2023	Length of relationship with our Group	Background and location	Credit terms	Transaction amount <i>RMB'000</i>	Percentage to total procurement of our Group %
Supplier E.	Since 2019	A company which operates a hotel in Nanshan District, Shenzhen. To the best of our knowledge, it is a Shenzhen-based property developer.	Prepayment	10,503	2.8%
Supplier G	Since 2020	A company which operates a hotel in Tianhe District, Guangzhou. To the best of our knowledge, it is a subsidiary of a conglomerate based in Hong Kong.	30 days (Note)	9,590	2.6%
Total				75,688	20.4%

Five largest suppliers for the year ended December 31, 2022	Length of relationship with our Group	Background and location	Credit terms	Transaction amount <i>RMB'000</i>	Percentage to total procurement of our Group %
Supplier F.	Since 2021	A human resources service provider based in Zhejiang, primarily assisting our Group in recruiting baby care specialists for home care services and other service personnel. See “Business — Our Businesses — Home Care Services — Baby Care Specialists” for more information.	30 days	23,789	7.1%
Supplier B.	Since 2017	A company which operates a hotel in Shangcheng District, Hangzhou. To the best of our knowledge, it is a joint venture between a leading state-owned enterprise and a Hong Kong based property developer listed on the Stock Exchange.	30 days	20,445	6.1%

BUSINESS

Five largest suppliers for the year ended December 31, 2022	Length of relationship with our Group	Background and location	Credit terms	Transaction amount	Percentage to total procurement of our Group
				<i>RMB'000</i>	<i>%</i>
Supplier D	Since 2020	A company which operates a hotel in Jing'an District, Shanghai. To the best of our knowledge, it is a joint venture between a Hong Kong based property developer and a Hong Kong based real estate developer listed on the Stock Exchange.	30 days	15,419	4.6%
Supplier G	Since 2020	A company which operates a hotel in Tianhe District, Guangzhou. To the best of our knowledge, it is a subsidiary of a conglomerate based in Hong Kong.	Prepayment	12,124	3.6%
Supplier H	Since 2020	A company which operates a hotel in Chaoyang District, Beijing. To the best of our knowledge, it is a subsidiary of a Hong Kong based property developer listed on the Stock Exchange.	Prepayment	11,467	3.4%
Total				83,244	24.8%

We procured human resources services from Supplier A, Supplier C, and Supplier F and procured hotel rooms and postpartum meals from the other five largest suppliers for the years ended December 31, 2022, 2023, and 2024.

During the Track Record Period, we paid the above suppliers by bank transfer.

BUSINESS

Our Directors confirm that our five largest suppliers during the Track Record Period were all Independent Third Parties and that none of our Directors, their respective close associates or any Shareholder (which to the knowledge of our Directors owned more than 5% of our share capital as of the Latest Practicable Date) had any interest, directly or indirectly in any of our five largest suppliers during the Track Record Period.

Selection of and Relationship with Suppliers

We select our suppliers based on various factors, including but not limited to service or product quality, pricing, and delivery time, so as to ensure that the services, materials, and supplies we procure meet the required quality standards for our purposes. We usually select potential suppliers by conducting market research, after which we will contact them to enquire about the price of the relevant services, materials, and other supplies and (where applicable) obtain samples of the relevant supplies. Before entering into a supply agreement, we would conduct a review of the supplier's business license, tax registration certificate, and any other licenses and permits that are required for the services or products to be provided. We regularly review and evaluate our suppliers and their service or product quality to ensure continuing satisfaction of our business and future development needs, and compliance with our quality standards.

As there are many potential suppliers of our raw materials and consumables with comparable quality and prices, during the Track Record Period, we did not encounter any significant shortage or delay in the supply of raw materials or consumables. For the consumables used at our postpartum centers, we seek to control our procurement cost through bulk purchases for multiple centers, with the assistance of our proprietary nursing service platform.

KEY CONTRACT TERMS WITH CUSTOMERS

We typically enter into standard form agreements with the customers of our postpartum care and home care services. This section sets forth the key terms of such agreements.

Postpartum Care Services

The key terms of our standard form agreements with our postpartum care customers are summarized as follows:

Service Fees:

Our customer shall make an advance payment of 50% of the contract amount on the date of the agreement, and the remaining balance by the day of commencement of her stay with us. We will deduct a certain amount from the advance payment if our customer decides not to stay with us after such payment. Such advance payment will not be refunded once our customer begins her stay with us.

We also require advance payment for any subsequent stay extension and changes in room type.

Health and Safety:

We have the responsibility to ensure the safety of our customer and her baby at our center. Our customer must notify us if she or her baby becomes ill, and in this case, shall receive treatment at the hospital.

In general, we shall be liable for any infection of our customer and/or her baby if there is evidence to prove that such infection was due to our fault, provided that we shall not be so liable if such infection was also resulting from our customer's non-compliance of our health control policies or if we are not notified of any known illness of our customer or any of her visitors.

While we do not have any general responsibility to provide medical care to the baby, if we are unable to contact our customer in excess of three hours, our customer authorizes us to take necessary actions in case of emergency relating to the baby's safety. We must also take necessary actions in case of emergency that threatens the baby's life.

BUSINESS

Rights and Obligations of our Customers:

Our customer must (i) provide us with relevant hospital check reports and her identification documents on the day of commencement of stay; (ii) cooperate with our staff in the course of provision of nursing services; (iii) abide by our management policies, including those on hygiene in common areas and disturbance to other residents; (iv) not arrange on her own any nursing specialists during her stay with us; and (v) not offer employment to any of our staff (including nursing specialists).

Our customer has the right to (i) bring one or more individuals to accompany her during her stay, provided that she shall bear the relevant costs; (ii) request a replacement of one of our nursing specialists if she is dissatisfied of her service quality; and (iii) request access to the monitoring and other care records kept by us on her.

Our Rights and Obligations:

We must (i) not provide any medical services (not including those provided by any third parties with the required qualifications); (ii) not provide any food item to the baby other than water; and (iii) ensure that the meals served at our center meet the agreed standards.

With our customer's consent, we have the right to collect, store, analyze, and use monitoring and other care records of our customer and her baby.

Termination:

Either party has the right to terminate the agreement if (i) the other party breaches the agreement and fails to remedy the breach within 5 days after being notified; or (ii) our customer or her baby has contracted infectious diseases that require quarantine.

Our customer may terminate the agreement and be entitled to a refund of the advance payment in case of unexpected health conditions of the baby, provided that she will remain to be responsible for our costs already incurred.

BUSINESS

Home Care Services

The key terms of our standard form agreements with the customers of our home care services are summarized as follows:

Service Fees:	Our customer shall settle the service fees for the selected service package on the date of the agreement.
Term:	The service term typically ranges from three to 12 months.
Rights and Obligations of our Customers:	<p>Our customer must (i) (subject to our confidentiality obligations) present valid identification documents upon signing of the agreement, and inform us whether any of their family members have contracted infectious diseases, mental diseases, or other serious diseases that may endanger the health and safety of our baby care specialists; (ii) provide a safe working environment for our specialists and allow sufficient rest time for full-time workers; and (iii) provide sufficient guidance on the use of equipment which our specialists are not familiar with.</p> <p>Our customers have the right to (i) require us to provide documents evidencing our specialists' identity, qualifications, and work experience; (ii) require us to produce official body check reports for our specialists and (iii) request a change in the assigned baby care specialist no more than three times.</p>
Our Rights and Obligations:	We must (i) procure that our baby care specialist renders services in accordance with the agreed scope and not harm our customer's interests; (ii) provide sufficient training to our baby care specialist; (iii) arrange a replacement specialist if the assigned one is unable to provide service.
Refund:	We shall fully refund any prepaid fees if we fail to assign a suitable baby care specialist to fulfill the customer's service request. We shall partially refund the prepaid fees if the assigned specialist resigns during the service term and we fail to assign a replacement.

BUSINESS

Renewal: Our customer has the option to extend the service term of an assigned baby care specialist by notifying us at least 30 days before the end of a service term.

Termination: Our customer has the right to unilaterally terminate the agreement in case of certain misconduct by the baby care specialist or in case the specialist loses her qualifications.

We have the right to unilaterally terminate the agreement (i) in case of certain misconduct by the customer; (ii) if the customer fails to notify us that any member of our customer has contracted any infectious or serious mental disease that may endanger our specialist; (iii) if the care subject has contracted diseases such that we are unable to provide services normally; or (iv) if our customer fails to settle any overdue fees in excess of three days.

Either party may terminate the agreement if the assigned specialist becomes unable to provide services due to illness and the parties fail to reach an agreement for the replacement.

RESEARCH AND DEVELOPMENT

We believe research and development is critical to our future growth and our ability to remain competitive. We continuously invest in building our research and development team and improving our IT system. Our research and development team is mainly responsible for the development, management, and maintenance of our IT infrastructure.

As of December 31, 2024, we had 37 employees in our research and development team, the majority of which are IT personnel. We have invested significant research and development resources in the development and upgrade of our digitalization capabilities to streamline our daily operational and administrative matters. For more details, see “Information Technology” above. We had research and development expenses of RMB12.9 million, RMB9.1 million, and RMB13.3 million, respectively, for the years ended December 31, 2022, 2023, and 2024.

INTELLECTUAL PROPERTY

We seek to protect our intellectual property by the use of patents, software copyrights, trademarks, as well as good practice regarding the disclosure of information and data. As of the Latest Practicable Date, we had registered in mainland China (i) four patents relating to our food products; (ii) two patents relating to our S-bra products; and (iii) 78 software copyrights mostly relating to our proprietary nursing service platform.

In addition, as of the Latest Practicable Date, we registered (i) 19 domain names and mini program names including, among others, stbella.cn and guanghetang.cn; and (ii) 248 trademarks. For further details of the intellectual property rights which we consider material to our business, see “Statutory and General Information — Further Information about our Business — Intellectual property rights of our Group” in Appendix IV to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material intellectual property disputes or infringement claims.

Protection of our Intellectual Property

Recognizing the intrinsic value of our brands and other intellectual property that underpins our market position, we have implemented a suite of measures to safeguard our intellectual property assets. These measures are designed to ensure the integrity, exclusivity, and legal protection of our brands, which are pivotal to our ongoing success and expansion.

Trademark Registration and Monitoring

Our primary line of defense in protecting our intellectual property is the registration of trademarks. We have secured trademark registrations for our “Saint Bella”, “Bella Isla”, and “Baby Bella” in China, which are critical markets for our operations. These registrations are in accordance with the relevant national and international intellectual property laws and conventions, providing us with legal grounds to prevent unauthorized use of our brand names and logos. To maintain the strength and validity of our trademarks, we conduct regular monitoring to detect and address potential infringements. This proactive approach includes:

- continuous surveillance of trademark registries and databases to identify any filings that may conflict with our brands;
- monitoring online and offline marketplaces for unauthorized use of our trademarks; and

BUSINESS

- engaging with legal counsels to take swift action against any infringement, including cease and desist orders, litigation, and other legal remedies.

Employee Training and Confidentiality Agreements

Our employees are integral to the preservation of our intellectual property. We provide comprehensive training to ensure that all staff members understand the importance of IP protection and their role in maintaining the confidentiality and proprietary nature of our brands. This training is supplemented by the use of confidentiality agreements and non-disclosure clauses in employment contracts, which bind employees to protect our sensitive information and intellectual property.

COMPETITION

We are subject to competition in the family care industry. In particular, we face competition from other postpartum center operators, home care service providers, as well as sellers of women's health products and foods. According to the Frost & Sullivan Report, as the modern postpartum center industry is in a stage of rapid development and is not fully mature, there are still a large number of regional and small-scale postpartum centers in the industry, making the current market in Asia fairly dispersed, and it is expected that the future industry competition will intensify. Similarly, according to the Frost & Sullivan Report, the home child care industry in China currently exhibits a highly decentralized nature with distinctive regional characteristics. See "Industry Overview" in this prospectus for more information.

We believe that our ability to compete effectively depends on many factors, including our ability to tailor our service and product offerings and pricing models in accordance with the evolving needs of our customers. For risks relating to our competitiveness in the family care industry, see "Risk Factors — Risks Relating to our Business and Industry — The industry in which we operate is highly competitive, and intense competition may harm our business".

SEASONALITY

We believe that our services and products are generally not subject to seasonality.

EMPLOYEES

As of December 31, 2024, we had a total of 1,559 full-time employees and 41 part-time employees, and 1,552 of such full-time employees were based in China and seven were based in other countries.

BUSINESS

The following table sets forth the numbers and percentages of our full-time employees by function as of the date indicated:

	As of December 31, 2024	
	Number of employees	% of total employees
Nursing staff (<i>Note</i>)	885	56.8%
Operations	281	18.0%
Sales and marketing	119	7.6%
Management	106	6.8%
Research and development	37	2.4%
Finance	31	2.0%
Human resources	27	1.7%
Administration	13	0.8%
Others	60	3.9%
Total	1,559	100%

Note: These nursing staff comprised 772 frontline nursing specialists responsible for delivering routine postpartum care services at our postpartum centers, as well as other specialists, such as postpartum recovery specialists, lactation consultants, and baby care specialists. As of December 31, 2024, for each self-operated postpartum center, we had on average approximately 13 to 14 frontline nursing specialists, and one to two other specialists.

We recruit our employees based on a number of factors such as their working experience, their educational background, and our vacancy needs. We generally pay our employees a fixed salary and other bonuses and allowances based on their respective positions and responsibilities.

We enter into individual employment contracts with our full-time employees covering matters such as wages, employee benefits, employment scope, and grounds for termination.

To protect the rights and interests of our employees, our internal employment policies have stipulated the regulations regarding the negotiation, adjustment, and payment of salaries, as well as the conditions and procedures of terminating employment contracts. We also provide benefits to our employees as part of their compensation package which we believe is in line with industry norm. For example, our employees based in mainland China are entitled to housing provident fund and social insurance including pension, basic medical insurance, maternity insurance, work-related injury insurance, and unemployment insurance, as mandated by the relevant laws and regulations. As of the Latest Practicable Date, our employees did not form any labor union.

WORKPLACE AND SAFETY MATTERS

Workplace Commitments

We value our employees' contribution to our success. We are committed to providing a fair, diversified, and inclusive workplace for all employees by strictly abiding by laws and regulations in the relevant jurisdictions regarding compensation and dismissal, equal opportunities, diversity, anti-discrimination, and employment benefits. In compliance with relevant law requirements, the recruitment, remuneration, welfare, promotion, and dismissal of our employees are dependent on their competence at work. We respect the rights and interests of every employee and strive to ensure a discrimination- and harassment-free working environment for all employees, where equal opportunities are offered to all employees regardless of their age, gender, race, nationality, disability, family status, marital status, or any other factors irrelevant to their work competence.

As a company that respects and celebrates women's role in childbirth, we give full support to our employees in their family planning. According to our internal policies, in addition to the statutory maternity leave, our employees are entitled to full-paid leave for prenatal check-ups, lactation, miscarriage, as well as carer's leave for fathers. We also provide special welfare packages for our employees who have recently given birth.

We pay attention to our employees' health and development, and provide employees with afternoon tea, overtime supper, and other benefits aimed at promoting our employees' wellbeing. We are a pet-friendly company, allowing employees to bring pets to work and fully respecting employees' interests and hobbies. We have negotiated discounted rates for hotel rooms and from certain other suppliers, in addition to offering our retail products to employees at a discount. We also organize thematic parties for our employees on festive days. At the same time, we pay attention to employees' development and provide employees with various trainings, such as vocational skills training, management training, new employee training, and teambuilding exercises.

We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major labor disputes, work stoppages, or labor strikes that led to disruptions in our Group's operations.

Safety Management

Due to the nature of our industry, incidents at our postpartum centers may have detrimental effects on the health and safety of our employees and customers. We have established standardized workplace safety and health procedures that all our employees are required to comply with in the operation of our postpartum centers. We have established and maintained a customized safety management system which emphasizes participation of all our employees. Such system is formulated with the objective of:

- prevention of accidents, occupational diseases, and related risks in respect of our employees and customers;
- continual improvement and prevention of accidents; and
- promotion of safety awareness among employees through education and training.

We endeavor to comply with all relevant laws and regulations on labor, health, and safety by routine evaluation of the hazards and safety of our postpartum centers and work out feasible working procedures which are reviewed and updated periodically to maintain effectiveness. Our chief nursing officer, Dr. Liu Mei-fang, oversees the implementation of our workplace safety and health procedures.

During the Track Record Period and up to the Latest Practicable Date, we did not experience material health and safety incidents in our operations.

SOCIAL AND ENVIRONMENTAL MATTERS

We believe our long-term success rests on our ability to make positive impacts on the environment and society. Corporate social responsibility is a core part of our business philosophy and will be pivotal to creating sustainable value for our Shareholders. We will continue prioritizing social responsibility in the course of our operations, with a view to integrating our growth and development with society's common prosperity and rural revitalization.

See also “Workplace and Safety Matters” above and “Internal Control and Risk Management — Internal Control” below for more information about how we manage the workplace-related matters and certain other ESG-related matters in the course of our operations.

Charity Initiatives

We support various social causes and charities that promote women's health, education, and empowerment.

We have jointly established the “China Soong Ching Ling Foundation Saint Bella Mother and Baby Care Special Fund” (中國宋慶齡基金會聖貝拉母嬰關愛專項基金) with the China Soong Ching Ling Foundation. The fund aims to popularize scientific reproductive knowledge, help women to establish a scientific understanding of reproductive concepts, help children and adolescents grow up healthily, and improve the level of mother and child care in underdeveloped areas. Since its establishment, the fund has supported approximately 100 students from 10 schools. We have also mobilized our internal training resources and initiated a nursing talent training program under the fund, which is intended as a platform for nursing students to improve their abilities.

Social Responsibility Initiatives

Conscious of our strong brand recognition and increasing social impact, we proactively advocate for care and support for women, and endeavor to raise wider awareness of the challenges and opportunities women face at different stages of life. Our social responsibility initiatives coincide with the core value of our Company, and through these initiatives we hope to instill into consumers the importance of women's role in society.

“Gestation Museum” Exhibition

To celebrate women's dedication in the unique journey of gestation, we successfully organized exhibitions known as “gestation museum” in a number of major cities in China. According to the Frost & Sullivan Report, this tour is the first exhibition focusing on women's pregnancy time in China, symbolizing the rise of the *yuezi* culture. It represents our effort to promote women's independent, self-loving spirit and our pursuit of a scientific postpartum management theory.

The exhibition walks through the life-transforming journey of pregnancy and childbirth, to call for more appreciation for women and mothers. It also has an area dedicated to an introduction to the history and evolution of gestation, featuring tools and objects used in delivery in the past. We hope to instill in visitors the significance of the civilized revolution of gestation and postpartum management enabled by scientific progress and the awakening of women's consciousness.

As a tribute to women's ability to conceive, the tunnel leading to the entrance to our “gestation museum” exhibition bears the shape of the womb. At the end of the tunnel is an artistic installation based on the human embryo.

The latest exhibition of this series took place in Shanghai in 2023, attracted more than 25,000 visitors, and generated more than 3 million impressions on social media platforms.



Artistic installations at our “gestation museum” exhibition.

Hail and Stop Services for Pregnant Women

In our continuous endeavor to contribute positively to the community and enhance the quality of life for women, and in particular, the new mothers, we have historically collaborated with a leading electronic vehicles manufacturer to provide free transportation service to pregnant women, in a short-term initiative known as “Hail and Stop for Expectant Mothers’ Transit” (孕媽出行, 招手即停) we launched in multiple cities in China. This initiative not only underscores our commitment to corporate citizenship but also enhances our reputation as a socially responsible entity that prioritizes the well-being of the communities we serve.

Environmental Protection

We always recognize the significance of environmental protection, 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. Energy-saving and environmental protection materials and equipment are the first choice for our refurbishment projects. In compliance with the relevant environmental laws and regulations, we have adopted stringent internal control measures to ensure the proper disposal and processing of wastes.

Our energy consumption is mainly derived from the electricity consumption of our postpartum centers, offices, and production facility. Our electricity consumption is also the main source of our indirect greenhouse gases emissions.

Although we believe our business operations do not directly produce significant pollutants that directly affect the environment, we have implemented internal policies to reduce our carbon footprint, such as reducing the energy consumption through: (i) where practicable, installing energy efficient lighting and ensuring lights are switched off when out of use either manually; (ii)

BUSINESS

encouraging employees to go paperless where possible, and where printing is necessary, to conscientiously save paper by using double-sided printing, printing multiple pages in a single sheet, or reducing font-size and page count; (iii) arranging for staff to inspect each floor to ensure the lights and air-conditioners are turned off at night; and (iv) where practicable, installing air conditioning controls, with measures including requirements on the lowest temperature, and optimal timing controls. By 2028, we target to achieve a 10% reduction per unit revenue in electricity consumption compared to 2024.

To ensure the proper implementation of our policies on environmental protection, we will conduct inspections over each of our stores regularly and provide overall guidelines to our staff from time to time to update them with the relevant internal standards and procedures, as well as the relevant environmental laws and regulations, to ensure their compliance with the same. We have also adopted policies regarding the efficient use of water and electricity to reduce the waste of resources.

During the Track Record Period, we did not incur any material costs of compliance with applicable environmental laws and regulations. In the future, we expect that the annual cost of compliance with health, safety and environmental protection rules and regulations may increase in line with the growth and expansion of our business. However, our Directors do not expect any material increase in the cost of compliance with applicable health, safety and environmental protection rules and regulations in the near future.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines, penalties, or other legal actions by any government agencies resulting from any material non-compliance with any environmental protection laws. We believe that we are in compliance in all material respects with applicable environmental regulations in the PRC.

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.

BUSINESS

Our ESG policies will set out different parties' respective responsibilities and authority in managing the ESG matters. Our Board 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. 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 our Group, helping us achieve a green, healthy, and sustainable development. As part of our effort to manage our supply chain, we will also take into account suppliers' ESG performances in the selection of suppliers and give priority to suppliers that pose fewer environmental impacts by using environmental-friendly packaging materials, generating less greenhouse gas, and consuming less energy resources.

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, climate change will not have any major impact on our business operation and vice versa. 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 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 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.

INSURANCE

Our Directors believe that our insurance coverage to be customary for businesses of our size and type and in line with the standard commercial practice in the jurisdictions where we have operations. 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. As of the Latest Practicable Date, we did not maintain liability insurance for all of our postpartum centers and our food products business. In particular, we only maintained public liability insurance and property insurance for a minority of our postpartum centers.

BUSINESS

We have been advised that there is no statutory requirement for our postpartum centers and our food products in China to maintain such insurance coverage, and according to the Frost & Sullivan Report, in respect of our postpartum center and food products businesses, it is in line with the industry norm to consider whether to maintain insurance coverage for our business operations on a case-by-case basis. As of the Latest Practicable Date, we had not experienced any material impact on our financial performance due to not maintaining liability insurance. However, we cannot assure that we will have sufficient insurance coverage for all liabilities, losses, or damages that may arise in our business operations. See “Risk Factors — Risks Relating To Our Business and Industry — Our insurance coverage may be insufficient to cover all risks involved in our business operations” in this prospectus for more information.

PROPERTIES

During the Track Record Period and as of the Latest Practicable Date, we did not own any real estate properties.

As of the Latest Practicable Date, we leased 17 properties with a total gross floor area of 13,711.5 m² in mainland China, including certain hotel rooms, offices, and properties used for other purposes. These hotel rooms classified as our leased properties are generally under fixed-term leases and the hotel operators do not provide other add-on services. We also have flexible arrangements in place with hotels at which our postpartum centers are located. See “Our Businesses — Postpartum Centers — Relationship with Cooperating Hotels” for more information.

According to our PRC Legal Adviser, operations of postpartum centers in hotels or standalone villas do not violate the relevant land use regulations and requirements in the PRC and the title certificates relating to the relevant hotel premises in China do not prohibit the operation of postpartum center, including providing various value-added services in return for service fees, within the hotel premises, save that we have not obtained the valid title certificates of some of our leased properties from the owners. Our PRC Legal Adviser is of the opinion that the validity of these leases is uncertain under PRC law. In the event that any of these leases is proved to be invalid and we are required to vacate the property, we do not expect that we will experience difficulty in finding new premises, or that such relocation will cause any material adverse impact on our business. As of the Latest Practicable Date, we were not aware of any challenge made by a third party or government authorities on the title of any leased property that might affect our use of such property.

BUSINESS

As we are not a contracting party to the respective leases for the hotel premises between the landowners or head lessors (as the case may be) and the hotel operators and have no direct business communications with the respective landowners or head lessors, our Directors are of the view that it is practically difficult for us to seek assurance or confirmation from the landowners or head lessors for operating postpartum centers, including providing various value-added services in return for service fees, within the relevant hotel premises. However, based on the advice of, and a sole review of the relevant documents by, our legal advisers in the applicable jurisdictions, without the benefit of assurance or confirmation from the landowners or head lessors, we are not aware that the land leases relating to the relevant hotel premises in Hong Kong and Singapore contain any term(s) which prohibit the operation of post-partum center, including providing various value-added services in return for service fees, within the hotel premises, and we are not aware that the operation of our managed postpartum center in the Greater Los Angeles area, which is not engaged in the provision of any medical services and is not a health facility, within the relevant hotel premises in U.S. state of California violates the land use restrictive covenants relating to the hotel premises.

INTERNAL CONTROL AND RISK MANAGEMENT

Internal control and risk management is fundamental to the successful operation and day-to-day running of a business and it assists the management of our Group in achieving its business objectives. While it aims to support the achievement of business objectives, it should serve as an early warning system of possible impediments to achieve those objectives. Our Board of Directors is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving our Group's strategic objectives, and ensuring that our Group establish and maintain appropriate and effective risk management and internal control systems.

Internal Control

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.

Legal Compliance of our Operations

We have adopted various measures and procedures regarding our business operations, and we provide training about these measures and procedures to new employees. We also constantly monitor the implementation of these measures and procedures. Any violation of these measures

and procedures may subject the relevant staff to disciplinary action. We have a specialized internal control and internal audit group led by our finance and innovation vice president, which is responsible for monitoring the implementation of such internal control measures. In particular:

- *Prohibition on the performance of medical acts:* Our postpartum centers are not medical institutions. The consultants we engage to provide services at our postpartum centers are required to abide by our internal policies. According to our internal policies, medical practitioners who provide services at our postpartum centers (i) must not issue prescriptions or provide medications to our customers; (ii) must not perform invasive procedures such as removing stitches or administering injections; (iii) must not make any medical diagnoses and may only give advice and suggestions for health issues; and (iv) must communicate with our head nurse to ensure a consistent approach when speaking with customers. In addition, while most of the nursing specialists working at our postpartum centers possess the relevant professional qualifications, they are required to follow our SOPs in the delivery of postpartum care services. Our employees are not permitted to perform any medical acts for customers. During the Track Record Period, Beijing Beikang Ze'en, the operating entity of one of our postpartum centers in Beijing, was subject to two administrative penalties by the competent authorities for engaging in unlicensed practice of medicine in two incidents which took place in September 2021 and June 2022, respectively, involving the provision of medical diagnosis and medical prescriptions by a Chinese medical practitioner in the respective cases. See "Risk Factors — Risks Relating to our Business and Industry — The provision of services by medical practitioners on-site at our postpartum centers may involve legal compliance risks" for more information. Following such administrative penalties, we have strengthened our policy and internal control measures to ensure that no medical acts are performed at our postpartum centers.
- *Advertising claims:* In order to mitigate risks relating to the advertising of our business, including the risk of civil claims by customers, competitors, and other stakeholders, we conduct self-inspection of our online and offline promotional materials to avoid misleading and inaccurate statements. We also review customer-facing materials for our various business lines to avoid creating any misleading impression concerning our services. In particular, for advertising related to health food products, we examine the descriptions to avoid any statements that express or imply unsubstantiated health benefits. We organize regular legal and regulatory trainings, and arrange for employees to study laws and regulations such as the Advertisement Law and the Consumer Rights Protection Law so that employees understand the legal consequences and liabilities of false advertising. According to the internal policy, the advertisements released for external use are subject to internal review and assessments by various divisions, including the business department, legal department, and internal control team. During

the Track Record Period and up to the Latest Practicable Date, certain members of our Group had been involved in a number of disputes with one of our competitors over unfair competition. See “Risk Factors — Risks Relating to our Business and Industry — We are subject to complaints, claims, and legal proceedings in the regular course of our operations” for more information. We have been in the past subject to administrative penalties for making unsubstantiated claims regarding our postpartum research center and home care college and unsubstantiated health enhancement claims for our *yue nai tang* (月乃湯) and *nai yue* (乃悅) products offered on ecommerce platforms. See “Risk Factors — Risks Relating to our Business and Industry — Our advertising activities may not be able to fully comply with and are subject to the relevant laws and regulations in China for making health claims or false advertising” for more information. Following such legal proceedings and administrative penalties, we have strengthened our advertisement policy and heightened our staff’s awareness of applicable rules and regulations relating to advertising and consumer protection.

- *Media surveillance:* As part of our internal control system, we monitor public opinion across various online channels, including online mainstream media, social media platforms, and online forums. By analyzing feedback and comments, we can gauge satisfaction levels and identify areas for improvement. As part of our review process, we ensure that there are no misleading feedback or posts that could cause confusion among customers. According to our internal policy, incidents of negative publicity should be reported to our senior management team upon discovery by our sales personnel and other frontline staff. Where practicable, we would reach out to those who published such contents and explore ways to resolve the underlying issue. By adopting this proactive approach, we seek to address any potential issues on a case-by-case basis based on the identified problems, and thereby maintaining a positive reputation.
- *Sales practice:* We have implemented internal policies that prohibit unfair trade practices (such as using harassment, coercion, or undue influence to impair customers’ freedom of choice). Our policy also specifies that the sales team and sales personnel must strictly comply with relevant laws, regulations, and industry standards when carrying out sales activities to ensure compliance. The relevant staff found to be in violation of such policies will be subject to disciplinary action. The relevant center managers are responsible for handling the matters in the first instance, and depending on the severity of the violation, the matters may be escalated to our senior management and/or our chief executive officer for further action. Refunds or other forms of compensation may be offered to customers. We believe these policies will properly incentivize our staff, and duly protect the interests of our customers and guarantee the quality of our services at the same time.

BUSINESS

- *Ethical behavior in our operations:* We are committed to maintaining the trust and respect of customers and partners. We adhere to a philosophy of fair and honest competition. We do not allow the direct or indirect authorization, tolerance, encouragement, or facilitation of illegal or unethical behavior, such as bribery, kickbacks, buying influence, promises to pay cash or valuable items, or any other actions that could be considered corrupt, illegal, or unethical.
- *Management of licenses and certificates:* We have devised our license and certificate management policies, which explicitly require every new postpartum center to be opened only after the required licenses and certificates (including, among other things, fire safety filings) have been obtained. According to our license and certificate management policies, we designate dedicated personnel to manage licenses and certificates required for our business operation, who are responsible for monitoring the status and renewal of such licenses and certificates in a timely manner.

We believe such measures and procedures have helped our business in complying with applicable laws and regulations.

Save as disclosed above and in “Risk Factors”, as far as we are aware, we were not subject to any material claims by third parties, or any inspection or investigation by the competent regulatory authorities in relation to unfair competition, false advertising, unauthorized medical practice, or product quality issues during the Track Record Period and up to the Latest Practicable Date.

Anti-bribery and Anti-corruption

We maintain strict policies on anti-bribery and anti-corruption, anti-money laundering, export control, and sanctions laws. Our employees must not use their position within our Group to request or accept any personal benefits or gifts, including but not limited to kickbacks, bribes, under-the-table commissions, loans below market rate, cash, or cash equivalents (including gift certificates and securities).

We have established a system of supervision that allows complaints and reports to be submitted to management regarding non-compliant behavior of our employees. We require our employees to abide by our compliance requirements. We plan to provide regular anti-corruption and anti-bribery compliance trainings for our Directors and senior management in order to enhance their knowledge and compliance of applicable laws and regulations. We will also provide ongoing anti-money laundering trainings for appropriate staff on the supervisory level.

Corporate Governance

Our Directors (who are responsible for monitoring the corporate governance of our Group), with help from our compliance adviser, will also periodically review our compliance status with all relevant laws and regulations after the Listing.

We have established an audit committee, the duties of which are to (i) review and supervise our financial reporting process and internal control system, risk management and internal audit; (ii) provide advice and comments to our Board in respect of financial, risk management, and internal control matters; and (iii) perform other duties and responsibilities as may be assigned by the Board. See “Directors and Senior Management — Board committees — Audit committee” for more details.

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.

We conduct regular review on the effectiveness of the aforesaid internal control measures and promptly address any abnormalities and malfunctions. Our internal control and internal audit group is responsible for providing detailed review results and reporting the results to the management periodically.

Risk Management

We recognize that risk management is critical to the success of our business operations. Key operational risks faced by us include changes in the general market conditions, the regulatory environment of the postpartum care industry, and our ability to compete with our competitors. See “Risk Factors”. We also face various market risks. See “Financial Information — Quantitative and Qualitative Disclosure of Risks.”

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. We take proactive measures to identify risks in two approaches, top-down approach and bottom-up approach.

- *Top-down approach:* Risks are identified from strategic view of the Board members or senior management.
- *Bottom-up approach:* Risks are identified at the activity process level, which can help to focus risk assessment on major business units.

BUSINESS

We set forth below the risk analysis we perform after the initial identification of risks.

- The risk ratings are determined based on the likelihood of occurrence and the potential impact.
- The risk assessment result including the identified risks, the likelihood of occurrence and the potential impact should be registered.
- Risks are prioritized in according to their risk ratings.
- Specific risks control strategies are adopted to respond to the identified risks in accordance to their prioritization.
- The principal risks identified in risk assessment may change from time to time. Ongoing review of the principal risks focusing on how changes might arise shall be performed, and monitor if their controls need to be adjusted.

We set forth below the procedures how we assess, evaluate, and monitor key risks associated with our strategic objectives on an ongoing basis.

- A risk-based internal audit program is approved by the audit committee each year.
- Internal audit reviews are carried out to perform assessment of risks and testing of controls across all business units. It provides reasonable assurance that adequate controls and governance are in operation.
- Investigations are performed in case of fraud or irregularities are uncovered and suspected. A well-defined whistleblowing mechanism for all their employees and other related third parties is designed to encourage them to raise any serious concerns about misconduct or fraudulent activities.
- Our internal audit department performs audit to evaluate the proper functioning of the risk management and internal control systems and make recommendation for improvements. Regular reports should be made to the audit committee on its findings.
- The audit committee, after reviewing and considering the risk management findings submitted by the internal audit department, will in turn report to the Board of Directors and confirm to the Board on the effectiveness of the systems. The audit committee is empowered to seek professional advice where necessary.

BUSINESS

- The Board should oversee management in the design, implementation and monitoring of the risk management and internal control systems, and management should provide a confirmation to the Board on the effectiveness of these systems.
- In the event any risk reporting information becomes or is likely to become inside information, the relevant department(s) or the internal audit department will promptly report such inside information in accordance with our inside information policy.

LEGAL COMPLIANCE MATTERS

During the Track Record Period and up to the Latest Practicable Date, save as disclosed below, we confirm that we had complied with the applicable laws and regulations in the jurisdictions in which we operate in all material respects.

Social Insurance and Housing Provident Funds

Background

During the Track Record Period, we had not made payments for social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. The shortfall of social insurance and housing provident fund contributions is estimated to be approximately RMB11.9 million, RMB11.5 million, and RMB13.7 million for the years ended December 31, 2022, 2023, and 2024, respectively. In addition, we engaged third-party human resources agencies and other subsidiaries within the Group to pay social insurance and housing provident funds for some of our employees during the Track Record Period primarily due to the preference of such employees to participate in local social insurance and housing fund schemes.

Potential Legal Consequences

For the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. For the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit.

BUSINESS

We might be subject to additional contribution, late payment fee, and/or penalties imposed by the relevant authorities if the third-party human resource agencies or other subsidiaries within the Group failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by relevant authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees.

Latest Status and Remedial Measures

As of the Latest Practicable Date, we had initiated payments for social insurance and housing provident funds for all our employees. As of the Latest Practicable Date, neither our Company nor any of our subsidiaries in China had any unresolved employee complaints or reports related to social insurance or housing provident fund contributions, nor had we received any notices or demands from the social insurance or housing provident fund authorities ordering us to rectify within a specified period, or to make up for any payments. As of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy.

We have reviewed our practice and adopted or plan to adopt remedial measures, including:

- We have enhanced our compliance policy with respect to social insurance and housing provident fund contribution in accordance with the PRC laws and regulations;
- We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a monthly basis;
- We will keep abreast of the latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; and
- We will consult our PRC counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

BUSINESS

We have conducted interviews with certain competent local governmental authorities in charge of social insurance funds and/or housing provident funds confirming that during the Track Record Period, (i) no administrative penalties had been imposed in connection with the shortfall for the social insurance and housing provident funds, (ii) they would not initiate any regulatory action to compel us to make supplementary contributions or impose any penalty on us in connection with the shortfall, (iii) no administrative penalty will be imposed after the company makes up the payment in a timely manner and completes the rectification in accordance with the regulations, and (iv) there is no need to be levied late fees, fines, or administrative penalties by the competent social insurance authorities.

Based on the foregoing, our Directors believe that such non-compliance would not have a material adverse effect on our business, results of operations, or financial condition or the Global Offering, considering that: (i) we had not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date regarding our social insurance and housing provident fund policy, (ii) we were neither aware of any material employee complaints filed against us nor involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date, and (iii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing provident funds.

Taking into account the following factors: (i) the relevant provisions of the above-mentioned PRC laws and regulations, (ii) confirmation by the governmental authorities through interviews and compliance certificate, (iii) the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Effectively Implementing the Essence of the Executive Meeting of the State Council and the Measures on the Stable Collection of Social Insurance Contributions which was promulgated on September 21, 2018, local governmental authorities are prohibited from making indiscriminate collection of outstanding social insurance contributions, (iv) as of the Latest Practicable Date, our Group had not had any unresolved complaints or reports from employees related to the social insurance and housing provide funds, and (v) if we receive any complaints or reports from employees in the future, or if there is any situation that is required by the relevant departments to make corrections or handle or make up the payment of social insurance premiums/housing provident fund and late fees, etc., disputes, complaints, or reports within the time limit, we will promptly correct or handle them, make up the payment in full, and resolve the disputes, complaints, or reports within the time limit, our PRC Legal Advisers are of the view that, (i) the likelihood of our Group being ordered by the authorities to settle the full amount of these historical unpaid social insurance collectively and our Group being subject to major administrative penalties is relatively low; and (ii) in the absence of any employee reports or complaints, and as long as we pay the outstanding housing provident fund in full in a timely manner upon receipt of

BUSINESS

the order of correction of non-compliance from the relevant competent authorities, the likelihood of our Group being ordered by the authorities to settle the full amount of these historical unpaid housing provident funds collectively and being enforced by the PRC courts is relatively low.

For the years ended December 31, 2022, 2023, and 2024, we made provisions amounting to RMB0.9 million, RMB1.2 million, and nil, respectively, in respect of the shortfall incurred due to not having set up the relevant contribution accounts in a timely manner to make any payment for certain employees during the Track Record Period. Save for the above, after taking into account the following factors: (i) as of the Latest Practicable Date, we had initiated payments for social insurance and housing provident funds for all our employees; (ii) as of the Latest Practicable Date, neither our Company nor any of our subsidiaries in China had any unresolved employee complaints or reports related to social insurance or housing provident fund contributions, nor had we received any notices or demands from the social insurance or housing provident fund authorities ordering us to rectify within a specified period, or to make up for any payments; (iii) as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy; (iv) the confirmations by the governmental authorities through interviews and compliance certificates; and (v) the views of our PRC Legal Advisers mentioned above, we had not made provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period.

Fire Safety Acceptance Filings

During the Track Record Period, we did not complete the fire safety filings in a timely manner for the renovation work at some of the leased properties for our postpartum centers. As of the Latest Practicable Date, the required fire safety filings of the relevant postpartum centers had been completed.

With respect to each of the relevant postpartum centers which had not completed the relevant fire safety filings in a timely manner, as advised by our PRC Legal Adviser, the maximum exposure for such non-compliance incident includes a penalty ranging from RMB30,000 to RMB300,000 and/or being ordered by relevant authorities to suspend the operations of such centers if they fail to pass the random inspection conducted by the competent authorities.

As of the Latest Practicable Date, no administrative penalties had been imposed on any of our premises in relation to fire safety compliance. We are committed to maintaining the highest standards of safety and will continue to work diligently to ensure all our centers meet the required fire safety regulations.

BUSINESS

The Controlling Shareholders have undertaken to fully compensate our Group with respect to any future losses arising from administrative penalty measures imposed on our subsidiaries in China by the relevant authorities in relation to fire safety.

Remedial Measures and Internal Controls

We aim to enhance our internal control measures and procedures with respect to the foregoing to manage associated risks and prevent re-occurrence of such non-compliance incidents.

Set forth below are the key efforts we have made:

- Management of licenses and certificates: We have devised our license and certificate management policies, which govern the timely applications for the required fire safety filings. The license and certificate management policies explicitly require every new postpartum center to be opened only after the required licenses and certificates have been obtained.
- Designated personnel: According to our license and certificate management policies, we designate dedicated personnel to manage licenses and certificates required for our business operation, who are responsible for monitoring the status and renewal of such licenses and certificates in a timely manner.

LICENSES, PERMITS, AND APPROVALS

Our Directors confirm that, during the Track Record Period and as of the Latest Practicable Date, we had obtained all material certificates, licenses, approvals, and permits from relevant authorities for our operations in all material respects. We are required to renew some of such certificates, licenses, approvals and permits from time to time, and we currently do not expect any material difficulties in or legal impediment to such renewals. According to our PRC Legal Adviser, if such renewal applications (i) are submitted to the competent authorities in a manner that is in strict compliance with the procedures and relevant requirements as required by the relevant laws, regulations, and supervisory practices, and such application is duly accepted by relevant competent authorities (provided that both we and the relevant documents submitted by us are in compliance with the requirements of the relevant PRC laws, regulations, and normative documents); (ii) satisfy the requirements of the regulatory practices; and (iii) complete all the procedures and formalities required to be performed in accordance with the relevant PRC laws, regulations, normative documents, and regulatory practices in all aspects, then our PRC Legal Adviser foresees no substantial legal impediment for us to renewing such licenses.

BUSINESS

AWARDS AND RECOGNITIONS

As a testimony to our achievements and the quality of our service, we have received various awards and recognitions.

The following table sets forth our major awards and recognitions we received:

Month and year	Awards/recognitions	Issuing entities
December 2023 . . .	Our Company received the Luxury Family Wellness award	Robb Report Hong Kong
September 2023	Our Company was awarded the “EY-Fudan Prize for the Most Promising Enterprises 2023” (安永復旦最具潛力企業獎)	EY China
November 2021	Our Saint Bella brand was recognized as the best high-end postpartum centers for 2021	Blueberry (藍莓評測)
September 2020	Annual Mother and Child Care Service Standards Innovation Contribution Award (年度母嬰保健服務標準創新貢獻獎)	National Technical Committee on Health Care Service of the Standardization Administration of the PRC (全國保健服務標準化技術委員會)
June 2020	Hangzhou Beikang was recognized in the 2020 List of Hangzhou Unicorn and Quasi-Unicorn Enterprises (2020杭州獨角獸&準獨角獸企業榜單)	Hangzhou Entrepreneurship & Venture Association (杭州市創業投資協會)
December 2019	Our Saint Bella brand was awarded the 2019 Quality Excellence Award for Postpartum Care Brands (2019年度卓越品質月子護理品牌)	CNR.cn (央廣網)
December 2018	Our Saint Bella brand was awarded the 2018 Influential Postpartum Care Brand (2018年度影響力月子護理品牌)	Sina

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Immediately after the completion of the Global Offering (assuming that each of the Offer Size Adjustment Option and the Over-allotment Option is not exercised), Mr. Danny Xiang, Primecare BVI, and Prime Intelligence, who are a group of Controlling Shareholders, will be interested in an aggregate of approximately 35.7% of the issued share capital of our Company and will remain as our Controlling Shareholders upon the Listing. Each of Primecare BVI and Prime Intelligence is a company wholly owned by Mr. Danny Xiang.

Mr. Danny Xiang is the founder of our Group, the Chairman, executive Director, and chief executive officer of our Company. For further background of Mr. Danny Xiang, see “Directors and Senior Management” in this prospectus.

Competition

Each of our Controlling Shareholders confirms that as of the Latest Practicable Date, he or it did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

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 the Listing.

Management Independence

Our Board comprises one executive Director, one non-executive Director, and three independent non-executive Directors. Mr. Danny Xiang is our executive Director. Our Directors and members of the senior management possess relevant management and/or industry-related experience to act as Directors or senior management of our Company. Except for Mr. Danny Xiang himself, all the other members of our Board and our senior management are independent of our Controlling Shareholders. See “Directors and Senior Management” for details.

As the majority of the members of our Board consists of independent non-executive Directors, we believe that our Board can fully benefit from the independent advice from our independent non-executive Directors and is capable of exercising its power independently from our Controlling Shareholders. We also believe that we will benefit from such Board composition from the perspective of corporate governance.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Each of our Directors is aware of his/her fiduciary duties as a director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential material 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) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted towards the quorum. In addition, we have an independent senior management team to carry out the business decisions of our Group independently.

Having considered the above factors, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their respective close associates following the completion of the Global Offering.

Operational Independence

We have sufficient capital, facilities, premises, and employees to operate our business independently from our Controlling Shareholders and their close associates. We also have independent access to our customers and suppliers and an independent management team, including an organizational structure made of individual departments, each with specific areas of responsibilities, to operate our business. Our Group has also established a set of internal controls procedures to facilitate the effective operation of our business.

We did not conduct any related party transactions with our Controlling Shareholders during the Track Record Period.

Accordingly, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent internal control and accounting system and make financial decisions according to our business needs. We also have an independent finance department responsible for discharging the treasury functions for cash receipts and payments, accounting, reporting, and internal control independently of our Controlling Shareholders and their respective close associates. We are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations. As of the Latest Practicable Date and upon the Listing, there was and will be no financial assistance, security, and/or guarantee provided by our Controlling Shareholders or their respective close associates in our favor or vice versa (as the case may be). We have engaged an independent internal control consultant, which is part of an international audit firm, to assist us in putting in place controls in relation to transactions with connected persons and their associates to ensure that any advances to or from such persons are in compliance with the Listing Rules.

Having considered that our future operations are not expected to be financed by our Controlling Shareholders or their respective close associates and we are capable of obtaining financing from external source on normal commercial terms without reliance on our Controlling Shareholders, we believe we are financially independent of our Controlling Shareholders and their respective close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) we have established internal control mechanisms to identify connected transactions. Upon the Listing, if we enter into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (b) our Company has appointed three independent non-executive Directors to ensure the effective exercise of independent judgments on the decision-making process of our Board and provide independent advice to our Shareholders;
- (c) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of his close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (d) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders ("**Annual Review**") and provide impartial and professional advice to protect the interests of our minority Shareholders;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (e) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational, and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (f) we will disclose decisions on matters reviewed by the independent non-executive Directors either in our interim and annual reports or by way of announcements as required by the Listing Rules;
- (g) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our expenses; and
- (h) we have appointed Gram Capital Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with 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 that may arise between us and our Controlling Shareholders, and to protect our minority Shareholders' interests after the Listing.

CONNECTED TRANSACTION

FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

Beikang Technology, one of our indirect wholly owned subsidiaries, has been procuring cloud services and other cloud-related technical support services (collectively, the “**Cloud Services**”) provided by Tencent Cloud Computing (Beijing) Company Limited (騰訊雲計算(北京)有限責任公司) (“**Tencent Cloud**”). Following the Listing (assuming each of the Offer Size Adjustment Option and the Over-allotment option is not exercised), Tencent Mobility, together with its close associates, will hold 10% or more of the issued share capital of our Company, and will be deemed as a substantial shareholder of our Company for the purpose of the Listing Rules. As a result, Tencent Cloud will be deemed as a connected person of our Company and the procurement of Cloud Services provided by Tencent Cloud by Beikang Technology will constitute a continuing connected transaction under the Listing Rules.

On June 16, 2025, Beikang Technology and Tencent Cloud entered into a cloud services framework agreement (the “**Cloud Services Framework Agreement**”) for a term commencing from the Listing Date to December 31, 2027. Pursuant to the Cloud Services Framework Agreement, Beikang Technology agreed to pay service fees to Tencent Cloud for the Cloud Services.

Pricing policies

The service fee payable to Tencent Cloud for the Cloud Services is calculated according to the standard service charges published on Tencent Cloud’s website which is publicly available and similar to fee rates offered by Tencent Cloud to other third parties. The service fee rates of the specific Cloud Services vary depending on the exact type of services involved, the amount and/or type of servers, bandwidth involved, the data consumed and the projects which utilize such services.

Reasons for the Transaction

Historically, our Group has been using the Cloud Services provided by Tencent Cloud since 2018. Our Group uses Tencent Cloud’s cloud computing infrastructure to enhance our Group’s technology capabilities in managing different areas of our business. There are limited cloud service providers in the PRC, and Tencent Cloud is a leading market player which provides integrated services for a wide range of technical support and related services, and is able to provide reliable and cost-efficient services in the PRC.

CONNECTED TRANSACTION

The Directors (including all of the independent non-executive Directors) are of the view that the continuing connected transaction contemplated under the Cloud Services Framework Agreement (including the annual cap) are conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Liang Jun, our non-executive Director, holds positions in Tencent and therefore abstained from voting on the relevant Board resolutions approving the Cloud Services Framework Agreement and the transaction contemplated thereunder.

Historical Transaction Amounts

For the years ended December 31, 2022, 2023 and 2024, the historical transaction amounts our Group paid for the service fees for the Cloud Services provided by Tencent Cloud amounted to approximately RMB167,000, RMB200,000 and RMB440,000, respectively.

Annual Caps

Our Directors estimate that the maximum amounts of service fees payable by Beikang Technology to Tencent Cloud under the Cloud Services Framework Agreement for the years ending December 31, 2025, 2026 and 2027 will not exceed RMB610,000, RMB800,000 and RMB1,100,000, respectively.

In arriving at the above annual caps, our Directors have primarily considered the relevant historical transaction amounts and the expected increase in the demand for Cloud Services in light of the anticipated business development of our Group.

Implication under the Listing Rules

Since each of the applicable percentage ratios under the Listing Rules in respect of the annual caps for the Cloud Services Framework Agreement is expected to be less than 5% and the total consideration thereunder is expected to be less than HK\$3,000,000 on an annual basis, the transaction under the Cloud Services Framework Agreement falls within the *de minimis* threshold under Rule 14A.76(1)(c) of the Listing Rules and will be fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board consists of five Directors comprising one executive Director, one non-executive Director, and three independent non-executive Directors. Our Board is responsible for and has been granted general powers for the management and conduct of our business.

The following table sets forth certain information in respect of the members of our Board:

Name	Age	Position(s) in our Company	Date joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Danny Xiang (向華)	38	Founder of our Group, Chairman, executive Director, and chief executive officer	July 1, 2017	December 21, 2023	Formulating the overall business direction, strategic development and corporate management of our Group; and overseeing our Board
Mr. Liang Jun (梁珺)	35	Non-executive Director	March 2, 2021	December 21, 2023	Providing strategic advice and recommendations on the operations and management of our Group
Ms. Wu Annie Suk Ching (伍淑清) . .	76	Independent non-executive Director	Listing Date (Note)	Listing Date	Supervising and providing independent advice to our Group
Mr. Rainer Josef Bürkle	63	Independent non-executive Director	Listing Date (Note)	Listing Date	Supervising and providing independent advice to our Group
Mr. Sim Koon Yin Edmund (沈觀賢) .	56	Independent non-executive Director	Listing Date (Note)	Listing Date	Supervising and providing independent advice to our Group

Note: The appointment of each of our independent non-executive Directors will become effective on the Listing Date.

Executive Director

Mr. Danny Xiang (向華), aged 38, joined our Group on July 1, 2017 and was re-designated as an executive Director, Chairman and our chief executive officer on June 25, 2024. Mr. Xiang is responsible for formulating the overall business direction, strategic development and corporate management of our Group and overseeing our Board.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Xiang graduated with a bachelor's degree and completed his master's degree in engineering in July 2010, both from the University of Oxford in the United Kingdom. He joined UBS AG Hong Kong Branch and worked in the Asia M&A and Corporate Finance Group and Asia Healthcare Group from July 2010 to June 2017, where he gained extensive deal experience in M&A and capital markets across various industries, particularly in the healthcare services and medical devices sectors. His last position at the group was Director.

Mr. Xiang is also a director of Hangzhou Beikang, and the legal representative of certain PRC subsidiaries of the Company.

Non-executive Director

Mr. Liang Jun (梁琨), aged 35, was appointed as a non-executive Director on December 21, 2023. Mr. Liang joined our Group in March 2021. He is responsible for providing strategic advice and recommendations on the operations and management of our Group.

Mr. Liang graduated from Fudan University in the PRC with a bachelor's degree and a master's degree in finance in July 2013 and June 2015 respectively. Prior to joining Tencent, he served as a research analyst at China Asset Management Company (華夏基金管理有限公司). Since 2018, he has been serving at the investment department of Tencent.

Mr. Liang is also a director of Hangzhou Beikang.

Independent Non-executive Directors

Ms. Wu Annie Suk Ching (伍淑清), *SBS, JP*, aged 76, has been appointed as an independent non-executive Director with effect from the Listing Date. She is responsible for supervising and providing independent advice to our Board.

Ms. Wu was awarded the Honorary Doctor of Laws of the University of Victoria, Canada in June 2005; Honorary Doctor of Social Science of the Hong Kong Baptist University in 2006; Honorary Fellow of the Vocational Training Council in November 2007; Honorary Doctor of Humane Letters of Carlton College, USA in 2009; Honoree FIU Medallion, The Cal Kovens Distinguished Community Service Award by the Florida International University in Miami, USA in May 2014; and Doctor of Humanities of the Hong Kong Polytechnic University in October 2018.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wu is at present the Honorary Chairman or Vice Chairman of a number of joint venture air catering companies which provide air catering services in Mainland China. She is a director of the following airline catering services companies:

Company name	Period of service
China Food Hospitality & Catering Service Company Limited	October 1982 to present
Hongkong Shanghai Air Catering Limited	September 1985 to present
Hongkong Beijing Air Catering Limited	July 1986 to present
Hongkong Southwest Air Catering Limited	October 1987 to present
Hongkong Hainan Air Catering Limited	August 1993 to present
Hongkong Qingdao Air Catering Limited	August 1993 to present
Hongkong Xiamen Air Catering Limited	July 1994 to present
Hongkong Nanjing Air Catering Limited	October 2001 to present
Hongkong Ningbo Air Catering Limited	January 2004 to present

Ms. Wu was elected Board Member of the World Trade Centers Association (“WTCA”) in 1994 and at the time, she was the first Asian woman board member. She currently serves on the WTCA board as the Lifetime Honorary Board Member.

Ms. Wu is actively involved in advancing the cause of women’s issues as well as education for youth in Hong Kong as well as in Mainland China. She is one of the founders of the Hong Kong Federation of Women and is also the Honorary President of the Hong Kong Women Professionals & Entrepreneurs Association. In 2000, Ms. Wu co-founded the Chinese Foundation Secondary School in Hong Kong. Since March 2024, she has also served as a honorary member of the council of the China Soong Ching Ling Foundation in Mainland China.

Ms. Wu was a member of the 7th, 8th, and 9th National Committee of the Chinese People’s Political Consultative Conference (CPPCC) and, a member of the Standing Committee Member of the 10th, 11th, and 12th term of the CPPCC National Committee. She also served as Vice Chairperson of the All-China Federation of Industries & Commerce.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Rainer Josef Bürkle, aged 63, has been appointed as an independent non-executive Director with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

Mr. Bürkle is a seasoned hospitality executive with over 40 years of experience in the luxury hotel industry, spanning three continents and multiple markets. He has held various senior leadership positions with Marriott International, one of the world's largest hotel groups, most recently as the Area Vice President, Luxury, Greater China, before he left the group in August 2022 after a 30 years' career with the company.

At Marriott International, Mr. Bürkle oversaw the operations of over 45 properties, including the opening of new luxury hotels in the region. He has served as the Regional and Area Vice President for Marriott International's The Ritz-Carlton brand in China and Europe, overseeing the operations, performance, and development of several award-winning hotels. He has also been the General Manager of The Ritz-Carlton hotels in Shanghai, Berlin, and Istanbul, as well as the Managing Director and General Manager of the Berlin Marriott Hotel.

Prior to joining Marriott International in September 1992 as Assistant to Food and Beverage at The Ritz-Carlton, Boston, Mr. Bürkle worked for Claridge's, a luxury hotel in London, as the Food and Beverage Manager, and for The Berkeley, another luxury hotel in London, as a Deputy Chef and Sommelier.

Mr. Sim Koon Yin Edmund (沈觀賢), aged 56, has been appointed as an independent non-executive Director with effect from the Listing Date. He is responsible for supervising and providing independent advice to our Board.

Mr. Sim has over 18 years of experience in the investment banking industry. From March 2004 to June 2008, Mr. Sim served as a director in equity capital markets in Citigroup Global Markets Asia Limited where he was responsible for Hong Kong equity markets offerings. Mr. Sim worked in Goldman Sachs (Asia) L.L.C. and Goldman Sachs Gao Hua Securities Company Limited from June 2008 to May 2010 as an executive director in the financing group department. From May 2010 to July 2012, Mr. Sim served as a managing director and co-head of the China equity markets department in Merrill Lynch (Asia Pacific) Limited. Mr. Sim served as a managing director and head of global capital markets from October 2012 to May 2017 and a managing director and head of equities division from May 2017 to October 2018 in China Merchants Securities International Company Limited, where he was primarily responsible for the equity and debt capital market offering as well as the overall management of the institutional equities, investment research, and financial products department as being the head of the equities division. From November 2019 to November 2022, Mr. Sim served as a vice president of Vitasky Research Holdings Co. Limited where he was primarily responsible for international business development

DIRECTORS AND SENIOR MANAGEMENT

and capital markets activities. From December 2022 to December 2024, Mr. Sim served as the chief financial officer of HighTide Therapeutics, Inc., a company whose shares are listed on the Stock Exchange (stock code: 2511), where he was primarily responsible for overseeing the group’s management of the capital market activities, finances and legal affairs.

Mr. Sim obtained his bachelor of business degree in accountancy from Queensland University of Technology in August 1996 in Australia and his master of science degree in financial management from University of London in December 2000 in the United Kingdom through long distance learning. In May 1999, Mr. Sim was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants. Mr. Sim has been a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants since March 2000.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. Mr. Danny Xiang, our executive Director, Chairman and chief executive officer, is also our senior management; see “Overview — Executive Director” above for his biographical information.

The following table provides information about other members of our senior management team:

Name	Age	Position	Date joining our Group	Date of appointment as senior management	Roles and responsibilities
Ms. Minee Lin (林宛頤)	37	Co-founder and chief operating officer	July 1, 2017	July 1, 2017	Overseeing our Group’s operations, marketing, and business development
Dr. Liu Mei-fang (劉美芳)	57	Chief nursing officer	July 30, 2017	July 30, 2017	Overseeing the nursing operations of our postpartum center business
Dr. Chung Yu-fu (鍾宇富).	52	Chief nourishment officer	October 27, 2021	October 27, 2021	Overseeing our food products business; providing advice to our postpartum center business
Mr. Zhao Mingyang (趙名揚)	38	Finance & innovation vice president	July 18, 2022	July 18, 2022	Overseeing the finance and innovation affairs of our Group

DIRECTORS AND SENIOR MANAGEMENT

Ms. Minee Lin (林宛頤), formerly known as Lin Yi (林逸), aged 37, is a co-founder and the chief operating officer of our Group. Ms. Lin has held the position of our chief operating officer since July 2017. She is responsible for overseeing our Group’s operations, marketing, branding and business development.

Ms. Lin has extensive experience in public relations, media, and branding in the art and lifestyle sectors, contributing to the quality standards and sophisticated operations of our brands. She started her career with Beijing Mengsitong Consulting Services Limited (北京蒙斯通諮詢服務有限公司) as a public relations director in the marketing department of the Fashion Bride (時尚新娘) magazine from February 2013 to March 2014. Between April 2014 and July 2017, she joined Hunliji (婚禮紀), an online wedding platform, and served as a brand vice president in the brand and public relations department.

Ms. Lin obtained a bachelor degree in music in 2009 from Wuhan Conservatory of Music (武漢音樂學院) in the PRC and a master degree in mass communication from the University of Leicester in the United Kingdom in January 2013.

Dr. Liu Mei-fang (劉美芳), aged 57, is the chief nursing officer of our Group. Dr. Liu has held such position since she joined our Group in July 2017. She is responsible for overseeing the nursing operations of our postpartum center business, including the design of nursing workflow and operating procedures, standards formulation, curriculum design, and training of nursing specialists.

Dr. Liu is an International Board of Certified Lactation Consultant, and a certified international maternal and child nursing specialist trainer at the American Certification Institute. Dr. Liu has taught nursing courses about mother and baby care at various tertiary institutions in Taiwan, China. She was appointed as an instructor by Wuhan City College (武漢城市學院) in 2021 and as an adjunct professor by Wuchang University of Technology (武昌理工學院) in the PRC in 2023.

Dr. Liu obtained her bachelor’s degree in nursing from Taipei Medical College (臺北醫學院) (currently known as “Taipei Medical University (臺北醫學大學)”) in Taiwan, China in June 1999. She then pursued a master’s and a doctoral degree in nursing at the Taipei University of Nursing and Health Sciences (臺北護理健康大學) (formerly known as “Taipei Nursing College” “臺北護理學院”) in Taiwan, China and graduated in January 2007 and November 2014 respectively.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Liu has more than 20 years of nursing experience, focusing on the area of mother and baby care and child delivery. From September 1992 to May 2008, Dr. Liu served at the Cardinal Tien Hospital (耕莘醫院) in Taipei and her last position was head nurse. In May 2008, Dr. Liu started working as a nursing supervisor at Shuang Ho Hospital (雙和醫院) in Taipei where she stayed until July 2015. She then joined Zhuhai Cixinyuan Health Consulting Co., Ltd. (珠海慈心園健康諮詢有限公司) as nursing director from December 2015 to April 2017, primarily in charge of operating and managing the nursing business.

Dr. Chung Yu-fu (鍾宇富), aged 52, is the chief nourishment officer of our Group. Dr. Chung has held such position since he joined our Group in October 2021. He is responsible for overseeing our food products business and providing advice to our postpartum center business.

In 1995, Dr. Chung obtained a bachelor's degree in mass communication from the Chinese Culture University (中國文化大學) in Taiwan, China. He then graduated from the Guangzhou University of Chinese Medicine (廣州中醫藥大學) in the PRC with a master's degree in pharmaceutics in 2011 and a doctoral degree in acupuncture and massage in 2014.

Dr. Chung founded GuangHeTang in 2003, developing health food products for women recovering from pregnancy, lactation, miscarriage, and menstruation. He also oversaw the establishment of centralized kitchens in Beijing and Shanghai which used to supply GuangHeTang's cooked postpartum meals. Dr. Chung remained with GuangHeTang following our acquisition of GuangHeTang Foods in October 2021. He is the inventor of three patented formulas of food products currently owned by our Group.

Dr. Chung is also the first group of nutrition instructors of the National Health Commission of the People's Republic of China (中華人民共和國國家衛生健康委員會), an industry researcher of the Maternal and Child Health Management Research Center of the Institute of Healthy Yangtze River Delta of Shanghai Jiao Tong University (上海交通大學健康長三角研究院母嬰健康管理研究中心), the honorary chairman of the Health Industry Working Committee of the Shanghai Taiwan Investors Association (上海市台協大健康行業工委會), and the chairman of the China Taiwan Cross-Strait Postpartum Maternal and Infant Industry Association (中國台灣中華兩岸月子母嬰行業協會).

Dr. Chung owns 10% of the equity interest of Beikang Guanghe, the holding company of our food products business. See "History, Reorganization, and Corporate Structure — Major Acquisitions and Investments — Acquisition of the GuangHeTang Business" for more information.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhao Mingyang (趙名揚), aged 38, is the finance & innovation vice president of our Group. Mr. Zhao has held such position since he joined our Group in July 2022. Prior to his current role, Mr. Zhao held the position of chief financial officer at Shanghai Shore Technology Co., Ltd. (上海雪巴科技有限公司), a company principally engaged in software development, from September 2021 to June 2022. Between November 2013 and August 2021, Mr. Zhao served a number of positions at Alibaba, Teambition, Taozailushang, and Shanghai Zendai Investment Development Co., Ltd (上海證大投資發展有限公司). He began his career at KPMG from October 2010 to September 2013 and his last position was audit assistant manager.

Mr. Zhao obtained a Finance MBA from the China Europe International Business School in the PRC in November 2022. He also holds a Master of Accounting degree from Macquarie University in Sydney, Australia, obtained in May 2010, and a bachelor's degree in information system from Shanghai University in the PRC, obtained in July 2008.

OTHER INFORMATION IN RELATION TO OUR DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed in this prospectus, each of our Directors has confirmed that there are no other matters relating to his appointment as a Director that need to be brought to the attention of our Shareholders and there is no other information in relation to his appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Save as disclosed in this prospectus, none of our Directors and senior management hold any other positions within our Group.

Save as disclosed above, none of our Directors and senior management has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this prospectus.

None of our Directors and senior management is related to other Directors and senior management.

For the business address of the senior management, please see the address of our principal place of business in Hangzhou in “Corporate Information” in this prospectus.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Mr. Gao Zhongkun (高忠坤) was appointed as a joint company secretary of our Company on June 25, 2024. Mr. Gao joined our Company in September 2021 and is responsible for our Group's investment and financing affairs, legal affairs, and administrative affairs. He has over 14 years of experience in product and marketing, as well as extensive experience in investment and financing. Before joining our Company, he served as the Vice President of the Institutional Sales Department at Oriental Securities Company from 2019 to 2021, where he was involved in equity capital market transactions in various industries. Prior to that, Mr. Gao worked at Lenovo Group from 2007 to 2018. Prior to joining Lenovo Group, Mr. Gao began his professional career at WYSE Technology since 2005.

Mr. Gao obtained a bachelor's degree in aircraft design and engineering from Beijing Institute of Technology in the PRC in 2005. In 2019, he obtained his master of business administration degree from Vlerick Business School in Leuven, Belgium.

Ms. Oh Sim Yee (胡倩鈞) was appointed as a joint company secretary of our Company on June 25, 2024. She is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and has over ten years of experience in the corporate secretarial field. She has been an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom since 2017. In addition, she holds a Bachelor of Business Degree in Accounting from the Victoria University, Australia.

CORPORATE GOVERNANCE

Chairman and Chief Executive Officer

Mr. Danny Xiang, who is our executive Director, will also continue to assume the responsibilities as our Chairman and chief executive officer upon Listing. Code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules states that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Our Board believes that Mr. Danny Xiang should continue to assume the responsibilities of chief executive officer upon Listing as this arrangement will improve the efficiency of our decision-making and execution process given his knowledge of our Group's affairs. Further, our Company has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors. In light of the above, our Board considers that the deviation from Code provision C.2.1 of the Corporate Governance Code is appropriate in the circumstances of our Company. Our Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

DIRECTORS AND SENIOR MANAGEMENT

Board Diversity

We have adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to the Company's development. Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Our Board members have a balanced mix of experiences and background, including but not limited to experiences in investment, finance, catering and hospitality industries. Our Board members obtained degrees in various majors including biomedical engineering, civil engineering, mathematics and finance. We have one non-executive Director and three independent non-executive Directors with different industry backgrounds, and they together represent more than half of the members of our Board. Moreover, our Board members has a wide range of age, ranging from 35 years old to 76 years old. One of our five Directors is female.

Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. After Listing, our Nomination Committee will review the board diversity policy from time to time to ensure its effectiveness and we will disclose in our corporate governance report a summary of the board diversity policy and the related objectives we have set and the progress on achieving the objectives on an annual basis.

BOARD COMMITTEES

Audit Committee

We established our Audit Committee on June 9, 2025 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Audit Committee consists of three members, being Mr. Sim Koon Yin Edmund, Mr. Liang Jun and Ms. Wu Annie Suk Ching. Mr. Sim Koon Yin Edmund, has been appointed as the chairperson of our Audit Committee, and is an independent non-executive Director possessing the appropriate professional qualifications. The primary duties of our Audit Committee are to provide our Directors with an independent review of the effectiveness of the financial reporting process, internal control, and risk management system of our Group, to oversee the audit process and to perform other duties and responsibilities as assigned by our Directors.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

We established our Remuneration Committee on June 9, 2025 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Remuneration Committee consists of three members, being Ms. Wu Annie Suk Ching, Mr. Sim Koon Yin Edmund and Mr. Liang Jun. Ms. Wu Annie Suk Ching, an independent non-executive Director, has been appointed as the chairperson of our Remuneration Committee. The primary duties of our Remuneration Committee include, among others, the following matters: (i) making recommendations to our Directors on our policy and structure for remunerations of all our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration, (ii) determining the terms of the specific remuneration package of our Directors and senior management, and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Directors from time to time.

Nomination Committee

We established our Nomination Committee on June 9, 2025 with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Nomination Committee comprises three members, being Mr. Danny Xiang, Mr. Sim Koon Yin Edmund and Ms. Wu Annie Suk Ching. Mr. Danny Xiang has been appointed as the chairperson of our Nomination Committee. The primary duties of our Nomination Committee are to make recommendations to our Directors on all new appointments of Directors and senior management, interviewing nominees, to take up references, and to consider related matters.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

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.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules, and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

The aggregate amount of remuneration including salaries, bonuses, allowances, benefits in kinds and pension scheme contributions that the five highest paid individuals of our Group received from us in respect of the years ended December 31, 2022, 2023, and 2024 were approximately RMB3.4 million, RMB2.1 million, and RMB47.9 million, respectively. For the years ended December 31, 2022 and 2023, none of the five highest paid individuals were Directors. For the year ended December 31, 2024, one of the five highest paid individuals was a Director.

During the Track Record Period, no remuneration was paid to the five highest paid individuals of our Group or any Director as an inducement to join or upon joining our Group. No compensation was paid to or receivable by such individuals or any Director during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of our Group. There had been no arrangements under which a Director waived or agreed to waive any emoluments for any part of the Track Record Period.

Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Company during the Track Record Period.

For information on our Directors' service contracts and their remuneration, see "Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Directors" in Appendix IV to this prospectus for details.

Our Board will review and determine the remuneration and compensation packages of the Directors and senior management which, following the Listing, will receive recommendations from our Remuneration Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and the performance of our Group.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

We have appointed Gram Capital Limited as our compliance adviser upon Listing pursuant to Rule 3A.19 of the Listing Rules. According to the terms of the agreement entered into between our Company and Gram Capital Limited, our Company will consult with and, if necessary, seek advice from Gram Capital Limited on a timely basis in the following circumstances:

- before the publication of any regulatory announcement, circular, or financial report;
- where a transaction, which might be a notifiable or connected transaction, 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 of our Group deviate from any forecast, estimate, or other information in this prospectus; or
- where the Stock Exchange makes an inquiry of us in accordance with Rule 13.10 of the Listing Rules.

The term of the appointment will commence on the Listing Date and end on the date on which we distribute our annual report in respect of our financial results as required under Rule 13.46 of the Listing Rules for the first full financial year commencing after the Listing Date and such appointment may be extended by mutual agreement.

SHARE CAPITAL

The following is a description of the authorized share capital and Shares of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalization Issue and the Global Offering (without taking into account any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option):

Number of Shares	Description of Shares	Nominal value (US\$)	Approximate percentage of our total share capital
<i>Authorized share capital:</i>			
1,000,000,000	Shares of US\$0.0001 each	100,000.0	—
<i>In issue and to be issued, fully paid or credited as fully paid:</i>			
10,000,000	Shares in issue as of the date of this prospectus	1,000.0	1.7%
490,000,000	Shares to be issued under the Capitalization Issue	49,000.0	82.3%
95,420,000	Shares to be issued under the Global Offering	9,542.0	16.0%
<u>595,420,000</u>	Total	<u>59,542.0</u>	<u>100.0 %</u>

SHARE CAPITAL

Assuming the Offer Size Adjustment Option is exercised in full but the Over-allotment Option is not exercised, the Shares of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalization Issue and the Global Offering will be as follows:

Number of Shares	Description of Shares	Nominal value	Approximate percentage of our total share capital
		<i>US\$</i>	
<i>In issue and to be issued, fully paid or credited as fully paid:</i>			
10,000,000.....	Shares in issue as of the date of this prospectus	1,000.0	1.6%
490,000,000.....	Shares to be issued under the Capitalization Issue	49,000.0	80.4%
109,733,000	Shares to be issued under the Global Offering	10,973.3	18.0%
609,733,000	Total	60,973.3	100.0%

SHARE CAPITAL

Assuming the Over-allotment Option is exercised in full but the Offer Size Adjustment Option is not exercised, the Shares of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalization Issue and the Global Offering will be as follows:

Number of Shares	Description of Shares	Nominal value	Approximate percentage of our total share capital
		US\$	
<i>In issue and to be issued, fully paid or credited as fully paid:</i>			
10,000,000.....	Shares in issue as of the date of this prospectus	1,000.0	1.6%
490,000,000.....	Shares to be issued under the Capitalization Issue	49,000.0	80.4%
109,733,000	Shares to be issued under the Global Offering	10,973.3	18.0%
609,733,000	Total	60,973.3	100.0%

SHARE CAPITAL

Assuming the Offer Size Adjustment Option and the Over-allotment Option are both exercised in full, the Shares of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Capitalization Issue and the Global Offering will be as follows:

Number of Shares	Description of Shares	Nominal value	Approximate percentage of our total share capital
		(US\$)	
<i>In issue and to be issued, fully paid or credited as fully paid:</i>			
10,000,000	Shares in issue as of the date of this prospectus	1,000.0	1.6%
490,000,000	Shares to be issued under the Capitalization Issue	49,000.0	78.3%
126,192,500	Shares to be issued under the Global Offering	12,619.3	20.2%
<u>626,192,500</u>	Total	<u>62,619.3</u>	<u>100.0%</u>

SHARE CAPITAL

Assumptions

The above tables assume that the Global Offering becomes unconditional and Shares are issued pursuant to the Capitalization Issue and the Global Offering. The above tables do not take into account any Shares that may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

RANKINGS

The Offer Shares will be ordinary shares in the share capital of the Company and will carry the same rights in all respects with all Shares in issue or to be issued as mentioned in this prospectus 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 save for the entitlement under the Capitalization Issue.

GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue, and deal with Shares with a total nominal value of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the Capitalization Issue and the Global Offering (including any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option, but without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option); and
- the total number of Shares repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares granted by our Directors referred to below.

Our Directors may, in addition to the Shares which they are authorized to issue under this general mandate, allot, issue, or deal with Shares under a rights issue, scrip dividend scheme, or similar arrangement.

This general mandate to issue Shares will remain in effect until 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 by the Articles of Association or any applicable laws to be held; or

SHARE CAPITAL

- the date on which such general mandate is varied or revoked as an ordinary resolution of our Shareholders in general meeting.

See “Statutory and General Information — A. Further Information about our Group — 4. Resolutions of our Shareholders Passed on June 12, 2025” in Appendix IV to this prospectus for further details of this general mandate.

General Mandate to Repurchase Shares

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase our own securities with nominal value of up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the Global Offering (including any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option, but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are listed (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in “Statutory and General Information — A. Further Information about our Group — 5. Repurchase of our Own Securities” in Appendix IV to this prospectus.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the date by which the next annual general meeting our Company is required by the Articles of Association, the Cayman Companies Act, or any other applicable Cayman Islands law to be held; or
- the date on which an ordinary resolution is passed by the Shareholders revoking or varying the authority given to our Directors.

See “Statutory and General Information — A. Further Information about our Group — 5. Repurchase of our Own Securities” in Appendix IV to this prospectus for further details.

SHARE CAPITAL

CIRCUMSTANCE UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Upon the Listing, our Company will have only one class of Shares, namely ordinary shares, and each ranks *pari passu* with the other Shares.

Pursuant to the Cayman Companies Act and the terms of our Memorandum of Association and Articles of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase our capital; (ii) consolidate our capital into shares of larger amount; (iii) divide our shares into several classes; (iv) subdivide our shares into shares of smaller amount; and (v) cancel any shares which have not been taken. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce our share capital or capital redemption reserve by our shareholders passing a special resolution. See “Summary of the Constitution of our Company and Cayman Islands Company Law — Articles of Association — Alteration of capital” in Appendix III to this prospectus for further details.

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, subject to certain conditions precedent, the Cornerstone Investors have agreed to subscribe, or cause their designated entities to subscribe, at the Offer Price, for a certain number of Offer Shares (rounded down to the nearest whole board lot of 500 Shares) with an aggregate net amount of no more than US\$41.5 million (or approximately HK\$325.3 million, calculated based on the exchange rate set out in “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this prospectus) (exclusive of brokerage, SFC transaction levy, AFRC transaction levy, and the Stock Exchange trading fee) (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$6.58 per Offer Share, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 49,443,000 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Offer Size Adjustment Option is not exercised				Assuming the Offer Size Adjustment Option is exercised in full			
Approximately % of total number of Offer Shares		Approximately % of total Shares in issue immediately following the completion of Global Offering		Approximately % of total number of Offer Shares		Approximately % of total Shares in issue immediately following the completion of Global Offering	
Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
51.82%	45.06%	8.30%	8.11%	45.06%	39.18%	8.11%	7.90%

Our Company is of the view that (i) introducing the Cornerstone Investors to the Global Offering would help to ensure a reasonable size of solid commitment at the commencement of the marketing period; and (ii) by leveraging on the Cornerstone Investors’ reputation, the Cornerstone Placing would contribute to elevating the profile of our Company and providing confidence to the market in respect of our business and prospects.

CORNERSTONE INVESTORS

Our Company became acquainted with (i) GIMM through Pegasus Capital, a Pre-IPO Investor, (ii) ChinaAMC (HK) through the introduction of one of the Joint Overall Coordinators, (iii) the largest limited partner of JKKB and Mr. Wu during the ordinary course of business, and (iv) Minwise, SS Morgan and Ms. Wang through the network and connection of the Company's management.

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not subscribe any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed 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 listed on the Stock Exchange and counted towards the public float of our Company for the purpose of Rule 8.08 of the Listing Rules and in compliance with the requirement under Rule 8.08(3) of the Listing Rules.

There are no side agreements and 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 Offer Price. Each of the Cornerstone Investors has confirmed that all necessary approvals have been obtained with respect to the relevant cornerstone investment. Save as disclosed below, none of the Cornerstone Investors or their holding companies is listed on any stock exchange, and each of the Cornerstone Investors has confirmed that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment. Each of the Cornerstone Investors has agreed that it shall fully pay for the Offer Shares to be subscribed by such Cornerstone Investor before the Listing. There will also be no delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors and no deferred settlement of payment of the investment amounts for all of the Cornerstone Investors under the Cornerstone Investment Agreement.

Immediately upon the completion of the Global Offering, (i) none of the Cornerstone Investors will become substantial Shareholders of our Company; and (ii) the Cornerstone Investors or their close associates will not, by virtue of their cornerstone investments, have any Board representation in our Company.

Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders.

Among the Cornerstone Investors, (i) ChinaAMC (HK) is owned as to 62.2% by CITIC Securities Company Limited (a company listed on the Shanghai Stock Exchange with stock code 600030 and on the Hong Kong Stock Exchange with stock code 6030), and as such is a connected

CORNERSTONE INVESTORS

client of one of the Joint Overall Coordinators and (ii) JKKB is a connected client of Caitong Securities Co., Ltd, one of the Joint Bookrunners. The Stock Exchange has granted a consent under Paragraph 5(1) of the Appendix F1 to the Listing Rules and paragraph 3 of Chapter 4.15 of the Listing Guide to permit Shares in the International Offering to be placed to ChinaAMC (HK) and JKKB. For further details, see “Waivers from Strict Compliance with the Listing Rules — Cornerstone Investments by Connected Clients” in this prospectus.

As confirmed by the relevant Cornerstone Investors, (i) save as disclosed below, each of the Cornerstone Investors is independent of each of our Company, our existing shareholders and their respective close associates, and is not an existing Shareholder or a close associate of our Company, and therefore is an Independent Third Party; (ii) none of the Cornerstone Investors is accustomed to taking instructions from our Company, our Controlling Shareholders, our Directors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; (iii) the subscription of the relevant Offer Shares by each of the Cornerstone Investors is not financed directly or indirectly by our Company, our Controlling Shareholders, our Directors, chief executive, substantial Shareholders, existing Shareholders or any of their respective subsidiaries or their respective close associates; (iv) each of the Cornerstone Investors will be utilizing his/her/its internal/own financial resources, as his/her/its source of funding for the subscription of the Offer Shares, and each of the Cornerstone Investors has sufficient funds to settle his/her/its investment under the Cornerstone Placing; and (v) all necessary approvals have been obtained with respect to the Cornerstone Placing and that no specific approval from any stock exchange (if relevant) is required for the relevant Cornerstone Placing.

The total number of Offer Shares to be subscribed by the Cornerstone Investors 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 under the Hong Kong Public Offering as described in “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” in this prospectus. Each of the Cornerstone Investors has agreed that if the total demand for Shares in the Hong Kong Public Offering falls within the circumstances as set out in the aforesaid section of this prospectus, the number of Offer Shares to be subscribed by such Cornerstone Investor may be deducted on a *pro rata* basis to satisfy the public demands under the Hong Kong Public Offering. Each of the Cornerstone Investors has agreed that in the event that the requirements under Rule 8.08(3) of the Listing Rules, which stipulates that no more than 50% of the Shares in public hands on the Listing Date (i.e. prior to the exercise of the Over-allotment Option) can be beneficially owned by the three largest public shareholders, may not be complied with on the Listing Date, the allocation of the number of Investor Shares to be subscribed for by the Cornerstone Investors may be adjusted to ensure compliance with Rules 8.08(3) of the Listing Rules. Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be published by our Company.

CORNERSTONE INVESTORS

OUR CORNERSTONE INVESTORS

The tables below set forth details of the Cornerstone Placing:

Based on the Offer Price of HK\$6.58

Cornerstone Investor	Total investment amount (US\$m)	Number of Offer Shares ⁽¹⁾	Assuming the offer size adjustment option is not exercised				Assuming the offer size adjustment option is exercised in full			
			Approximately % of total Shares in issue immediately following the completion of Global Offering		Approximately % of total Shares in issue immediately following the completion of Global Offering		Approximately % of total Shares in issue immediately following the completion of Global Offering		Approximately % of total Shares in issue immediately following the completion of Global Offering	
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is not exercised	
			Over-allotment Option is not exercised	Over-allotment Option is not exercised	Over-allotment Option is not exercised	Over-allotment Option is not exercised	Over-allotment Option is not exercised	Over-allotment Option is not exercised	Over-allotment Option is not exercised	Over-allotment Option is not exercised
			exercised	in full	exercised	in full	exercised	in full	exercised	in full
GIMM Holding Limited (“GIMM”) ⁽²⁾	6.37	7,598,500	7.96%	6.92%	1.28%	1.25%	6.92%	6.02%	1.25%	1.21%
China Asset Management (Hong Kong) Limited (“ChinaAMC (HK)”	4.00	4,770,500	5.00%	4.35%	0.80%	0.78%	4.35%	3.78%	0.78%	0.76%
JKKB Limited (“JKKB”) ⁽³⁾	13.08	15,606,000	16.36%	14.22%	2.62%	2.56%	14.22%	12.37%	2.56%	2.49%
Mr. Carl Wu (吳啟楠) (“Mr. Wu”).	1.00	1,192,500	1.25%	1.09%	0.20%	0.20%	1.09%	0.94%	0.20%	0.19%
SS Morgan Capital Limited (“SS Morgan”)	6.00	7,156,000	7.50%	6.52%	1.20%	1.17%	6.52%	5.67%	1.17%	1.14%
Minwise Business Consulting Limited (“Minwise”)	4.00	4,770,500	5.00%	4.35%	0.80%	0.78%	4.35%	3.78%	0.78%	0.76%
Ms. Wang Qianqing (汪牽擎) (“Ms. Wang”).	7.00	8,349,000	8.75%	7.61%	1.40%	1.37%	7.61%	6.62%	1.37%	1.33%
Total	41.46	49,443,000	51.82%	45.06%	8.30%	8.11%	45.06%	39.18%	8.11%	7.90%

Note:

- The number of Shares to be subscribed by each Cornerstone Investor is calculated based on the relevant investment amount in Hong Kong dollars (calculated based on the exchange rate set out in “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this prospectus with respect to investment amounts in currencies other than Hong Kong dollars) and the Offer Price, rounded down to the nearest whole board lot of 500 Shares; provided that if there are differences between the exchange rate set out in the section headed “Information about this Prospectus and the Global Offering — Exchange Rate Conversion” in this prospectus and the exchange rate on the actual date of payment, the Joint Overall Coordinators and the Company shall have the sole and absolute discretion to adjust the number of Shares to be subscribed by the Cornerstone Investors (as applicable) based on the actual amount of Hong Kong dollars received.
- The investment amount of GIMM in the table is HK\$50 million.

CORNERSTONE INVESTORS

(3) The investment amount of JKKB in the table is the Hong Kong dollars equivalents of RMB94 million.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in relation to the Cornerstone Placing.

GIMM

GIMM is incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. It is indirectly owned as to 25% by 58.com Inc. (“**58.com**”), a leading online platform of classified information and services, providing platforms for consumer users to browse, search and post information, get connected and communicate with services providers to ultimately address these consumer users’ needs for local services, while business users use 58.com’s platforms to upload and promote their services, attract customer leads and inquiries and hire people for their own businesses. 58.com was previously listed on the New York Stock Exchange since October 2013 and was subsequently privatized by Quantum Bloom Group Ltd in September 2020. 58.com is indirectly controlled as to 33.7% by Tencent Mobility. GIMM is owned as to 75% by Mr. Leung Ming Shu (梁銘樞) (“**Mr. Leung**”), who is currently serving as the chief financial officer of 58.com group and as the independent non-executive director of multiple listed companies on the Stock Exchange. Mr. Leung is also a founding and managing partner at Harmony Capital, a family office private equity fund with a focus on internet and consumer sectors in China.

ChinaAMC (HK)

ChinaAMC (HK) is a wholly-owned subsidiary of China Asset Management Co., Ltd., (“**ChinaAMC**”) which is owned as to 62.2% by CITIC Securities Company Limited (a company listed on the Shanghai Stock Exchange with stock code 600030 and on the Hong Kong Stock Exchange with stock code 6030). As a top Chinese fund management company in Hong Kong, ChinaAMC (HK) is committed to developing offshore and cross-border asset management businesses by leveraging the expertise of its experienced investment and research teams and its shareholder companies’ resources, services and connections in Mainland China.

ChinaAMC provides a full range of services to retail and institutional investors home and abroad, covering equity, fixed income, money markets, etc. With more than RMB2.81 trillion in assets under management (including that of subsidiaries) as of March 31, 2025, it is one of the largest asset managers in China. ChinaAMC provides services to National Social Security Fund, corporate pensions, separate accounts, sovereign funds in Europe, America, and Asia, central banks, pensions, banks, asset managers, securities companies and other overseas institutional clients.

CORNERSTONE INVESTORS

JKKB

JKKB, a company with limited liability incorporated in the British Virgin Islands, is a special purpose vehicle wholly owned by Hangzhou Jinkai Kangbei Equity Investment Partnership Enterprise (Limited Partnership) (杭州金開康貝股權投資合夥企業(有限合夥)) (“**Jinkai Kangbei**”) and dedicated exclusively to making a cornerstone investment in our Company. Jinkai Kangbei has a committed capital RMB100.1 million and is owned as to 0.1% by Zhejiang Caitong Capital Investment Co., Ltd. (浙江財通資本投資有限公司) as the general partner (which is wholly owned by Caitong Securities Co., Ltd (財通證券股份有限公司), listed on the Shanghai Stock Exchange under stock code 601108) and 99.9% by Hangzhou Xiaoshan Economic and Technological Development Zone State-owned Assets Operation Co., Ltd. (杭州蕭山經濟技術開發區國有資產經營有限公司) (“**Xiaoshan Assets Operation**”) as the limited partner, who, to the best of our knowledge, are Independent Third Parties.

In addition, Xiaoshan Assets Operation is owned as to 90% by Hangzhou Xiaoshan Economic and Technological Development Zone State-owned Capital Holding Group Co., Ltd. (杭州蕭山經濟技術開發區國有資本控股集團有限公司) (“**Xiaoshan Capital Group**”) which has a registered capital of RMB10 billion, and is wholly-owned by the Management Committee of the Xiaoshan Economic and Technological Development Zone (蕭山經濟技術開發區管理委員會). In 2024, Xiaoshan Capital Group’s total assets reached RMB124.85 billion, with annual revenue exceeding RMB5 billion and its market-based revenue amounted to RMB750 million, accounting for 15% of the total.

Mr. Wu

Mr. Wu is an individual Cornerstone Investor and an Independent Third Party. Mr. Wu is the Co-Founder and CEO of New Frontier Group, an integrated healthcare system and life science company in China, with operations ranging from general and specialty hospitals, primary and urgent care services, rehabilitation hospitals, home health care, health insurance solutions, and clinical trial services. Mr. Wu is currently the CEO of New Frontier Health/United Family Healthcare. He is also the Executive Chairman and Co-founder of NF subsidiary companies including YD Care, Heal Medical, NF Greater Bay Health Holding, Better Health, Prosper Health, NF Nova and the Chairman of Care Alliance.

Prior to founding New Frontier, Mr. Wu was a Managing Director at Blackstone and helped execute some of Blackstone’s most important investments in China. He was a founding member of Blackstone Asia, and was instrumental in establishing Blackstone’s business in China. Prior to joining Blackstone, Mr. Wu worked at the mergers and acquisitions department of UBS AG in London.

CORNERSTONE INVESTORS

SS Morgan

SS Morgan, established in the British Virgin Islands in July 2024 and headquartered in Hong Kong, is an investment holding company specializing in the healthcare sector. The company invests its own capital in high-growth enterprises within medical services, innovative medical devices, and health management, primarily targeting the PRC and Hong Kong markets.

SS Morgan is founded and wholly owned by Ms. Zeng Qi (曾淇), a seasoned expert in healthcare and wellness and an Independent Third Party. Ms. Zeng is also the founder of HarborGenes BioFire Limited (港生源). With extensive experience in investment analysis and industry collaboration, she integrates resources and drives innovation to advance sustainable development in the healthcare industry.

Separately, Mr. Edwin Wing Shun Kwok (郭永淳) serves as an advisor to SS Morgan. Mr. Kwok holds a Bachelor of Arts degree in Economics from Harvard University and an Executive Master of Business Administration (EMBA) degree from the Kellogg-HKUST Executive MBA Program.

Minwise

Minwise is a limited company incorporated in Hong Kong in April 2021, with its principal place of business located in Hong Kong. It is primarily engaged in providing business consulting services to global corporate clients and also investing its own funds to create long-term value. Minwise has invested in various listed stocks in the United States and Hong Kong in the consumer, healthcare and technology sector. Minwise is wholly owned and managed by its chairman and ultimate beneficial owner, Mr. Qin Tianyu (秦天宇), who is an Independent Third Party. Minwise adopts a long-term value investment strategy, focusing on consulting and investment sectors.

Ms. Wang

Ms. Wang is an individual Cornerstone Investor and an Independent Third Party. Ms. Wang founded YCISM (北京宜采健康) in 2016, which has branches in Beijing, Shanghai, Tokyo, and Osaka, serving tens of thousands of high-end domestic clients seeking overseas medical aesthetic and regenerative treatments, and becomes a leading provider of medical aesthetics and regenerative medical services for clients traveling to Japan. In 2020, she launched Suiu (杭州原素医美), with medical service institutions in both Hangzhou and Beijing, having long-term collaborations with renowned plastic surgeons and dermatologists from both Japan and China, and has developed into a well-known high-end medical aesthetics brand in China.

CLOSING CONDITIONS

The subscription obligation of each Cornerstone Investor under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the Underwriting Agreements 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 Underwriting Agreements having been terminated;
- (b) the Stock Exchange having granted the listing of, and permission to deal in, the Shares as well as other applicable waivers and approvals and such approval, permission, or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (c) the CSRC having accepted the filings of the Company with the CSRC in connection with the Listing and published the filing results in respect of the filings with the CSRC on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) the Offer Price having been agreed upon between our Company and the Joint Overall Coordinators (for themselves and on behalf of the Underwriters);
- (e) 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
- (f) the respective representations, warranties, undertakings, acknowledgements, and confirmations of the Cornerstone Investor under the respective Cornerstone Investment Agreements are (as of the date of each of the Cornerstone Investment Agreements) and will be (as of the Listing Date) accurate and true in all respects and not misleading and that there is no breach of the relevant Cornerstone Investment Agreement on the part of the Cornerstone Investor.

CORNERSTONE INVESTORS

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the “**Lock-up Period**”), (a) dispose of, in any way, any of the Offer Shares purchased pursuant to the relevant Cornerstone Investment Agreement (“**Relevant Shares**”) or any interest in any company or entity holding any of the Relevant Shares, (b) agree or contract to, or publicly announce any intention to enter into a transaction with a third party for disposal of the Relevant Shares, (c) allow itself to undergo a change of control (as defined in the Takeovers Code) at the level of its ultimate beneficial owner, or (d) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transactions.

SUBSTANTIAL SHAREHOLDERS

PERSONS HAVING NOTIFIABLE INTERESTS UNDER THE SFO

So far as our Directors are aware, immediately following the completion of the Capitalization Issue and the Global Offering (but without taking into account any Shares which may be allotted and issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option), the following persons will have an interest or short position 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:

Name of Shareholder	Nature of interest	Number of Shares held as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Number of Shares held immediately following completion of the Capitalization Issue and the Global Offering	Approximate percentage of shareholding in the total issued share capital of our Company immediately following completion of the Capitalization Issue and the Global Offering
Mr. Danny Xiang (Note 2)	Interest in controlled corporations (L)	4,249,320	42.49%	212,466,000	35.68%
Ms. Yingyan Dai (Note 2)	Interest of spouse (L)	4,249,320	42.49%	212,466,000	35.68%
Primecare BVI	Beneficial owner (L)	3,824,388	38.24%	191,219,400	32.12%
Ms. Minee Lin (Note 3)	Interest in controlled corporations (L)	1,188,991	11.89%	59,449,550	9.98%
Minee Holdings (Note 3)	Interest in a controlled corporation (L)	1,188,991	11.89%	59,449,550	9.98%
Primecare Alpha	Beneficial owner (L)	1,188,991	11.89%	59,449,550	9.98%
Tencent Mobility (Note 4)	Beneficial owner (L)	1,161,356	11.61%	58,067,800	9.75%
Tencent Holdings Limited (Note 4)	Interest in a controlled corporation (L)	1,161,356	11.61%	58,067,800	9.75%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	Number of Shares held as of the Latest Practicable Date	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Number of Shares held immediately following completion of the Capitalization Issue and the Global Offering	Approximate percentage of shareholding in the total issued share capital of our Company immediately following completion of the Capitalization Issue and the Global Offering
Kunshan Tangzhu Investment Management Partnership (Limited Partnership) (昆山唐竹投資管理合夥企業(有限合伙)) (Note 5) . . .	Interest in controlled corporations (L)	1,057,603	10.58%	52,880,150	8.88%
Guangdong Liansu Venture Capital Fund Management Co., Ltd. (廣東聯塑創業投資基金管理有限公司) (Note 6)	Interest in controlled corporations (L)	661,121	6.61%	33,056,050	5.55%
Guangdong Liansu Technology Industrial Co., Ltd. (廣東聯塑科技實業有限公司) (Note 6)	Interest in controlled corporations (L)	661,121	6.61%	33,056,050	5.55%
Ningbo Tangzhu (Note 6)	Beneficial owner (L)	661,121	6.61%	33,056,050	5.55%
Beijing Gaorong Capital Management Consulting Co., Ltd. (北京高榕資本管理諮詢有限公司) (Note 7) .	Interest in controlled corporations (L)	825,755	8.26%	41,287,750	6.93%
Gaorong BK Holding Limited (Note 7) . . .	Beneficial owner (L)	825,755	8.26%	41,287,750	6.93%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) The letters “L” and “S” denote respectively the “long position” and “short position” (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) Mr. Danny Xiang is deemed to be interested in the 191,219,400 Shares held by Primecare BVI and the 21,246,600 Shares held by Prime Intelligence, in each case immediately following completion of the Capitalization Issue. Each of Primecare BVI and Prime Intelligence is a company incorporated in the BVI and whose entire issued share capital is held by Mr. Danny Xiang. Ms. Yingyan Dai is the spouse of Mr. Danny Xiang.
- (3) Minee Holdings holds 53.18% in the issued share capital of Primecare Alpha. Minee Holdings is wholly-owned by Ms. Minee Lin. Accordingly, Ms. Minee Lin and Minee Holdings are deemed to be interested in the 59,449,550 Shares held by Primecare Alpha immediately following completion of the Capitalization Issue.
- (4) Tencent Holdings Limited is deemed to be interested in the 58,067,800 Shares held by Tencent Mobility immediately following completion of the Capitalization Issue. Tencent Mobility is a company wholly owned by Tencent Holdings Limited. Pegasus Capital is a close associate of Tencent, and Tencent is deemed to be interested in the Shares held by Pegasus Capital. Pegasus Capital will hold 4,237,300 Shares, representing approximately 0.71% of the issued share capital of our Company, immediately following completion of the Capitalization Issue and the Global Offering.
- (5) Kunshan Tangzhu Investment Management Partnership (Limited Partnership) (昆山唐竹投資管理合夥企業(有限合夥)) (“**Kunshan Tangzhu**”) is one of the general partners of Ningbo Tangzhu. Kunshan Tangzhu is deemed to be interested in the 33,056,050 Shares held by Ningbo Tangzhu immediately following completion of the Capitalization Issue. Kunshan Tangzhu is the general partner of the fund which owns Panda Six Limited. Accordingly, Kunshan Tangzhu is deemed to be interested in the 19,824,100 Shares held by Panda Six Limited immediately following completion of the Capitalization Issue.
- (6) Guangdong Liansu Venture Capital Fund Management Co., Ltd. (廣東聯塑創業投資基金管理有限公司) is one of the general partners of Ningbo Tangzhu and is therefore deemed to be interested in the 33,056,050 Shares held by Ningbo Tangzhu immediately following completion of the Capitalization Issue. Guangdong Liansu Technology Industrial Co., Ltd. (廣東聯塑科技實業有限公司) holds 98.94% of the partnership interests of Ningbo Tangzhu and is therefore deemed to be interested in the 33,056,050 Shares held by Ningbo Tangzhu immediately following completion of the Capitalization Issue.
- (7) Gaorong BK Holding Limited is a company wholly owned by Beijing Rongfeng Enterprise Management Center (LP) (北京榕豐企業管理中心(有限合夥)), in which Gaorong Capital owns more than 99% of its partnership interest. The general partner of Gaorong Capital is Xizang Rongkang Investment Management Co., Ltd. (西藏榕康投資管理有限公司), which is a wholly owned subsidiary of Xizang Gaorong Capital Management Co., Ltd. (西藏高榕資本管理有限公司) (“**Xizang Gaorong**”). Xizang Gaorong is wholly owned by Beijing Gaorong Capital Management Consulting Co., Ltd. (北京高榕資本管理諮詢有限公司).

Except as disclosed above, our Directors are not aware of any persons who will, immediately following completion of the Capitalization Issue and the Global Offering (but without taking into account any Shares which may allotted and issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option), have an interest or a short position 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 or 3 of Part XV of the SFO. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, including the notes thereto included in the Accountants' Report in Appendix I to this prospectus and the selected historical financial information presented elsewhere to this prospectus. Our consolidated financial statements were prepared in accordance with HKFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make considering 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. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections headed "Risk Factors", "Forward-Looking Statements" and elsewhere in this prospectus.

OVERVIEW

We are a leading postpartum care and recovery group in China, and we also offer home care services and food products covering women's needs. We aim to become a leading comprehensive family care group in Asia with an evolving brand portfolio, through enhancing our presence in the existing business segments and operating markets, launching new offerings to tap into new segments such as elderly care services, as well as expanding our service network to promising markets in addition to our established presence in mainland China, Hong Kong, Singapore, and the United States.

According to the Frost & Sullivan Report, we are the largest postpartum care and recovery group both in Asia and China in terms of revenue from postpartum centers in 2024, the fastest-growing scaled postpartum and recovery group in China in terms of revenue growth rate from 2022 to 2024, and the first postpartum center operator based in mainland China to expand outside of mainland China. In 2024, we had a market share of approximately 1.2% in terms of revenue from postpartum centers in China.

According to the Frost & Sullivan Report, the total addressable market of family care in mainland China has grown rapidly, among which, the markets of postpartum care and recovery services and home child care services reached RMB67.5 billion and RMB35.8 billion, respectively, in 2024, despite having a significantly lower penetration rate of postpartum care compared with mature markets like South Korea and Taiwan, China. The markets of postpartum care and recovery services and home child care services are expected to reach RMB200.8 billion and RMB105.2

FINANCIAL INFORMATION

billion by 2030, representing a CAGR of 20.4% and 19.1%, respectively, from 2025 to 2030. In addition, the more premium market segment of postpartum care services is expected to grow at a higher rate than average owing to consumers' more sophisticated needs driving a growing demand for professional and customized service. According to the Frost & Sullivan Report, there is an increasing popularity of self-pampering products and services and this trend marks a significant shift in women's spending pattern toward personal growth and mental fulfillment.

Spotting the wide gap between the demand and existing service offerings available in China, which are in general regional, lacking in professionalism, and fall short of the expected standard, we have developed premium curated offerings in postpartum care and recovery, home child care, and food products to address our customers' needs in various scenarios of family care.

Since our foundation in 2017, we have constantly redefined and transformed how traditional family care is rendered, by standardizing, professionalizing, customizing, and digitalizing family care services and products. Along the way, we have nurtured a strong brand portfolio that appeals to a large base of customers, and upgraded our operations to be more scalable and better suited to cater to the end market.

Our postpartum centers are mostly located at upscale hotels and, for some of our Saint Bella centers, standalone villas. The premium lodging experience complements our postpartum services well, exemplifying professional services delivered with consistent high quality, standardized yet with a personal touch. Our asset-light strategy, which includes our flexible rental arrangements with hotels, not only facilitates rapid expansion but also minimizes capital expenditure, leading to a shorter payback period for our new centers.

We believe that we have a track record of successfully incubating premium brands in the family care industry. Leveraging our brand image, we believe that social fission marketing plays a key role in contributing to our continued growth. Among our 4,439 postpartum care service packages sold in 2024, approximately 38% of the sales were either referred by our existing customers or acquired via our self-owned online channels (including our websites and mini-programs). Combined with our marketing strategies, we have built a significant online presence among users on social media platforms.

Extending our model of professionalized services beyond postpartum care, we offer home care services under our PrimeCare for Family brand. We arrange baby care specialists with the appropriate skills to provide customers with their requested home care services. During the Track Record Period, our home care services witnessed significant revenue growth, as many of our postpartum care service customers started using our home care services or referred our services to

FINANCIAL INFORMATION

their acquaintances. As part of our effort to extend customer lifetime value, we will continue actively promoting our home care services to customers of our postpartum centers, and improving our service quality to retain existing customers.

Our food products business is conducted through GuangHeTang, a brand we acquired in October 2021. GuangHeTang is one of the industry leaders in China's women's health food products industry with a history of more than 20 years in the area of nourishment, health, and wellness. With plant extracts and patented formulas at the core, our product innovation efforts draw upon traditional Chinese medicine theories to develop a comprehensive product portfolio. Since our acquisition, we have rejuvenated the brand by shifting its focus from offline to online channels and continuously reformulating its product offerings. Today, GuangHeTang's products help women achieve daily health management at different stages, from menstruation to pregnancy, lactation, postpartum, and post-miscarriage. During the Track Record Period, our food products were primarily sold on our self-operated online stores on e-commerce platforms. In 2024, our GuangHeTang flagship stores ranked first on Tmall and Douyin in terms of sales amount in the category of postpartum nutrition. We have also started exploring to cross sell our products at our postpartum centers, as well as developing our self-owned online channels.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with all applicable HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations), and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRSs effective for the accounting period commencing from January 1, 2024, including relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period.

Our historical financial information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial instruments issued to investors which have been measured at fair value.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been and will continue to be affected by a number of factors, many of which may be beyond our control. For example, according to the Frost & Sullivan Report, the growth of China's family care industry in which we operate is driven by, among other things, the improving consumption consciousness of consumers, the evolving family structure, the delayed age of childbearing, and policy support. We believe that the demand for our services and hence our

FINANCIAL INFORMATION

revenue is also driven by these factors. See “Risk Factors — Risks Relating to our Business and Industry — The industry in which we operate is highly competitive, and intense competition may harm our business” for more information.

Other key factors which we believe will affect our results of operations are discussed below.

Our Ability to Expand our Service Network

During the Track Record Period, our postpartum center business was our largest business line by revenue, accounting for 86.4%, 83.5%, and 85.0%, respectively, of our total revenue for the years ended December 31, 2022, 2023, and 2024. The continuous expansion of our service network has expanded our customer base and has a significant effect on our results of operation and financial condition. We expanded our postpartum center network significantly during the Track Record Period through organic growth and business consolidation. For the years ended December 31, 2022, 2023, and 2024, our postpartum center network grew with the addition of 11, seven, and 34 self-operated or managed centers. As a result, we had a network of 36, 43, and 77 postpartum centers (including self-operated and managed centers), respectively, as of December 31, 2022, 2023, and 2024.

We adopt an asset-light model for our postpartum center business through our strategic collaboration with hotel operators. The low capex commitment has helped us achieve a short payback period for our network expansion through organic growth, and we were generally able to achieve net positive operating cash flows within three months of operation for each new center during the Track Record Period. We have developed a set of standardized operating procedures and specialized IT infrastructure, which enhanced our scalability and aided us in successfully integrating and increasing the profitability of our newly developed and newly acquired centers. As our platform capabilities continue to mature and advance, we have also successfully consolidated other players into our premium network.

The expansion of our services network could create additional economies of scale. Our administrative expenses as a percentage of our revenue decreased from 25.9% for the year ended December 31, 2022 to 20.2% for the year ended December 31, 2023, and our research and development expenses as a percentage of our revenue decreased from 2.7% for the year ended December 31, 2022 to 1.6% for the year ended December 31, 2023. For the year ended December 31, 2024, our administrative expenses and research and development expenses as a percentage of our revenue increased to 27.1% and 1.7%, respectively, primarily due to the increased need for office space and workforce for administrative and R&D purposes to support our newly-added postpartum centers which were in the initial ramp-up stage.

FINANCIAL INFORMATION

In addition to being the primary driver of our revenue, our postpartum centers are also the touch points to win the trusts from our customers and, subsequently, to extend our services to their family members and acquaintances. We believe that the expansion of our postpartum center business during the Track Record Period also contributed to the growth of our other business lines, and in particular our home care services, given that most of the customers of our home care services were former customers of our postpartum care services or introduced to our services through referrals. Specifically, the revenue generated from our home care services increased by 29.8% from RMB34.9 million for the year ended December 31, 2022 to RMB45.3 million for the year ended December 31, 2023, and further increased by 52.5% to RMB69.1 million for the year ended December 31, 2024.

We intend to continue strengthening our postpartum center network and leading position in the premium market in China, targeting to achieve a 30% market share in the premium market in selected key cities across the nation. However, if we are unable to maintain the current rate of expansion of our postpartum center network, our revenue may not grow at the same rate or at all, and our results of operations may be adversely affected. See “Risk Factors — Risks Relating to our Business and Industry — We may fail to expand our postpartum center network in a timely and cost-effective manner” for more information.

Our Ability to Enrich Service and Product Offerings to Extend Customer Lifetime Value

We are an integrated family care service provider, and we aim to build a loyal customer base that can always return to us for their evolving needs for family care services at different stages of the lifecycle.

Through our postpartum center network, we engage with our target customers at one of the earliest yet most critical stages of their family care journey, and carry the relationship forward to ensuing phases of the lifecycle by providing additional services and products. According to the Frost & Sullivan Report, the market size of China’s family care industry is expected to increase to RMB1,443.8 billion by 2030, among which the market size of postpartum care and recovery accounts for RMB200.8 billion by 2030. We plan to continue to diversify our service and product offerings within the family care industry in order to extend customer lifetime value and to capture the broader market demands.

During the Track Record Period, we made significant progress in enriching and promoting cross-sell of our service and product offerings. Building on the early success of our postpartum care and recovery services, we first ventured outside our postpartum center business in 2018 by starting to offer home care services; in 2021, we started to supply food products through our

FINANCIAL INFORMATION

acquisition of GuangHeTang Foods; in 2022, we increased the variety of postpartum recovery services amid the launch of our “S Treatment Beauty” brand and the acquisition of the S-bra brand of functional lingerie products.

As we continuously win customers, we expect that our overall financial performance will be affected by our ability to successfully develop new business, as well as changes in our service and product mix. Going forward, we intend to actively identify opportunities along the broader family care value chain to continue to extend the lifetime value of our customers.

If we are unable to continuously enrich our service and product offerings and brand portfolio to extend customer lifetime value in an effective manner, our revenue may not grow at the same rate or at all, and our results of operations may be adversely affected. See “Risk Factors — Risks Relating to our Business and Industry — We may not be able to implement our growth strategies or manage our growth effectively” for more information.

Ramp-up Period and Same-Store Sales Growth

We closely track the revenue generated by our postpartum centers in the most recent accounting period relative to the revenue it generated in a similar period in the past, or same-store sales growth, to monitor how our postpartum centers have performed over time and the ramp-up of new centers. We see this also a useful metric to differentiate between revenue growth that comes from new centers and growth from improved operations at existing centers.

In general, our postpartum centers would experience significant growth at the early stage, and reach a more stable level of customer volume following the initial ramp-up period. In the first year of operations, our new centers gradually gain recognition as we continue to acquire new customers. As a result, due to the fixed costs involved in our operations such as labor cost and rental and related cost, both the revenue and gross profit margin for our new centers in the first year are generally lower. As the operations of the centers become more mature, the operational performance per center would in general gradually improve.

During the Track Record Period, our profitability and gross profit margin were affected by the fact that some of our postpartum centers were at the initial ramp-up stage. For example, as of December 31, 2022, 2023, and 2024, we had 35, 40, and 58 self-operated postpartum centers, of which 10, five, and 18 had less than one year of operation history. Our profitability gradually improved with more centers becoming more mature during the Track Record Period. For the years ended December 31, 2022, 2023, and 2024, our postpartum center business achieved a gross profit margin of 28.7%, 34.1%, and 31.8%, respectively.

FINANCIAL INFORMATION

The following table sets forth the total revenue contributed by our self-operated postpartum centers by year of addition, as well as the period-over-period growth of revenue for each cohort of centers during the Track Record Period:

Postpartum centers added:	Number of added centers during the period	Total revenue contribution for the year ended December 31,			Period-over-period growth for the year ended December 31,	
		2022	2023	2024	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
Before 2022 . . .	25	371,227	349,035	434,684	(6.0%)	24.5%
In 2022	10	30,379	95,191	142,220	213.3%	49.4%
In 2023	5	—	14,754	49,599	N/A	236.2%
In 2024	18	—	—	18,233	N/A	N/A
Total	58	401,606	458,980	644,736	14.3%	40.5%

During the Track Record Period, our same-store sales growth was affected by the outbreak of COVID-19. In particular, we experienced negative same-store sales growth in 2023 for our postpartum centers opened before 2022 due to the long-tail impact of the COVID-19 outbreak, despite the fact that our centers opened in 2022 experienced a strong revenue growth in 2023 post the initial ramp up. While the COVID-19 pandemic subsided in 2024, our centers opened before 2022 and in 2022 had become more mature by 2024 and had a rapid growth of revenue. See “Adverse Impact of COVID-19” below for more information about the impact of COVID-19 on our same-store sales growth during the Track Record Period. We recorded positive same-store revenue growth for the year ended December 31, 2024, as the impact of COVID-19 further subsided.

FINANCIAL INFORMATION

The following table sets forth the total gross profit contributed by our self-operated postpartum centers by year of addition, as well as the period-over-period growth of gross profit for each cohort of centers during the Track Record Period:

Postpartum centers added	Number of added centers during the period	Total gross profit contribution for the year ended December 31,			Period-over-period growth for the year ended December 31,	
		2022	2023	2024	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
Before 2022 . . .	25	107,940	119,639	138,158	10.8%	15.5%
In 2022	10	6,397	27,030	42,718	322.5%	58.0%
In 2023	5	—	4,858	13,372	N/A	175.3%
In 2024	18	—	—	(963)	N/A	N/A
Total	58	114,337	151,527	193,285	32.5%	27.6%

The following table sets forth the gross profit margin of our self-operated postpartum centers by year of addition during the Track Record Period:

Postpartum centers added	Number of added centers during the period	Gross profit margin for the year ended December 31,		
		2022	2023	2024
Before 2022	25	29.1%	34.3%	31.8%
In 2022	10	21.1%	28.4%	30.0%
In 2023	5	N/A	32.9%	27.0%
In 2024	18	N/A	N/A	(5.3%)
Total	58	28.5%	33.0%	30.0%

Out of the 18 newly added self-operated centers in 2024, nine were opened in the second half of 2024. As it normally takes five to six months from the center opening to first customer check-in, only half of the centers which were opened in the first half of 2024 recognized revenue in 2024 while all the newly opened centers in 2024 recorded cost of sales. In addition, we expanded into four new cities in 2024, namely Dalian, Dongguan, Qingdao, and Shaoxing. When expanding into a new market, it usually takes longer to establish brand awareness and conduct market education, as well as to train up a dedicated team for nursing specialists in the

FINANCIAL INFORMATION

corresponding cities. Therefore, our new centers in new cities required longer time at the initial preparation stage before the first customer check-in which resulted in a lower gross margin for the new centers.

Adverse Impact of COVID-19

During the Track Record Period, our results of operations and same-store sales growth were affected by the COVID-19 pandemic in the following ways: (i) the outbreak of COVID-19 in Shanghai between April and June 2022 directly affected the occupancy rate of our postpartum centers located in Shanghai; (ii) according to the Frost & Sullivan Report, the increase in infection rate of COVID-19 throughout China from late 2022 to early 2023 caused a delay in the pregnancy plan of many families, and studies have found that maternal infection with COVID-19 is associated with an elevated risk of adverse birth outcomes, including preterm birth and stillbirth, and may be associated with preeclampsia. As a result, the birth rate in the last quarter of 2023 was affected; and (iii) the outbreak of COVID-19 throughout China from time to time caused temporary suspension of operations for some of our centers and affected the occupancy rate of our postpartum centers generally up to the first quarter of 2023. See “Results of Operations” below for more information.

Due to the adverse long-tail impact of COVID-19, some of our more mature postpartum centers experienced decreases in revenue for the year ended December 31, 2023 compared to the previous year. However, we saw a strong recovery of our postpartum center business after the pandemic. Specifically, the contract value of all the contracts entered into with customers increased by 28.3% from RMB499.3 million for the year ended December 31, 2022 to RMB640.3 million for the year ended December 31, 2023. As the revenue generated from our postpartum center business is generally recognized when we provide service, there is a time delay between entering into a contract with our customer and the recognition of revenue over time from such contract sales. Therefore, we believe that the growth in contract value of our postpartum center business gives us more up-to-date data which is useful to assess the recovery of our business from the impact of COVID-19. See “Material Accounting Information and Critical Estimates and Judgments — Material Accounting Policies — Revenue Recognition” below for more information.

Ability to Manage our Costs and Expenses

For postpartum center business, which is our largest business line by revenue, we operate under an asset-light model and collaborate with hotels to reserve rooms for our postpartum centers. Our postpartum centers are operated partially under flexible arrangement with upscale hotels and a portion under fixed-term leases for our more mature centers. Fixed-term leases normally derive competitive room rates compared to flexible arrangement. For the years ended December 31, 2022, 2023, and 2024, rental and related costs (including depreciation of right-of-use assets) recognized

FINANCIAL INFORMATION

as cost of sales (which primarily represented the rental costs for our postpartum centers) amounted to RMB122.9 million, RMB125.8 million, and RMB194.0 million, respectively, representing 26.1%, 22.5%, and 24.3% of our revenue for the respective periods. The rental and related costs (including depreciation of right-of-use assets) as a percentage of our revenue declined from 2022 to 2023 primarily due to an increase in the occupancy rate of our hotel rooms reserved under fixed-term leases. For the year ended December 31, 2024, there was an increase in our rental and related costs as a percentage of our revenue compared to the year ended December 31, 2023 primarily due to the increased rental and related costs for hotel rooms as a result of (i) the room charges for hotel rooms we rented on a fixed-term basis for some of our new centers which had not been occupied; and (ii) a general increase in room charges per night.

In addition, the operations of our postpartum center business and home care services business are labor intensive and labor costs were one of the largest components of our cost of sales during the Track Record Period. In general, our labor costs increase together with the expansion of our postpartum center network. For the years ended December 31, 2022, 2023, and 2024, our total labor costs (which included, among other things, the costs of our employees and service providers for our postpartum center business and home care services business) recognized as cost of sales amounted to RMB104.9 million, RMB121.0 million, and RMB177.4 million, respectively, representing 31.8%, 34.1%, and 33.6% of our total cost of sales for the respective periods. The extent to which we can control our labor costs will depend on how successful our optimization measures, including through the staff management modules of our proprietary nursing service platform, can be successfully implemented.

While our administrative expenses as a percentage of our revenue decreased from 25.9% in 2022 to 20.2% in 2023 due to economies of scale, our administrative expenses as a percentage of our revenue increased to 27.1% in 2024 mainly due to certain share-based payments to incentivize our staff and an increase in consultancy and professional expenses during the year. If excluding listing expenses and share-based payment expenses, our administrative expenses as a percentage of our revenue was 25.9%, 19.5%, and 16.0%, respectively, for the years ended December 31, 2022, 2023, and 2024, exhibiting a decreasing trend mainly due to economies of scale. As part of our effort to diversify our service and product offerings, we invested in different sales and marketing as well as research and development initiatives during the Track Record Period. Our selling and distribution expenses amounted to RMB58.8 million, RMB81.5 million, and RMB94.9 million, respectively, for the years ended December 31, 2022, 2023, and 2024. Our selling and distribution expenses as a percentage of our revenue was 12.5%, 14.6%, and 11.9%, respectively, for the years ended December 31, 2022, 2023, and 2024. Our research and development expenses as a percentage of our revenue was 2.7%, 1.6%, and 1.7%, respectively, for the years ended December 31, 2022, 2023, and 2024.

FINANCIAL INFORMATION

As a result, our profitability will depend on our capability to manage our costs including our rental and related costs, labor costs, and any significant fluctuations in these costs may have a material impact on our results of operations. Our profitability will also depend on our capability to generate a good return on investment from our sales and marketing activities and effectively bring in new customers.

Ability to Maintain our Quality Service and Premium Branding and to Continue Compliance with Applicable Regulations

We consider that our success is attributable to a significant extent on being recognized by our customers as a premium family care group with high quality of services. We strive to maintain a high standard for our service quality with our emphasis on training of our nursing and other professionals, as we believe that our reputation is mainly built on the satisfaction of our customers. We believe that social fission marketing plays a key role in our continued growth. Among our 4,439 postpartum care service packages sold in 2024, approximately 38% of the sales were either referred by our existing customers or acquired via our self-owned online channels (including our websites and mini-programs) as a result of our strong branding.

We have also made significant efforts in building our premium brand portfolio to establish ourselves as a premium family care services provider. Our ability to maintain a premium branding and our reputation not only affects our ability to attract customers, but also affect our business cooperation with our business partners, including operators of upscale hotel chains. Therefore, any incident which has an adverse effect on our reputation may adversely affect the demand for our services and our results of operations. See “Risk Factors — Risks Relating to our Business and Industry — Our success depends on the quality of our services and products as well as the market recognition of our services and products” for more information.

In addition, while as of the Latest Practicable Date, there were no laws or regulations in China that require licensing of postpartum centers, or impose qualification requirements of professionals working at postpartum centers, if such laws or regulations are introduced in the future, our continued success will depend on whether we can ensure compliance with such laws or regulations in a cost effective manner, or at all.

FINANCIAL INFORMATION

MATERIAL ACCOUNTING INFORMATION AND CRITICAL ESTIMATES AND JUDGMENTS

Material Accounting Policies

Our more critical accounting policies during the Track Record Period are described below. See note 2 to the Accountants' Report in Appendix I to this prospectus for further details on our accounting policies.

Revenue Recognition

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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts of our Group do not contain significant financing components.

(A) Provision of Postpartum Care Services

Revenue from the provision of postpartum care services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of postpartum care services, the corresponding deferred revenue is fully recognized in profit or loss.

(B) Provision of Postpartum Recovery Services

Revenue from the provision of postpartum recovery services is recognized at the point in time when services are delivered to customers. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of postpartum recovery services, the corresponding deferred revenue is fully recognized in profit or loss.

FINANCIAL INFORMATION

(C) Provision of Home Care Services

Revenue from the provision of home care services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of home care services, the corresponding deferred revenue is fully recognized in profit or loss.

(D) Sale of Food Products

Revenue from the sale of food products is recognized at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer.

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which our Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

(E) Provision of Consulting Services for Establishing Postpartum Centers

Revenue from the provision of consulting services for establishing postpartum centers is recognized at the point in time when services are delivered, generally on the establishment of the relevant new postpartum centers.

(F) Provision of Management Services

Revenue from the provision of management services is recognized over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by our Group. Management fees are charged to customers based on revenues generated by the customers and are billed on a monthly basis.

FINANCIAL INFORMATION

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by our Group, liabilities assumed by our Group to the former owners of the acquiree and the equity interests issued by our Group in exchange for control of the acquiree. For each business combination, our Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Our Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When our Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of our Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Our Group performs annual impairment test of goodwill as of December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of our Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of our Group are assigned to those units or groups of units.

FINANCIAL INFORMATION

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Leases

We assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(A) Right-of-use Assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets, namely 1–5 years for buildings.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

FINANCIAL INFORMATION

(B) Lease Liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects our Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, our Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate), or a change in assessment of an option to purchase the underlying asset.

(C) Short-term Leases and Leases of Low-value Assets

We apply the short-term lease recognition exemption to our short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). We also apply the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Our Group's financial liabilities include trade and other payables, interest-bearing bank borrowings and financial instruments issued to investors.

FINANCIAL INFORMATION

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Our Group issued certain series of instruments to investors. The instrument holders have the right to require our group to redeem all of the instruments held by the instrument holders upon occurrence of certain redemption events, which are out of the control of our group. Our Group designated those instruments upon initial recognition in their entirety as financial liabilities at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognized in the statement of profit or loss, except for the gains or losses arising from our group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognized in the statement of profit or loss does not include any interest charged on these financial liabilities. Issuance costs that are directly attributable to the issue of the instruments, designated as financial liabilities at fair value through profit or loss, are recognized immediately in the consolidated statement of profit or loss.

Financial liabilities at amortized cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables and interest-bearing borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

FINANCIAL INFORMATION

Share-based Payments

Our Company operates a share incentive scheme. Employees (including directors) of our Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the Accountants’ Report in Appendix I to this prospectus.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the fair value of awards at expected grant date, but the likelihood of the conditions being met is assessed as part of our Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the fair value of awards at expected grant date. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately.

FINANCIAL INFORMATION

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Critical Estimates and Judgments

The preparation of our historical financial information in conformity with HKFRSs requires management to make estimates, judgements, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Our significant estimates, judgements, and assumptions during the Track Record Period are described below. See note 3 to the Accountants' Report in Appendix I to this prospectus for more information on our accounting estimates and judgments.

Impairment of Goodwill

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

FINANCIAL INFORMATION

Fair value of financial instruments

The financial instruments issued to investors by our Group are not traded in an active market and the respective fair values are determined by using valuation techniques, including back solve method and equity allocation model. For details, see Note 30 to Appendix I to this prospectus.

Leases — Estimating the incremental borrowing rate

Our Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that our Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what our group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). Our Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. For details, see Note 29 to Appendix I to this prospectus.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The following table sets forth our consolidated statement of profit and loss for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	471,522	559,909	798,666
Cost of sales	(330,392)	(355,298)	(528,272)
Gross profit	141,130	204,611	270,394
Other income	10,131	16,589	6,970
Selling and distribution expenses	(58,790)	(81,500)	(94,890)
Administrative expenses	(122,147)	(112,865)	(216,836)
Research and development expenses	(12,931)	(9,148)	(13,261)
Other gains/(expenses), net	783	993	530
Finance costs	(1,837)	(3,005)	(4,812)
Fair value changes in financial instruments issued to investors	(366,863)	(256,092)	(493,749)
Share of profits/(losses) of associates	—	199	(282)
Share of profits/(losses) of joint ventures	(1,355)	(497)	(637)
Loss before tax	(411,879)	(240,715)	(546,573)
Income tax credit	303	1,821	3,294
Loss for the year	<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>
Attributable to:			
Owners of the parent	(407,496)	(238,965)	(546,577)
Non-controlling interests	(4,080)	71	3,298
	<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>

NON-HKFRS MEASURES

To supplement our consolidated financial statements which are presented in accordance with HKFRSs, we also use non-HKFRS measures, namely adjusted EBITDA (non-HKFRS measure) and adjusted (loss)/profit for the year (non-HKFRS measure), as additional financial measures, which are not required by, or presented in accordance with, HKFRSs. We define adjusted EBITDA (non-HKFRS measure) as EBITDA (non-HKFRS measure) (which is loss for the year plus income tax credit, net finance cost, depreciation of property, plant, and equipment and right-of-use assets, as well as amortization of other intangible assets) for the year adjusted by adding back fair value

FINANCIAL INFORMATION

changes in financial instruments issued to investors, share-based payment expenses (non-cash item), and listing expenses. We define adjusted (loss)/profit as loss for the year (non-HKFRS measure) adjusted by adding back fair value changes in financial instruments issued to investors, share-based payment expenses (non-cash item), and listing expenses. In each case, fair value changes in financial instruments issued to investors are added back because such financial instruments will be reclassified from liabilities to equity upon the Listing due to the termination of the relevant preferred rights.

We believe that the presentation of non-HKFRS measures facilitate comparisons of operating performance from period to period and company to company. We believe that such measures provide useful information to investors and others in understanding and evaluating our profitability in the same manner as they help our management. The use of these non-HKFRS measures have limitations as an analytical tool, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial conditions as reported under HKFRSs. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies.

The following tables sets forth the reconciliation of our non-HKFRS measures for the years ended December 31, 2022, 2023, and 2024 to the nearest measures prepared in accordance with HKFRSs:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loss for the year	(411,576)	(238,894)	(543,279)
Income tax credit	(303)	(1,821)	(3,294)
Net finance cost	(695)	(5,463)	(374)
Depreciation of property, plant and equipment and right-of-use assets	44,081	38,481	32,795
Amortization of other intangible assets	923	975	1,091
EBITDA (non-HKFRS measure)	(367,570)	(206,722)	(513,061)
<i>Add back:</i>			
Fair value changes in financial instruments issued to investors	366,863	256,092	493,749
Share-based payment expenses	—	—	60,649
Listing expense	85	3,574	31,137
Adjusted EBITDA (non-HKFRS measure)	(622)	52,944	72,474

FINANCIAL INFORMATION

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(411,576)	(238,894)	(543,279)
<i>Add back:</i>			
Fair value changes in financial instruments			
issued to investors	366,863	256,092	493,749
Listing expense	85	3,574	31,137
Share-based payment expenses	—	—	60,649
Adjusted (loss)/profit for the year			
(non-HKFRS measure)	(44,628)	20,772	42,256

We recorded adjusted EBITDA (non-HKFRS measure) of negative RMB0.6 million, RMB52.9 million, and RMB72.5 million, respectively, for the years ended December 31, 2022, 2023, and 2024. We turned around an adjusted loss (non-HKFRS measure) of RMB44.6 million for the year ended December 31, 2022 to an adjusted profit (non-HKFRS measure) of RMB20.8 million for the year ended December 31, 2023, and our adjusted profit (non-HKFRS measure) increased to RMB42.3 million for the year ended December 31, 2024, primarily due to the continued growth in our businesses, the improved gross profit margin as more of our postpartum centers became more mature, as well as our ability to control our expenses.

DESCRIPTION OF MAJOR COMPONENTS IN OUR CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Revenue

During the Track Record Period, we generated revenue from three major lines of business, namely postpartum centers (including our postpartum care services and postpartum recovery services), home care services, and food products. Our revenue was RMB471.5 million, RMB559.9 million, and RMB798.7 million, respectively, for the years ended December 31, 2022, 2023, and 2024.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Postpartum centers	407,333	86.4%	467,529	83.5%	678,355	85.0%
Home care services	34,930	7.4%	45,309	8.1%	69,065	8.6%
Food products	29,259	6.2%	47,071	8.4%	51,246	6.4%
Total.	471,522	100.0%	559,909	100.0%	798,666	100.0%

Postpartum Centers

During the Track Record Period, the revenue generated from our postpartum centers consisted of (i) revenue from the provision of postpartum care services; (ii) revenue from the provision of postpartum recovery services; and (iii) other revenue, representing certain management fees in relation to our managed postpartum centers and revenue from miscellaneous services and products.

During the Track Record Period, we operated postpartum centers under the Saint Bella, Bella Isla, and Baby Bella brands. Saint Bella is our flagship and ultra-premium brand appealing to a clientele with high purchasing power; whereas our Baby Bella centers target the younger generations who see luxury as a casual and relaxed lifestyle. In January 2024, we launched Bella Isla, our third postpartum center brand focusing on women's postpartum mental health, and we have subsequently rebranded a number of our Baby Bella centers to Bella Isla.

FINANCIAL INFORMATION

The following table sets forth a breakdown of the revenue generated from our postpartum center business by nature of services or products and by brand for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Postpartum care services						
Saint Bella	203,169	49.9%	205,322	43.9%	269,643	39.7%
Bella Isla (<i>Note 1</i>)	—	—	—	—	43,868	6.5%
Baby Bella (<i>Note 1</i>).	141,561	34.8%	173,048	37.0%	222,439	32.8%
	<u>344,730</u>	<u>84.7%</u>	<u>378,370</u>	<u>80.9%</u>	<u>535,950</u>	<u>79.0%</u>
Postpartum recovery services						
Saint Bella	35,949	8.8%	48,564	10.4%	54,752	8.1%
Bella Isla (<i>Note 1</i>)	—	—	—	—	5,352	0.7%
Baby Bella (<i>Note 1</i>).	12,666	3.1%	23,345	5.0%	32,387	4.8%
	<u>48,615</u>	<u>11.9%</u>	<u>71,909</u>	<u>15.4%</u>	<u>92,491</u>	<u>13.6%</u>
Others (<i>Note 2</i>)	<u>13,988</u>	<u>3.4%</u>	<u>17,250</u>	<u>3.7%</u>	<u>49,914</u>	<u>7.4%</u>
Total revenue from our						
postpartum center business . . .	<u>407,333</u>	<u>100.0%</u>	<u>467,529</u>	<u>100.0%</u>	<u>678,355</u>	<u>100.0%</u>

Notes:

- (1) We rebranded six postpartum centers under the Baby Bella brand to Bella Isla during the year ended December 31, 2024.
- (2) Including mainly management fees from our managed postpartum centers, as well as miscellaneous services and products offered at our postpartum centers.

FINANCIAL INFORMATION

(A) Postpartum Care Services

We offer a full suite of postpartum care services at our postpartum centers including accommodation, mother care, baby care, and catering. Customers typically reside at our centers during the whole duration to enjoy our round-the-clock services. We price the packages of our postpartum care services based on a number of factors including the type of accommodation (such as standard premium hotel rooms or suites), amenity and catering choices, and the brands of supplies and consumables.

For our postpartum care services, we generally require customers to make a 50% advance payment upon contract signing, and the subsequent payment of the remaining balance by their commencement of stay with us. We recognize prepayments by customers as contract liabilities as a result. See “Description of Major Line Items in our Consolidated Statements of Financial Position — Contract Liabilities” below for details. During the Track Record Period, we did not recognize any revenue as a result of the expiry of unconsumed prepaid postpartum care packages as such packages did not have a contractual validity period.

(B) Postpartum Recovery Services

We offer postpartum recovery services to the customers of our postpartum centers and external customers. Our postpartum recovery services include postpartum body repair treatments such as those aimed at reducing swelling and relieving muscle tension; and postpartum body shape improvement procedures utilizing advanced equipment for skin, muscle, and body shape restoration. Such services are carried out by our postpartum recovery specialists stationed at our postpartum centers, as well as certain third-party suppliers. Our revenue from providing postpartum recovery services also includes revenue generated from the sales of our functional lingerie products under the S-bra brand, which are designed to help our customers achieve body shaping during different stages of gestation. We acquired the S-bra business in May 2022.

We provide complimentary postpartum recovery services as part of our postpartum center packages, but we do not recognize any corresponding revenue for the complimentary postpartum recovery services.

FINANCIAL INFORMATION

We usually offer postpartum recovery services as prepaid packages containing multiple sessions. We recognize prepayments by customers as contract liabilities as a result. See “Description of Major Line Items in our Consolidated Statements of Financial Position — Contract Liabilities” below for more information. For the years ended December 31, 2022, 2023, and 2024, we recognized RMB1.2 million, RMB1.8 million, and RMB1.5 million, respectively, as revenue after the expiry of unconsumed prepaid postpartum recovery packages. Such income accounted for 0.3%, 0.3%, and 0.2% of the total revenue for the years ended December 31, 2022, 2023, and 2024, respectively.

(C) Others

During the Track Record Period, our other revenue generated from our postpartum center business primarily consisted of (i) management fees from our managed postpartum centers; (ii) one-off consulting fees we charge our partners for the establishment of such centers; and (iii) miscellaneous services and products offered at our postpartum centers.

In respect of the management fees, for the year ended December 31, 2024, (i) we charged our Hong Kong JV a management fee amounting to 5% of its annual revenue; and (ii) provided management support to managed postpartum centers in return for fixed fees and/or fees in terms of a percentage of such centers’ revenue. For more information about our management fee revenue, see “Business — Our Business — Postpartum Centers — Managed Postpartum Centers”.

For the year ended December 31, 2024, we recognized revenue of RMB2.1 million as a result of the expiry of unused membership points for our self-operated online store, amounting to 0.3% of our total revenue for the period.

(D) Geographical Information

As of the Latest Practicable Date, we had (i) 93 postpartum centers in mainland China comprising 61 self-operated centers (namely centers operated by one of our consolidated subsidiaries and in which we own the majority interest) and 32 managed centers (namely centers which were wholly or majority owned by third parties and managed by us); (ii) one managed postpartum center in Hong Kong; (iii) one self-operated postpartum center in Singapore; and (iv) one managed postpartum center in the Greater Los Angeles area in the United States.

FINANCIAL INFORMATION

The following table sets forth a geographical breakdown of the revenue generated from our postpartum center business for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	RMB'000	%	RMB'000	%	RMB'000	%
Mainland China						
First-tier cities (Note 1)	289,946	71.2%	326,948	69.9%	461,533	68.0%
Second-tier cities (Note 2)	114,808	28.2%	138,431	29.6%	207,700	30.7%
	404,754	99.4%	465,379	99.5%	669,233	98.7%
Outside Mainland China (Note 3)	2,579	0.6%	2,150	0.5%	9,122	1.3%
Total	<u>407,333</u>	<u>100.0%</u>	<u>467,529</u>	<u>100.0%</u>	<u>678,355</u>	<u>100.0%</u>

Notes:

- (1) Comprising Beijing, Shanghai, Guangzhou, Shenzhen, and Hangzhou.
- (2) Comprising Suzhou, Ningbo, Nanjing, Wuxi, Hefei, Xiamen, Changsha, Zhuhai, Foshan, Haikou, Taiyuan, Chengdu, Chongqing, Dalian, Dongguan, Shantou, Qingdao, Shaoxing, Nanchang, Wuhan, Wenzhou, and Fuzhou.
- (3) Comprising Hong Kong, Singapore, and the United States as of December 31, 2024.

Home Care Services

We offer home care services under our PrimeCare for Family brand. The services we provide typically include nursery of babies, providing parenting guidance on infants, as well as babysitting and infant development. As part of our home care services, our in-house nursing experts also provide consultancy services to our customers remotely. We engage baby care specialists with the appropriate skills to provide customers with their requested home care services. During the Track Record Period, most of the baby care specialists we engaged were service providers and not our employees. The gross amount we charge our customers for the home care services provided by such baby care specialists is recognized as revenue.

We offer our home care services as packages ranging from three to 36 months at an annual price range of approximately RMB172,800 to RMB384,000 per year. Most customers would choose packages of three to 12 months. We generally require payment in advance for our home care services, and we recognize prepayments as contract liabilities as a result. See “Description of Major Line Items in our Consolidated Statements of Financial Position — Contract Liabilities” below for details. During the Track Record Period, we did not recognize any revenue as a result of the expiry of unconsumed prepaid home care service packages.

FINANCIAL INFORMATION

During the Track Record Period, most of the customers of our home care services were former customers of our postpartum care services or introduced to our services through referrals.

Food Products

Our revenue generated from food products represented the revenue of GuangHeTang, which we acquired in October 2021. By 2023, we had expanded GuangHeTang's product categories from its original focus on postpartum products to also cover products addressing women's nutritional needs at different stages including for pregnancy, lactation, menstruation, post-miscarriage, as well as daily nutritional supplements.

Since our acquisition, we have shifted GuangHeTang's business strategy by transforming its original focus on supplying cooked postpartum meals, to retail sales of comprehensive food products covering various aspects of women's health on e-commerce platforms. In March 2023, as part of a shift in our business strategy we disposed of GuangHeTang Catering, GuangHeTang's cooked postpartum meals business unit, which had a lower profit margin. As a result, the revenue generated from our food products business increased by 60.8% from RMB29.3 million for the year ended December 31, 2022 to RMB47.1 million for the year ended December 31, 2023, and further increased by 8.7% to RMB51.2 million for the year ended December 31, 2024. The gross profit margin for the business was 43.7%, 63.3%, and 61.5%, respectively, for the years ended December 31, 2022, 2023, and 2024.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) rental costs and depreciation of leases recognized as right-of-use assets, each primarily related to our postpartum centers; (ii) labor costs directly related to the provision of our services and products (including costs of service providers for our home care services business); (iii) costs of postpartum catering at our postpartum centers, which is primarily sourced from the relevant hotel operators or other third-party catering service providers; (iv) raw material costs for our food products business and our postpartum recovery business and costs of consumables used at our postpartum centers for babies and mothers, including clothing, towels, diapers, and skincare products; (v) costs of services from third-party suppliers we engaged to perform certain postpartum recovery services; and (vi) others, primarily including fees of third-party suppliers we engaged for our postpartum center business, such as costs of limousine services for our customers and service fees for doctors we engaged to deliver health knowledge educational sessions at our postpartum centers.

FINANCIAL INFORMATION

We enter into flexible arrangement with hotel operators to reserve rooms for our postpartum centers, and for selected matured centers with a stable occupancy rate, we would also reserve rooms in bulk with more competitive prices for a fixed term usually ranging from one to three years. We also enter into fixed-term reservations for our offices and some other functional rooms at our centers. See “Business — Our Businesses — Postpartum Centers — Relationship with Cooperating Hotels” for more information of our arrangement with hotel operators.

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Rental costs	92,251	27.8%	100,738	28.5%	172,541	32.7%
Depreciation of right-of-use assets	30,696	9.3%	25,032	7.0%	21,436	4.1%
Labor costs	109,199	33.1%	121,981	34.3%	177,369	33.6%
Postpartum catering costs	38,497	11.7%	42,339	11.9%	64,110	12.1%
Raw materials and consumables	23,193	7.0%	24,570	6.9%	34,165	6.5%
Costs of third-party postpartum recovery services	14,531	4.4%	16,518	4.6%	20,856	3.9%
Others	22,025	6.7%	24,120	6.8%	37,795	7.1%
Total	330,392	100.0%	355,298	100.0%	528,272	100.0%

The following tables set forth a breakdown of our cost of sales by business line for the periods indicated:

Year ended December 31, 2024

	Postpartum centers					
	<i>Postpartum care services</i>	<i>Postpartum recovery services</i>	<i>Others</i>	<i>Home care services</i>	<i>Food products</i>	<i>Total</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Rental costs	160,896	11,645	—	—	—	172,541
Depreciation of right-of-use assets	20,229	1,207	—	—	—	21,436
Labor costs	115,268	13,101	4,087	44,902	11	177,369
Postpartum catering costs	64,110	—	—	—	—	64,110
Raw materials and consumables	15,353	2,307	—	—	16,505	34,165
Costs of third-party postpartum recovery services	—	20,856	—	—	—	20,856
Others	15,693	4,566	13,631	690	3,215	37,795
Total	391,549	53,682	17,718	45,592	19,731	528,272

FINANCIAL INFORMATION

Year ended December 31, 2023

	Postpartum centers					
	<i>Postpartum care services</i>	<i>Postpartum recovery services</i>	<i>Others</i>	Home care services	Food products	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>
Rental costs	93,401	7,291	—	—	46	100,738
Depreciation of right-of-use assets .	23,501	1,381	—	—	150	25,032
Labor costs	81,792	9,507	—	29,748	934	121,981
Postpartum catering costs	42,339	—	—	—	—	42,339
Raw materials and consumables . .	9,347	2,011	—	—	13,212	24,570
Costs of third-party postpartum recovery services	—	16,518	—	—	—	16,518
Others	10,074	3,175	7,838	116	2,917	24,120
Total	<u>260,454</u>	<u>39,883</u>	<u>7,838</u>	<u>29,864</u>	<u>17,259</u>	<u>355,298</u>

Year ended December 31, 2022

	Postpartum centers					
	<i>Postpartum care services</i>	<i>Postpartum recovery services</i>	<i>Others</i>	Home care services	Food products	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>
Rental costs	85,601	6,650	—	—	—	92,251
Depreciation of right-of-use assets .	28,471	1,451	—	—	774	30,696
Labor costs	74,638	7,013	—	23,285	4,263	109,199
Postpartum catering costs	38,497	—	—	—	—	38,497
Raw materials and consumables . .	12,281	1,271	—	—	9,641	23,193
Costs of third-party postpartum recovery services	—	14,531	—	—	—	14,531
Others	9,039	2,432	8,591	157	1,806	22,025
Total	<u>248,527</u>	<u>33,348</u>	<u>8,591</u>	<u>23,442</u>	<u>16,484</u>	<u>330,392</u>

Gross Profit and Gross Profit Margin

Our gross profit was RMB141.1 million, RMB204.6 million, and RMB270.4 million, respectively, and our gross profit margin was 29.9%, 36.5%, and 33.9%, respectively, for the years ended December 31, 2022, 2023, and 2024.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Postpartum centers	116,867	28.7%	159,354	34.1%	215,406	31.8%
Home care services	11,488	32.9%	15,445	34.1%	23,473	34.0%
Food products	12,775	43.7%	29,812	63.3%	31,515	61.5%
	141,130	29.9%	204,611	36.5%	270,394	33.9%

The following table sets forth a breakdown of our gross profit and gross profit margin by brand of postpartum centers for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>Gross profit</i>		<i>Gross profit</i>		<i>Gross profit</i>	
	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>	<i>Gross profit</i>	<i>margin</i>
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Postpartum care services						
Saint Bella	57,732	28.4%	64,619	31.5%	73,722	27.3%
Bella Isla	—	—	—	—	11,628	26.5%
Baby Bella	38,472	27.2%	53,297	30.8%	59,051	26.5%
	96,204	27.9%	117,916	31.2%	144,401	26.9%
Postpartum recovery services						
Saint Bella	14,612	40.6%	24,259	50.0%	25,358	46.3%
Bella Isla	—	—	—	—	1,591	29.7%
Baby Bella	654	5.2%	7,767	33.3%	11,860	36.6%
	15,266	31.4%	32,026	44.5%	38,809	42.0%
Others	5,397	38.6%	9,412	54.6%	32,196	64.5%
	116,867	28.7%	159,354	34.1%	215,406	31.8%

FINANCIAL INFORMATION

Other Income

Our other income consisted of (i) tax incentives and other government grants; (ii) interest income, representing interests from bank deposits, structured deposits accounted for as financial assets at fair value through profit or loss, and interests from loans to certain third parties (see “Description of Major Line Items in our Consolidated Statements of Financial Position — Prepayments, Other Receivables, and Other Assets” for details); and (iii) others, primarily representing forfeited deposits from the customers of our postpartum care services.

We recognize government grants at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. During the Track Record Period, our tax incentives and other government grants primarily consisted of an additional input value-added tax credit for enterprises in the lifestyle services industry, effective from April 1, 2019 to December 31, 2023. We record input value-added tax credit primarily when we rent premises for our postpartum centers and when we purchase materials for rendering our services. Our other government grants primarily consisted of one-off grants provided by the government of the Hangzhou city and the Xiaoshan district.

During the Track Record Period, our interest income from certain structured deposits accounted for as financial assets at fair value through profit or loss was included as interest income. See “Description of Major Line Items in our Consolidated Statements of Financial Position — Financial Assets at Fair Value through Profit or Loss” for details of our wealth management products and trust products (including structured deposits).

The following table sets forth a breakdown of our other income by nature for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Tax incentives and other						
government grants	7,340	72.5%	7,058	42.5%	758	10.9%
Interest income	2,532	25.0%	8,468	51.0%	5,186	74.4%
Others	259	2.5%	1,063	6.5%	1,026	14.7%
	10,131	100.0%	16,589	100.0%	6,970	100.0%

FINANCIAL INFORMATION

Selling and Distribution Expenses

Our selling and distribution expenses consisted of (i) advertising expenses; (ii) labor expenses for our workforce involved in sales and marketing activities; and (iii) others, primarily consisting of office expenses, travel expenses, and rental expenses attributed to sales and marketing activities.

During the Track Record Period, our advertising expenses were primarily incurred on online platforms including shopping information platforms, social media platforms, and e-commerce platforms. Such advertising expenses also included commissions to e-commerce platforms for product placement of our food products.

For our postpartum center business, the advertising expenses we incurred primarily consisted of promotional contents purchased on shopping information platforms, social media platforms, offline events such as our “Gestation Museum” exhibitions and private events and social activities we organized for our members, as well as offline advertising activities for our individual centers.

The following table sets forth a breakdown of our selling and distribution expenses by nature for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Advertising expenses	32,015	54.5%	53,814	66.0%	61,178	64.5%
Labor expenses	22,157	37.7%	24,311	29.8%	29,651	31.2%
Others	4,618	7.8%	3,375	4.2%	4,061	4.3%
Total.	58,790	100.0%	81,500	100.0%	94,890	100.0%

The selling and distribution expenses for our postpartum center business as a percentage of our revenue for the same business line was 8.5%, and 9.5%, and 7.9%, respectively, for the years ended December 31, 2022, 2023, and 2024.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our selling and distribution expenses by business line for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Postpartum centers	34,453	58.6%	44,201	54.3%	53,879	56.8%
Home care services	5,307	9.0%	4,514	5.5%	5,453	5.7%
Food products	18,526	31.5%	31,234	38.3%	31,246	33.0%
Others	504	0.9%	1,551	1.9%	4,312	4.5%
	<u>58,790</u>	<u>100.0%</u>	<u>81,500</u>	<u>100.0%</u>	<u>94,890</u>	<u>100.0%</u>

Administrative Expenses

Our administrative expenses consisted of (i) labor expenses for our workforce involved in administrative activities; (ii) rental expenses and depreciation of leases recognized as right-of-use assets for our offices, including rooms at our postpartum centers reserved as offices and for the reception of customers; (iii) consultancy and professional expenses relating to our engagement of human resources consultants, management consultants, and legal professionals; (iv) office and hospitality expenses, which primarily consisted of office expenses such as computer equipment rental fees, utility fees, software license fees, as well as hospitality expenses such as gifts for customers; (v) recruitment and training expenses, which primarily consisted of fees for recruitment agents, subscription fees for recruitment software, and training expenses for our professional staff and baby care specialists; (vi) other depreciation and amortization expenses, and expenses for consumables; (vii) travel and conference expenses; and (viii) others, primarily including fees charged by payment service providers, insurance fees, and certain fitting-out expenses.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our administrative expenses by nature for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Labor expenses	70,104	57.4%	61,833	54.8%	125,354	57.8%
Rental expenses	18,792	15.4%	17,828	15.8%	19,388	8.9%
Depreciation of right-of-use assets .	8,419	6.9%	7,834	6.9%	11,853	5.5%
Consultancy and professional expenses	7,905	6.5%	9,905	8.8%	41,805	19.3%
Office and hospitality expenses . .	5,639	4.6%	5,666	5.0%	9,568	4.4%
Recruitment and training expenses .	2,809	2.3%	1,941	1.7%	1,143	0.5%
Other depreciation and amortization expenses and consumables	2,993	2.5%	2,610	2.3%	2,583	1.2%
Travel and conference expenses . .	2,597	2.1%	3,546	3.1%	3,123	1.4%
Others	2,889	2.3%	1,702	1.6%	2,019	1.0%
Total	122,147	100.0%	112,865	100.0%	216,836	100.0%

Research and Development Expenses

Our research and development expenses consisted of (i) labor expenses for our workforce involved in research and development activities; and (ii) other expenses which primarily included travel expenses, office expenses, certain depreciation and amortization expenses, server rental expenses, and office expenses related to research and development activities.

The following table sets forth a breakdown of our research and development expenses by nature for the periods indicated:

	Year ended December 31,					
	2022		2023		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Labor expenses	12,442	96.2%	8,417	92.0%	11,363	85.7%
Others	489	3.8%	731	8.0%	1,898	14.3%
Total	12,931	100.0%	9,148	100.0%	13,261	100.0%

FINANCIAL INFORMATION

Other Gains and Expenses

Our other gains and expenses consisted of (i) gain/(loss) on disposal of property, plant, and equipment and intangible asset, primarily relating to the disposal of electronic and office equipment; (ii) gain/(loss) on disposal of right-of-use assets and lease liabilities which was recognized as a result of early termination of leases and which arose from the difference in the rate of depreciation of our right-of-use assets and rate of amortization of our lease liabilities; (iii) fair value gains/(loss) of financial assets at fair value through profit or loss, relating to fair value changes in our wealth management products and trust products; (iv) gain on disposal of subsidiaries; (v) donation expenses; (vi) net foreign exchange gain and loss; and (vii) others.

The following table sets forth a breakdown of our other gains and expenses by nature for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Gain/(loss) on disposal of property, plant and equipment and intangible asset	(199)	(77)	(1)
Gain/(loss) on disposal of right-of-use assets and lease liabilities	130	—	—
Fair value gains/(loss) of financial assets at fair value through profit or loss	1,696	1,282	875
Gain on disposal of subsidiaries	—	246	(28)
Donation	—	—	(219)
Foreign exchange gain/(loss) — net	(4)	120	(818)
Others	(840)	(578)	721
Other gains/(expenses), net	783	993	530

Finance Costs

Our finance costs consisted of (i) interest on bank loans; (ii) interest on lease liabilities and restoration costs.

See “Material Accounting Information and Critical Estimates and Judgments — Material Accounting Policies — Leases — Lease Liabilities” for details of the nature of our lease liabilities.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our finance costs for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank loans	139	1,573	1,844
Interest on lease liabilities and restoration costs	1,698	1,432	2,968
Total	<u>1,837</u>	<u>3,005</u>	<u>4,812</u>

Fair Value Changes in Financial Instruments Issued to Investors

We designate our Shares with preferred rights and warrants issued to our Pre-IPO Investors from time to time as financial instruments issued to investors, which is an item of our non-current liabilities, given that the instrument holders have the right to require our Group to redeem all of the instruments held by the instrument holders upon occurrence of certain redemption events, which are out of the control of our Group. Fair value changes in financial instruments issued to investors were RMB366.9 million, RMB256.1 million, and RMB493.7 million, respectively, for the years ended December 31, 2022, 2023, and 2024.

Prior to the Listing, our Shares with preferred rights and warrants are not traded in an active market and the fair value at the respective reporting dates is determined using valuation techniques. We have engaged an independent valuer to determine the fair value of our Shares with preferred rights and warrants. The backsolve method was used to determine the total equity value of our Company and then the equity allocation model was adopted to determine the fair value of our Shares with preferred rights and warrants. Immediately prior to the Listing, all the preferred rights associated with our Shares will be terminated. Upon the Listing, all our financial instruments issued to investors which are recognized as liabilities will be reclassified as equity due to the termination of the preferred rights, and we expect that our net liabilities position will turn into a net assets position.

See “Material Accounting Information and Critical Estimates and Judgments — Critical Estimates and Judgments — Fair value of financial instruments” above and note 30 to the Accountants’ Report in Appendix I to this prospectus for further information.

FINANCIAL INFORMATION

Share of Profits/Losses of Associates

As of December 31, 2024, our investments in associates represented our interests in Hangzhou Meihua, Nexus Media, and a number of operators of our managed postpartum centers. We accounted for our associates under the equity method. See “Description of Major Line Items in our Consolidated Statements of Financial Position — Investments in Associates” below for more information.

Share of Profits/Losses of Joint Ventures

As of December 31, 2024, our investments in joint ventures represented our interests in our Hong Kong JV, Beikang Nanshan, and Beikang Shantou, each of which holds our managed postpartum center(s). We accounted for our joint ventures under the equity method. See “Description of Major Line Items in our Consolidated Statements of Financial Position — Investments in Joint Ventures” below for more information.

Income Tax Credit

During the Track Record Period, we were subject to corporate income tax in mainland China. According to the Corporate Income Tax Law of the People’s Republic of China, the income tax rates for both domestic and foreign investment enterprises in Mainland China were unified at 25% during the Track Record Period. In 2022, Hangzhou Beikang was accredited as a “High and New Technology Enterprise” and was entitled to a preferential income tax of 15% for a period of three years from 2022 to 2024.

The income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong profits tax during the Track Record Period is 8.25% on the first HK\$2 million of estimated assessable profit and at 16.5% on the estimated assessable profits above HK\$2 million. No provision for Hong Kong profits tax has been made as our Group did not earn any income subject to Hong Kong profits tax during the Track Record Period.

During the Track Record Period, we did not have any dispute or unresolved issues with the relevant tax authorities.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 42.7% from RMB559.9 million for the year ended December 31, 2023 to RMB798.7 million for the year ended December 31, 2024, primarily due to the growth of our postpartum center business and our home care services business.

The revenue generated from our postpartum center business increased by 45.1% from RMB467.5 million for the year ended December 31, 2023 to RMB678.4 million for the year ended December 31, 2024, driven primarily by an increase in the number of our postpartum centers and the ramp-up of our existing centers. The impact of COVID-19 on our postpartum center business also subsided for the year ended December 31, 2024.

The revenue generated from our postpartum care services increased by 41.6% from RMB378.4 million for the year ended December 31, 2023 to RMB536.0 million for the year ended December 31, 2024; and the revenue generated from our postpartum recovery services increased by 28.7% from RMB71.9 million for the year ended December 31, 2023 to RMB92.5 million for the year ended December 31, 2024. The revenue generated from our postpartum recovery services grew at a lower rate than our postpartum center business as a whole, primarily because the growth in revenue generated from our postpartum center business during the period was primarily driven by our Baby Bella and Bella Isla centers, which had a lower spending per customer in postpartum recovery.

The revenue generated from our home care services increased by 52.5% from RMB45.3 million for the year ended December 31, 2023 to RMB69.1 million for the year ended December 31, 2024, driven primarily by the increase of user base derived from the postpartum care service customers as a result of the expansion in our postpartum center network. In particular, in 2024, we launched a “Hundred Days Companion” (百日隨行) home care services package targeting the customers of our postpartum care services, offering them seamless transition to our home care services as soon as they check out from our postpartum centers.

The revenue generated from our food products business increased by 8.7% from RMB47.1 million for the year ended December 31, 2023 to RMB51.2 million for the year ended December 31, 2024, primarily because we increased cooperation with influencers on social media platforms to promote our products. Such increase in revenue was partially offset by the fact that we ceased the business of supplying cooked postpartum meals to postpartum centers through the disposal of GuangHeTang Catering in March 2023.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales increased by 48.7% from RMB355.3 million for the year ended December 31, 2023 to RMB528.3 million for the year ended December 31, 2024, primarily due to the increases in rental and related costs, labor costs, postpartum catering costs, and raw material and consumable costs, which were corresponding to the growth of our postpartum center business and our home care services business.

Our rental and related costs (comprising rental costs and depreciation of right-of-use assets) increased by 54.2% from RMB125.8 million for the year ended December 31, 2023 to RMB194.0 million for the year ended December 31, 2024, driven primarily by an increase in the number of our self-operated postpartum centers.

Our labor costs increased by 45.4% from RMB122.0 million for the year ended December 31, 2023 to RMB177.4 million for the year ended December 31, 2024, driven primarily by an increase in the number of our staff responsible for delivering postpartum care services and postpartum recovery services and the number of baby care specialists we engaged for our home care services, corresponding to the continued expansion of our postpartum centers network and our home care services business.

Driven primarily by the expansion of our postpartum center network, the postpartum catering costs we incurred increased by 51.5% from RMB42.3 million for the year ended December 31, 2023 to RMB64.1 million for the year ended December 31, 2024.

Our raw material and consumable costs increased by 39.0% from RMB24.6 million for the year ended December 31, 2023 to RMB34.2 million for the year ended December 31, 2024, primarily corresponding to the growth of our postpartum center business and food products business.

Our costs of third-party postpartum recovery services increased by 26.7% from RMB16.5 million for the year ended December 31, 2023 to RMB20.9 million for the year ended December 31, 2024, corresponding to the growth of our postpartum recovery services.

Gross Profit and Gross Profit Margin

For the above reasons, our gross profit increased by 32.2% from RMB204.6 million for the year ended December 31, 2023 to RMB270.4 million for the year ended December 31, 2024. Our gross profit margin decreased from 36.5% for the year ended December 31, 2023 to 33.9% for the year ended December 31, 2024.

FINANCIAL INFORMATION

The gross profit margin for our postpartum center business decreased from 34.1% for the year ended December 31, 2023 to 31.8% for the year ended December 31, 2024. The gross profit margin for our postpartum care services and postpartum recovery services decreased from 31.2% and 44.5%, respectively, for the year ended December 31, 2023 to 26.9% and 42.0%, respectively, for the year ended December 31, 2024. This was primarily because there were more centers that were at the initial ramp-up stage as of December 31, 2024. For the year ended December 31, 2024 we added 18 new self-operated centers, compared to five for the year ended December 31, 2023.

The gross profit margin for our home care services business remained relatively stable at 34.0% for the year ended December 31, 2024, compared to 34.1% for the year ended December 31, 2023.

The gross profit margin for our food products business decreased from 63.3% for the year ended December 31, 2023 to 61.5% for the year ended December 31, 2024, primarily because the growth of such business during the period was primarily driven by an increase in sales on social media platforms, which generally had a lower gross profit margin compared to sales on traditional e-commerce platforms. This was partially offset by the fact that we ceased the business of supplying cooked postpartum meals to postpartum centers through the disposal of GuangHeTang Catering in March 2023, which had a lower profit margin.

Other Income

Our other income decreased by 57.8% from RMB16.6 million for the year ended December 31, 2023 to RMB7.0 million for the year ended December 31, 2024, primarily due to (i) a decrease in tax incentives and other government grants from RMB7.1 million for the year ended December 31, 2023 to RMB0.8 million for the year ended December 31, 2024, primarily as a result of the expiry of the additional input value-added tax credit for enterprises in the lifestyle services industry effective from October 1, 2019 to December 31, 2023; and (ii) a decrease in our interest income from RMB8.5 million for the year ended December 31, 2023 to RMB5.2 million for the year ended December 31, 2024, as we ceased to provide loans to third parties as part of our cash management strategy.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 16.4% from RMB81.5 million for the year ended December 31, 2023 to RMB94.9 million for the year ended December 31, 2024, primarily due to the increase in advertising expenses corresponding to our business expansion.

FINANCIAL INFORMATION

Specifically, our advertising expenses increased by 13.8% from RMB53.8 million for the year ended December 31, 2023 to RMB61.2 million for the year ended December 31, 2024, primarily due to an increase in advertising expenses for our postpartum center business by 21.9% from RMB44.2 million for the year ended December 31, 2023 to RMB53.9 million for the year ended December 31, 2024.

Our labor expenses relating to selling and distribution activities increased by 22.2% from RMB24.3 million for the year ended December 31, 2023 to RMB29.7 million for the year ended December 31, 2024, primarily due to an increase in the size of our sales and marketing team as our postpartum centers network expanded, as well as the increased remuneration of our sales and marketing staff due to the improved sales efficiency.

Administrative Expenses

Our administrative expenses increased by 92.0% from RMB112.9 million for the year ended December 31, 2023 to RMB216.8 million for the year ended December 31, 2024, primarily due to (i) an increase in labor expenses for our workforce involved in administrative activities by 102.9% from RMB61.8 million for the year ended December 31, 2023 to RMB125.4 million for the year ended December 31, 2024, primarily because we made certain share-based payments in the form of share awards to incentivize our staff during the period; and (ii) an increase in consultancy and professional expenses from RMB9.9 million for the year ended December 31, 2023 to RMB41.8 million for the year ended December 31, 2024, as we prepared for the Listing. Our consultancy and professional expenses for the year ended December 31, 2024 comprised listing expenses of RMB31.1 million, as well as other expenses of RMB10.7 million mainly consisting of fees for management consultation, tax consultation, legal and other professional consultation services.

Research and Development Expenses

Our research and development expenses increased by 46.2% from RMB9.1 million for the year ended December 31, 2023 to RMB13.3 million for the year ended December 31, 2024, primarily because we added senior research and development staff to lead our IT system R&D initiatives to support our business expansion.

Other Gains and Expenses

We had net other gains and expenses of RMB0.5 million for the year ended December 31, 2024, whereas we had net other gains and expenses of RMB1.0 million for the year ended December 31, 2023.

FINANCIAL INFORMATION

Finance Costs

Our finance costs increased by 60.0% from RMB3.0 million for the year ended December 31, 2023 to RMB4.8 million for the year ended December 31, 2024, primarily because our interest on lease liabilities and restoration costs increased from RMB1.4 million for the year ended December 31, 2023 to RMB3.0 million for the year ended December 31, 2024, corresponding to an increase in our lease liabilities.

Fair Value Changes in Financial Instruments Issued to Investors

The loss we recognized from the fair value changes in financial instruments issued to investors increased from RMB256.1 million for the year ended December 31, 2023 to RMB493.7 million for the year ended December 31, 2024, primarily due to the larger increase in our business value for the year ended December 31, 2024 than for the year ended December 31, 2023 as determined using valuation techniques.

Share of Losses of Associates

For the year ended December 31, 2024, our share of losses of associates was RMB0.3 million, primarily representing our share of losses of the operator of one of our managed postpartum centers which we accounted for as an associate.

Share of Losses of Joint Ventures

For the year ended December 31, 2024, our share of losses of joint ventures was RMB0.6 million, primarily representing our share of losses of the operator of a managed postpartum center in mainland China which we accounted for as a joint venture.

Income Tax Credit

Our income tax credit increased by 83.3% from RMB1.8 million for the year ended December 31, 2023 to RMB3.3 million for the year ended December 31, 2024. Such income tax credit arose primarily because we recognized deferred tax assets of RMB3.8 million for the year ended December 31, 2024, representing unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB238.9 million for the year ended December 31, 2023 to RMB543.3 million for the year ended December 31, 2024.

FINANCIAL INFORMATION

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 18.7% from RMB471.5 million for the year ended December 31, 2022 to RMB559.9 million for the year ended December 31, 2023, primarily due to the growth of our business across different business lines.

The revenue generated from our postpartum center business increased by 14.8% from RMB407.3 million for the year ended December 31, 2022 to RMB467.5 million for the year ended December 31, 2023, driven primarily by (i) an increase in the number of our postpartum centers (including self-operated and managed centers) from 36 as of December 31, 2022 to 43 as of December 31, 2023; and (ii) the ramp-up of our existing centers. The revenue growth of our postpartum center business was partially offset by the outbreak of COVID-19. Specifically, according to the Frost & Sullivan Report, the increase in infection rate of COVID-19 throughout China from late 2022 to early 2023 caused a delay in the pregnancy plan of many families, and studies have found that maternal infection with COVID-19 is associated with an elevated risk of adverse birth outcomes, including preterm birth and stillbirth, and may be associated with preeclampsia. As a result, the birth rate in the last quarter of 2023 was affected. The outbreak of COVID-19 throughout China from late 2022 to early 2023 also affected the occupancy rate of our postpartum centers generally up to the first quarter of 2023.

Specifically, the revenue generated from our postpartum care services increased by 9.8% from RMB344.7 million for the year ended December 31, 2022 to RMB378.4 million for the year ended December 31, 2023; and the revenue generated from our postpartum recovery services increased by 47.9% from RMB48.6 million for the year ended December 31, 2022 to RMB71.9 million for the year ended December 31, 2023. The revenue generated from our postpartum recovery services grew at a higher rate than our postpartum center business as a whole, primarily due to the increased variety of postpartum recovery services launched in 2023 and our customers' increased acceptance of our postpartum recovery services. In 2023, we also witnessed more customers who returned to use our postpartum recovery services after they completed their stay at our postpartum centers.

The revenue generated from our home care services increased by 29.8% from RMB34.9 million for the year ended December 31, 2022 to RMB45.3 million for the year ended December 31, 2023, driven primarily by (i) the increase of user base derived from the postpartum care service customers as a result of the expansion of our postpartum center network; and (ii) the average spending per customer.

FINANCIAL INFORMATION

The revenue generated from our food products business increased by 60.8% from RMB29.3 million for the year ended December 31, 2022 to RMB47.1 million for the year ended December 31, 2023, primarily because of our efforts to establish brand recognition resulting in better acceptance of our products, and our continuing development of our online sales channels by expanding to different e-commerce platforms and launching more new products.

Cost of Sales

Our cost of sales increased by 7.5% from RMB330.4 million for the year ended December 31, 2022 to RMB355.3 million for the year ended December 31, 2023, primarily due to the increases in labor costs, raw material costs, rental and related costs, postpartum catering costs, and costs of third-party postpartum recovery service providers, which were corresponding to the growth of our business across different business lines.

Our labor costs increased by 11.7% from RMB109.2 million for the year ended December 31, 2022 to RMB122.0 million for the year ended December 31, 2023, driven primarily by an increase in the number of our staff responsible for delivering postpartum care services and postpartum recovery services and the number of baby care specialists we engaged for our home care services, corresponding to the continued expansion of our postpartum center network. The increase in our labor costs was also partially due to an increase in the number of more experienced nursing specialists with higher remuneration we retained at our postpartum centers.

Driven primarily by the expansion of our postpartum center network, the postpartum catering costs we incurred increased by 9.9% from RMB38.5 million for the year ended December 31, 2022 to RMB42.3 million for the year ended December 31, 2023.

Our raw material and consumable costs increased by 6.0% from RMB23.2 million for the year ended December 31, 2022 to RMB24.6 million for the year ended December 31, 2023, primarily corresponding to the growth of our food products business. Meanwhile, we saw a decrease in our consumables costs as we launched the inventory management module at our proprietary nursing service platform in 2023, which enabled us to procure consumables in bulk with competitive pricing.

Corresponding to the growth in revenue generated from our postpartum recovery services, our costs of third-party postpartum recovery service providers increased by 13.8% from RMB14.5 million for the year ended December 31, 2022 to RMB16.5 million for the year ended December 31, 2023. Such costs increased at a lower rate than the revenue generated from our postpartum recovery services primarily because we negotiated better terms with the suppliers.

FINANCIAL INFORMATION

Our rental and related costs (comprising rental costs and depreciation of right-of-use assets) increased by 2.4% from RMB122.9 million for the year ended December 31, 2022 to RMB125.8 million for the year ended December 31, 2023, driven primarily by an increase in the number of our self-operated postpartum centers from 35 as of December 31, 2022 to 40 as of December 31, 2023.

Gross Profit and Gross Profit Margin

For the above reasons, our gross profit increased by 45.0% from RMB141.1 million for the year ended December 31, 2022 to RMB204.6 million for the year ended December 31, 2023. Our gross profit margin improved from 29.9% for the year ended December 31, 2022 to 36.5% for the year ended December 31, 2023, as we saw an improvement in the gross profit margin in each of our business lines and the rapid growth of our higher-margin business lines.

Despite the continuing effect of COVID-19 on our results of operations as discussed in “Key Factors Affecting our Results of Operations — Adverse Impact of COVID-19” above, the gross profit margin for our postpartum care services increased from 27.9% for the year ended December 31, 2022 to 31.2% for the year ended December 31, 2023 for a number of reasons.

Firstly, the gross profit margin for many of our postpartum centers improved following the initial ramp-up stage. The number of centers with less than one year of operation history decreased from 10 as of December 31, 2022 to five as of December 31, 2023. As the operations of the centers become more mature, the operational performance per center would in general gradually improve. Secondly, as we recovered from the impact of COVID-19, the occupancy rate of our centers generally increased in 2023.

As a result of the foregoing, the proportion of rental and related costs (including depreciation of right-of-use assets) unoccupied hotel rooms reserved for our customers’ stay as a percentage of our total rental and related costs (including depreciation of right-of use-assets) for hotel rooms decreased from 12.4% for the year ended December 31, 2022 to 9.5% for the year ended December 31, 2023.

In addition, the increase in the gross profit margin for our postpartum care services was also in part because we increased the price of the service packages of Baby Bella centers as our quality services became better recognized and well received by our customers.

FINANCIAL INFORMATION

In terms of our gross profit margin by brand, the gross profit margin for the postpartum care services provided at our Baby Bella centers had a significant improvement from 27.2% for the year ended December 31, 2022 to 30.8% for the year ended December 31, 2023; and the gross profit margin for the postpartum care services provided at our Saint Bella centers also increased from 28.4% for the year ended December 31, 2022 to 31.5% for the year ended December 31, 2023.

The gross profit margin of our postpartum recovery services increased from 31.4% for the year ended December 31, 2022 to 44.5% for the year ended December 31, 2023. Specifically, the gross profit margin of the postpartum recovery services provided at our Baby Bella centers increased from 5.2% for the year ended December 31, 2022 to 33.3% for the year ended December 31, 2023; and the gross profit margin of the postpartum recovery services provided at our Saint Bella centers increased from 40.6% for the year ended December 31, 2022 to 50.0% for the year ended December 31, 2023. The improvement in gross profit margin of our postpartum recovery services was primarily due to the increased utilization rate of our postpartum recovery equipment and our postpartum recovery specialists. We also negotiated better terms with third-party postpartum recovery service providers in 2023, benefiting from our larger customer base.

The gross profit margin for our home care services business increased from 32.9% for the year ended December 31, 2022 to 34.1% for the year ended December 31, 2023, primarily because of our improved bargaining power on service pricing as our PrimeCare for Family brand continued to gain recognition.

The gross profit margin for our food products business increased from 43.7% for the year ended December 31, 2022 to 63.3% for the year ended December 31, 2023, primarily because we continued to focus on the higher margin business of selling food products on e-commerce platforms. We also ceased our business of supplying cooked postpartum meals to postpartum centers through the disposal of GuangHeTang Catering in March 2023, which had a lower profit margin.

Other Income

Our other income increased by 64.4% from RMB10.1 million for the year ended December 31, 2022 to RMB16.6 million for the year ended December 31, 2023, primarily driven by an increase in our interest income from RMB2.5 million for the year ended December 31, 2022 to RMB8.5 million for the year ended December 31, 2023. Such increase was primarily due to the interest income from certain loans to three Independent Third Parties in 2022 and certain loans in 2023 to an entity which subsequently became our subsidiary. For details, see “Description of Major Line Items in our Consolidated Statements of Financial Position — Prepayments, Other Receivables, and Other Assets”.

FINANCIAL INFORMATION

On the other hand, our tax incentives and other government grants decreased by 2.7% from RMB7.3 million for the year ended December 31, 2022 to RMB7.1 million for the year ended December 31, 2023, primarily due to a downward adjustment to the additional input value-added tax credit for enterprises in the lifestyle services industry from 15% in 2022 to 10% in 2023.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 38.6% from RMB58.8 million for the year ended December 31, 2022 to RMB81.5 million for the year ended December 31, 2023 primarily due to the increase in advertising expenses.

Specifically, our advertising expenses increased by 68.1% from RMB32.0 million for the year ended December 31, 2022 to RMB53.8 million for the year ended December 31, 2023, primarily due to an increase in the expenses for online advertising campaigns for our food products business beginning in June 2022. Such expenses increased by 115.3% from RMB11.1 million for the year ended December 31, 2022 to RMB23.9 million for the year ended December 31, 2023. There was also an increase in advertising expenses for our postpartum center business by 54.1% from RMB18.5 million for the year ended December 31, 2022 to RMB28.5 million for the year ended December 31, 2023.

Our labor expenses relating to selling and distribution activities increased by 9.5% from RMB22.2 million for the year ended December 31, 2022 to RMB24.3 million for the year ended December 31, 2023, at a lower rate than the increase in our revenue, as primarily because we achieved a higher efficiency in sales and marketing per number of staff as our branding became more recognized.

Administrative Expenses

Our administrative expenses decreased by 7.5% from RMB122.1 million for the year ended December 31, 2022 to RMB112.9 million for the year ended December 31, 2023, primarily due to the decreases in our labor expenses and rental and related expenses.

Specifically, our labor expenses for our workforce involved in administrative activities decreased by 11.8% from RMB70.1 million for the year ended December 31, 2022 to RMB61.8 million for the year ended December 31, 2023, primarily due to the reduced number of management personnel as we optimized the structure of our management team.

FINANCIAL INFORMATION

Our rental and related administrative expenses (including depreciation of right-of-use assets) decreased by 5.5% from RMB27.2 million for the year ended December 31, 2022 to RMB25.7 million for the year ended December 31, 2023, primarily because we reserved hotel rooms for our offices at more competitive rates in 2023.

On the other hand, our consultancy and professional expenses increased by 25.3% from RMB7.9 million for the year ended December 31, 2022 to RMB9.9 million for the year ended December 31, 2023, primarily because we incurred expenses in preparation for the Listing.

Research and Development Expenses

Our research and development expenses decreased by 29.5% from RMB12.9 million for the year ended December 31, 2022 to RMB9.1 million for the year ended December 31, 2023, primarily because we had completed building an established IT infrastructure and we reduced investments in one-off research and development projects.

Other Gains and Expenses

Our net other gains and expenses increased from RMB0.8 million for the year ended December 31, 2022 to RMB1.0 million for the year ended December 31, 2023, primarily because we had a gain on disposal of a subsidiary, namely GuangHeTang Catering, of RMB0.2 million. For details, see “History, Reorganization, and Corporate Structure — Major Acquisitions and Investments — Acquisition of the GuangHeTang Business”. In addition, we recorded a net foreign exchange gain of RMB0.1 million resulting from the appreciation of USD against RMB for the year ended December 31, 2023, whereas we did not have such gains for the year ended December 31, 2022.

Finance Costs

Our finance costs increased by 66.7% from RMB1.8 million for the year ended December 31, 2022 to RMB3.0 million for the year ended December 31, 2023, primarily because our interest on bank loans increased from RMB0.1 million for the year ended December 31, 2022 to RMB1.6 million for the year ended December 31, 2023 as we began entering into bank loans in the second half of 2022. Our interest on lease liabilities and restoration costs decreased by 17.6% from RMB1.7 million for the year ended December 31, 2022 to RMB1.4 million for the year ended December 31, 2023, corresponding to a decrease in our lease liabilities.

FINANCIAL INFORMATION

Fair Value Changes in Financial Instruments Issued to Investors

The loss we recognized from the fair value changes in financial instruments issued to investors decreased by 30.2% from RMB366.9 million for the year ended December 31, 2022 to RMB256.1 million for the year ended December 31, 2023, primarily due to the larger increase in our business value in 2022 than in 2023 as determined using valuation techniques.

Share of Profits of Associates

For the year ended December 31, 2023, our share of profits of associates was RMB0.2 million, primarily representing our share of profits of Hangzhou Meihua.

Share of Losses of Joint Ventures

Our share of losses of joint ventures decreased from RMB1.4 million for the year ended December 31, 2022 to RMB0.5 million for the year ended December 31, 2023, primarily due to an improvement in the results of operations of the postpartum centers operated by our Hong Kong JV following the initial ramp-up period.

Income Tax Credit

Our income tax credit increased from RMB0.3 million for the year ended December 31, 2022 to RMB1.8 million for the year ended December 31, 2023, primarily because we recognized deferred tax assets of RMB2.2 million for the year ended December 31, 2023, representing unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 42.0% from RMB411.6 million for the year ended December 31, 2022 to RMB238.9 million for the year ended December 31, 2023.

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR LINE ITEMS IN OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from the Accountants' Report set out in Appendix I to this prospectus:

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	103,309	210,459	351,049
Total current assets	301,869	258,123	270,491
Total assets	405,178	468,582	621,540
Total current liabilities	271,880	252,638	2,022,729
Total non-current liabilities	849,521	1,171,074	58,531
Total liabilities	1,121,401	1,423,712	2,081,260
Net current assets/(liabilities)	29,989	5,485	(1,752,238)
Net liabilities	(716,223)	(955,130)	(1,459,720)
Share capital	—	3	4
Reserves	(711,526)	(950,057)	(1,460,409)
Non-controlling interests	(4,697)	(4,626)	685
Net deficiency in assets	(716,223)	(955,130)	(1,459,720)

FINANCIAL INFORMATION

Current Assets and Current Liabilities

The following table sets forth our current assets, current liabilities, and net current assets as of the dates indicated:

	As of December 31,			As of
	2022	2023	2024	April 30,
	RMB'000	RMB'000	RMB'000	2025
				(unaudited)
Current assets				
Inventories	9,274	10,822	18,802	17,769
Trade receivables	3,291	7,415	15,860	32,165
Prepayments, other receivables and other assets	116,252	80,606	106,159	97,902
Financial assets at fair value through profit or loss	73,528	—	14,569	36,839
Bank deposits with initial terms of over three months	10,000	32,320	43,004	102,471
Restricted cash	—	6,111	6,126	—
Cash and cash equivalents	89,524	120,849	65,971	27,877
Total current assets	301,869	258,123	270,491	315,023
Current liabilities				
Trade payables	17,937	11,854	33,326	27,839
Contract liabilities	113,254	163,127	175,463	176,621
Other payables and accruals	76,571	45,680	92,310	81,304
Tax payable	—	356	460	593
Interest-bearing bank borrowings	40,000	10,000	39,749	79,471
Lease liabilities	24,118	21,621	25,150	32,414
Financial instruments issued to investors	—	—	1,656,271	1,711,049
Total current liabilities	271,880	252,638	2,022,729	2,109,291
Net current assets/(liabilities)	29,989	5,485	(1,752,238)	(1,794,268)

Our net current assets decreased from RMB30.0 million as of December 31, 2022 to RMB5.5 million as of December 31, 2023 primarily because (i) we made fixed-term deposits with terms over one year; and (ii) the recognition of various items of current liabilities, including accrued listing expenses and acquisition consideration payable. We turned a net current liabilities position of RMB1,752.2 million as of December 31, 2024 primarily because we reclassified our financial

FINANCIAL INFORMATION

instruments issued to investors from non-current liabilities to current liabilities, given that such financial instruments had a maturity date of less than 12 months as of December 31, 2024. As of April 30, 2025, we had net current liabilities of RMB1,794.3 million.

Other than financial instruments issued to investors, our largest item of current liabilities was contract liabilities, the balance of which increased during the Track Record Period generally in line with the expansion of our postpartum center business and home care services business.

Going forward, we will closely monitor and manage our cash position and cash requirements to ensure that we have sufficient working capital for our operations. We will review our cash position and cash requirements on a regular basis to determine the usage and allocation of cash in our operations, optimize our capital structure, and meet our working capital needs. The measures we may implement in order to improve our net current liabilities position include reducing the use of cash for making long-term equity investments or long-term fixed deposits if we determine that we have significant short-term cash and working capital needs.

Property, Plant, and Equipment

Our property, plant, and equipment primarily consisted of (i) leasehold improvements; (ii) equipment at our postpartum centers, primarily for delivering our postpartum recovery services; (iii) office equipment; (iv) furniture fittings and electronic equipment; and (v) construction in progress in relation to renovation works at one of our acquired postpartum centers.

Items of property, plant, and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant, and equipment to its residual value over its estimated useful life.

The following table sets forth a breakdown of the net carrying amounts of our property, plant, and equipment as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Leasehold improvements	2,658	1,115	195
Postpartum equipment	10,241	10,746	11,378
Office equipment	352	261	694
Furniture fittings and electronic equipment	1,221	922	1,562
Construction in progress	—	—	14,915
Total	14,472	13,044	28,744

FINANCIAL INFORMATION

The net carrying amounts of our property, plant, and equipment decreased by 10.3% from RMB14.5 million as of December 31, 2022 to RMB13.0 million as of December 31, 2023. While we continued to add property, plant, and equipment during 2023, the depreciation of our property, plant, and equipment — primarily being our leasehold improvements — for the year ended December 31, 2023 outpaced such addition. We also disposed of GuangHeTang Catering in 2023 and had a corresponding decrease in property, plant, and equipment of RMB0.2 million.

The net carrying amounts of our property, plant, and equipment increased from RMB13.0 million as of December 31, 2023 to RMB28.7 million as of December 31, 2024, primarily due to the addition of certain construction in progress for an acquired postpartum center and the addition of postpartum recovery equipment for our new centers.

Right-of-use Assets

We recognize leases with a term more than one year as right-of-use assets. The carrying amount of our right-of-use assets decreased by 19.5% from RMB33.3 million as of December 31, 2022 to RMB26.8 million as of December 31, 2023. While there was an increase in the number of properties we leased during 2023 corresponding to our business expansion, there was a decrease in the carrying amount of our right-of-use assets because we entered into shorter-term leases for our new postpartum centers so as to maintain flexibility, and hence there was a decrease in the proportion and absolute amounts of our leases recognized as right-of-use assets. Our right-of-use assets increased from RMB26.8 million as of December 31, 2023 to RMB79.8 million as of December 31, 2024 primarily due to the right-of-use assets of one of the postpartum centers we acquired in 2024.

Most of our property, plant, and equipment and right-of-use assets are associated with our postpartum centers. During the Track Record Period, our postpartum centers generally demonstrated strong operational performance, including robust customer demand and overall healthy profitability and cash flows. Although certain postpartum centers experienced temporary losses during their ramp-up periods, such performance during the ramp-up periods was in line with expectations. Based on the profitability of other mature centers, our management remained confident that these centers will generate sufficient cash flows in the future. Accordingly, no indicators of impairment were identified for our property, plant, and equipment or right-of-use assets.

FINANCIAL INFORMATION

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests, and any fair value of our previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. In the opinion of our Group's management, during the Track Record Period, there was no impairment for the goodwill since the cash generating units' recoverable value exceed the carrying amount of the goodwill.

As of December 31, 2024, our goodwill arose from our acquisition of subsidiaries operating postpartum centers in China, our GuangHeTang business, and our S-bra business which is held by Beikang Hanlian. The recoverable amount of each of our cash generating units has been determined based on a value in use calculation using cash flow projections. For details, see note 15 to the Accountants' Report in Appendix I to this prospectus.

The following table sets forth a breakdown of the carrying amount of goodwill allocated to each of the cash-generating units as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Postpartum centers operating subsidiaries . .	19,723	24,871	69,048
Beikang Guanghe	20,563	20,563	20,563
Beikang Hanlian	1,926	1,926	1,926
Total	42,212	47,360	91,537

Other Intangible Assets

Our other intangible assets primarily consisted of brands and patents recognized from our acquisition of the GuangHeTang business. In addition, we also had certain software licenses recognized as other intangible assets.

Such other intangible assets are measured on initial recognition at cost. The cost of such other intangible assets is the fair value at the date of acquisition. Such other intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication of impairment. The principal estimated useful lives of our other intangible assets are 20 years for brands, 10 years for patents, and three years for software.

FINANCIAL INFORMATION

As of December 31, 2024, the book value of our brands, patents, and software recognized as other intangible assets was RMB8.0 million, RMB2.3 million, and RMB0.4 million, respectively.

Investments in Associates

As of December 31, 2024, our investment in associates represented our interests in Hangzhou Meihua, Nexus Media, and a number of operators of our managed postpartum centers.

In August 2023, we completed the acquisition of a 7.8125% equity interest in Hangzhou Meihua at a cash consideration of RMB25 million. Hangzhou Meihua is one of our strategic partners engaged in the operation of a women's and children's hospital. We accounted for our investment in Hangzhou Meihua using the equity method.

In August 2024, we completed the acquisition of a 6.3% equity interest in Nexus Media at a cash consideration of HKD6 million. See “History, Reorganization, and Corporate Structure — Major Acquisitions and Investments — Investment in Nexus Media” for more information.

We had investment in associates of nil, RMB26.7 million, and RMB36.6 million, respectively, as of December 31, 2022, 2023, and 2024.

Investments in Joint Ventures

As of December 31, 2022, we recognized one entity, namely our Hong Kong JV, being the operator of our managed postpartum centers in Hong Kong, as an investment in a joint venture. In 2023, we added two entities as investments in joint ventures, namely Beikang Nanshan and Beikang Shantou, both being operators of our managed postpartum centers. We accounted for our joint ventures under the equity method.

The carrying amount of our investments in joint ventures was nil, RMB7.6 million, and RMB13.6 million, respectively, as of December 31, 2022, 2023, and 2024.

Other Non-current Assets

Our other non-current assets represented prepayments for certain equipment and refurbishment project costs during the Track Record Period and a loan to our Hong Kong JV of HK\$3 million. As of December 31, 2023, we also recognized a prepayment of RMB20 million for the acquisition of an operator of a postpartum center in Shanghai. We recognized such prepayment because we had fully paid the relevant consideration, but the control had not yet been transferred to us as of December 31, 2023. As of December 31, 2024, we had obtained the control of such subsidiary and ceased to recognize such prepayment.

FINANCIAL INFORMATION

See “Related Party Transactions” below for the loan to our Hong Kong JV.

We had other non-current assets of RMB1.1 million, RMB23.9 million, and RMB6.2 million, respectively, as of December 31, 2022, 2023, and 2024.

Deferred Tax Assets

Deferred tax assets are recognized for deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

We had deferred tax assets of RMB64,000, RMB2.1 million, and RMB5.9 million, respectively, as of December 31, 2022, 2023, and 2024.

Bank Deposits with Initial Terms of over Three Months

Our bank deposits with initial terms of over three months consisted of fixed deposits with commercial banks in China.

Our bank deposit with initial terms of over three months was RMB10.0 million, RMB83.8 million, and RMB116.0 million, respectively, as of December 31, 2022, 2023, and 2024.

Inventories

Our inventories primarily consisted of finished goods for use at our postpartum centers, as well as finished goods and raw materials for our food products business and our S-bra products.

Our inventories increased by 16.1% from RMB9.3 million as of December 31, 2022 to RMB10.8 million as of December 31, 2023, and further increased by 74.1% to RMB18.8 million as of December 31, 2024, primarily reflecting the growth of our postpartum center business and our food products business during the Track Record Period. For the years ended December 31, 2022, 2023, and 2024, the provision for impairment of our inventories was nil, RMB0.2 million, and RMB0.3 million, respectively.

FINANCIAL INFORMATION

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Within 1 year	9,274	9,291	16,821
1 to 3 years	—	1,531	1,981
	<u>9,274</u>	<u>10,822</u>	<u>18,802</u>

Our inventory turnover days (calculated as the average balance of the opening and closing inventories in a period divided by cost of sales for the same period multiplied by 365 days) were 7.1, 10.3, and 10.2 days, respectively, for the years ended December 31, 2022, 2023, and 2024. We believe that our inventory turnover days are not meaningful as our cost of sales mostly consists of rental and related costs, labor costs, and costs of postpartum meals due to the nature of our business.

As of April 30, 2025, approximately RMB10.9 million or 58.0% of the carrying amount of our inventories as of December 31, 2024 had been recognized as cost of sales.

Trade Receivables

Our trade receivables primarily consisted of management fees in relation to our managed postpartum centers.

We seek to maintain strict control over our outstanding receivables. Overdue balances are reviewed regularly by senior management. For the years ended December 31, 2022, 2023, and 2024, the provision for impairment of our trade receivables was RMB37,000, nil, and nil, respectively.

FINANCIAL INFORMATION

The following table sets forth the aging analysis of our trade receivables based on the invoice date and net of loss allowance as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	2,046	3,532	13,823
3 months to 1 year	1,245	3,883	2,035
1 to 2 years	—	—	2
Total	3,291	7,415	15,860

Our trade receivables turnover days (calculated as the average balance of the opening and closing trade receivables in a period divided by revenue for the same period multiplied by 365 days) were 1.5, 3.5, and 5.3 days, respectively, for the years ended December 31, 2022, 2023, and 2024. We believe that our trade receivables turnover days are not meaningful as we generate revenue mostly from providing services that require advance payment.

As of April 30, 2025, approximately RMB5.2 million or 32.8% of the outstanding balance of our trade receivables as of December 31, 2024 had been settled.

Prepayments, Other Receivables, and Other Assets

Our prepayments, other receivables, and other assets consisted of (i) loans to third parties; (ii) rental deposits relating to our postpartum centers, offices, and staff dormitories; (iii) prepayments; (iv) other receivables including consideration receivables relating to the disposal of subsidiaries, advancements for our managed postpartum centers, and certain loans extended to our employees; (v) deductible input value-added tax; (vi) amounts due from related parties; and (vii) deferred listing expenses; and (viii) receivables from the issuance of ordinary shares with preferred rights in connection with the Reorganization.

Our loans to third parties as of December 31, 2022 and 2023 comprised short-term interest bearing loans due from Hangzhou Qingzhi Enterprise Management Co., Ltd., Hangzhou Qinglong Construction Development Co., and Yuezige (Shanghai) Health Services Co., Ltd., each of which is an Independent Third Party. As of December 31, 2022, the principal amount of the short-term interest bearing loan due from Hangzhou Qingzhi Enterprise Management Co., Ltd. amounted to RMB30.5 million, with an interest rate of 6% per annum, and the loan was recovered in 2023. As of December 31, 2022, the principal amount of the short-term interest bearing loan due from Hangzhou Qinglong Construction Development Co. amounted to RMB50 million with an interest rate of 5% per annum, and the loan was recovered in 2023. As of December 31, 2023, the receivables due from Yuezige (Shanghai) Health Services Co., Ltd. amounted to RMB24.0 million

FINANCIAL INFORMATION

and the accrued interest amounted to RMB0.4 million. The receivables had an interest rate of 5% per annum, and the borrowing period of the receivables was 12 months. Yuezige (Shanghai) Health Services Co., Ltd. had become our subsidiary as of December 31, 2024 and we ceased to recognize such receivables.

According to the General Lending Provisions (《貸款通則》), only financial institutions may legally engage in the business of extending loans, and loans between companies that are not financial institutions are prohibited. According to the Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (《最高人民法院關於審理民間借貸案件適用法律若干問題的規定》) (the “**Private Lending Provisions**”), the validity and legality of financing arrangements and lending transactions between non-financial institutions are recognized subject to certain conditions. During the Track Record Period and up to the Latest Practicable Date, (i) lending was not our primary business and all loan receivables from third parties had been settled; (ii) the interest rates of such loans did not exceed the rate provided by Private Lending Provisions; (iii) there were no disputes or controversies between us and such borrowers in relation to the loans; and (iv) we had not been subject to any administrative penalties, investigations, or enforcement actions and we did not receive any notice from any regulatory authority with respect to the provision of the loans described above. Based on the basis above, our PRC Legal Adviser is of the view that the arrangements with respect to the loans granted by our Group to the borrowers are legally binding and valid pursuant to the Private Lending Provisions. In addition, based on the interview conducted with the competent authority, it only regulates the loans extended by financial institutions and it does not regulate nor impose punishment on any loans among enterprises or among enterprises and individuals. Instead, the validity of such loans among enterprises or among enterprises and individuals shall be determined by the PRC courts. Based on the basis above, our PRC Legal Adviser is of the view that the risk of our Group being penalized for violation of the General Lending Provisions is relatively low. We do not plan to continue conducting such transactions going forward. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to penalties levied by the PRC government for loans to third parties during the Track Record Period” for more information.

Our prepayments primarily consisted of (i) prepaid rents for some of the hotel rooms at our postpartum centers which we rented on an ad-hoc basis, and for certain short-term leases for our staff dormitories; (ii) prepaid service fees for financial consultancy services, information technology consultancy services, insurance fees, and telecommunications fees; (iii) prepaid consideration for certain goods and equipment; and (iv) prepaid advertising expenses.

Our deductible input value-added tax was related to the tax incentives described in “Description of Major Components in our Consolidated Statement of Profit or Loss — Other Income” above. This represented the portion of input value-added tax we paid but which had not yet been deducted pursuant to the relevant tax incentive policy.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our prepayments, other receivables, and other assets as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loans to third parties	80,705	24,449	—
Rental deposits	15,780	23,950	28,127
Prepayments	15,552	24,861	31,072
Other receivables	1,941	2,873	17,864
Deductible input value-added tax	2,259	3,199	3,939
Due from related parties (<i>Note</i>).	—	716	2,578
Deferred listing expenses	15	558	5,494
Receivables from issuance of ordinary shares with preferred rights	—	—	17,128
Less: impairment allowance	—	—	(43)
Total	116,252	80,606	106,159

Note: Such related party receivables primarily included (i) non-trade related other receivables from Beikang Nanshan of RMB0.7 million as of December 31, 2023, which was subsequently settled in February 2024; and (ii) trade related other receivables of RMB2.6 million from a number of companies operating our managed postpartum centers as of December 31, 2024. See “Related Party Transactions” below for more information.

Our prepayments, other receivables, and other assets decreased by 30.7% from RMB116.3 million as of December 31, 2022 to RMB80.6 million as of December 31, 2023, primarily due to a decrease in our loans receivable from third parties by 69.8% from RMB80.7 million as of December 31, 2022 to RMB24.4 million as of December 31, 2023 as a result of settlement of the loans. Such decrease was partially offset by (i) an increase in rental deposits by 51.9% from RMB15.8 million as of December 31, 2022 to RMB24.0 million as of December 31, 2023, primarily as a result of the rental deposits for our postpartum centers newly opened in 2023; and (ii) an increase in prepayments by 59.6% from RMB15.6 million as of December 31, 2022 to RMB24.9 million as of December 31, 2023, primarily as a result of an increase in prepaid consideration for certain goods and equipment and an increase in prepaid service fees, mainly consisting of listing expenses.

Our prepayments, other receivables, and other assets increased by 31.8% from RMB80.6 million as of December 31, 2023 to RMB106.2 million as of December 31, 2024, primarily due to (i) the recognition of receivables from the issuance of ordinary shares with preferred rights as of December 31, 2024, which represented the amounts receivable as a result of the exercise of warrants issued by our Company in connection with the Reorganization; (ii) an increase in other

FINANCIAL INFORMATION

receivables from RMB2.9 million as of December 31, 2023 to RMB17.9 million as of December 31, 2024, primarily due to the recognition of consideration receivables relating to the disposal of our entire interests in Chengdu Wenjiang BekZene Internet Hospital Co., Ltd and Chengdu Wenjiang Beikang Enhu Outpatient Department Co., Ltd (see “History, Reorganization, and Corporate Structure — Disposal of Certain Subsidiaries” in this prospectus for more information) and advancements for our managed postpartum centers; (iii) an increase in prepayments by 24.9% from RMB24.9 million as of December 31, 2023 to RMB31.1 million as of December 31, 2024, primarily as a result of the increased prepaid service fees and advertising expenses; and (iv) an increase in rental deposits by 17.1% from RMB24.0 million as of December 31, 2023 to RMB28.1 million as of December 31, 2024, corresponding to the expansion of our postpartum centers network. Such increase was partially offset by the derecognition of loans to third parties as of December 31, 2024 due to the repayment of such loans.

Our management is of the view that prepayments, other receivables, and other assets amounting to RMB43,000 as of December 31, 2024 may not be recoverable, and we had made a full impairment provision for such amount as of December 31, 2024.

Financial Assets at Fair Value through Profit or Loss

We had financial assets at fair value through profit or loss of RMB73.5 million, nil, and RMB19.6 million, respectively, as of December 31, 2022, 2023, and 2024.

During the Track Record Period, our financial assets at fair value through profit or loss primarily consisted of wealth management products and trust products (including certain structured deposits) issued by commercial banks in China.

For the years ended December 31, 2022 and 2024, the expected return rates of our wealth management products and trust products ranged from 2.70% to 4.20% per annum, and 2.28% per annum, respectively. The returns on all of these wealth management products and trust products were not guaranteed. The fair values of the investments approximated to their costs plus expected return.

Although we have utilized bank borrowings to fund our operations and expansion, which is also part of our effort to maintain our relationships with banks, we adopted a flexible and balanced approach to manage our cash resources, after taking into account the risk and reward, and the comparison between returns and borrowing costs, in order to achieve better financial outcomes. We primarily invested in wealth management products and trust products issued by reputable commercial banks in China with low risks and high liquidity, such as investment products investing in bonds and money market products. As the wealth management products and trust products we invested in could mostly be readily redeemed or had a short-term maturity period, we

FINANCIAL INFORMATION

did not experience any shortage in cash to fund our operations or expansion plans as a result of such investment. Going forward, we may continue to invest in wealth management products and trust products on a case-by-case basis after thoroughly considering a number of factors, including but not limited to the macro-economic environment, general market conditions, risk control and credit of issuing banks, our own working capital conditions, and the expected profit or potential loss of the investment. We will review our cash management strategies from time to time to best utilize our financial resources. We may continue to invest in wealth management products and trust products along with the use of bank borrowings if we believe the expected return is comparable to or exceeds our borrowing costs.

Our investment in wealth management products and trust products is overseen by the head of our finance department who possesses the relevant experience in accounting and finance. Upon the Listing, if our investment in wealth management products and trust products triggers any compliance obligation under Chapter 14 of the Listing Rules, such investment will be subject to the approval by our Board.

Restricted Cash

As of December 31, 2023 and 2024, we had restricted cash of RMB6.1 million and RMB6.1 million, respectively, representing cash in an escrow account to be released to the vendor relating to the acquisition of Yuezige (Shanghai) Health Services Co., Ltd. We had completed such acquisition and no longer recognized such restricted cash as of the Latest Practicable Date.

Cash and Cash Equivalents

We had cash and cash equivalents of RMB89.5 million, RMB120.8 million, and RMB66.0 million, respectively, as of December 31, 2022, 2023, and 2024.

During the Track Record Period, our cash and cash equivalents were primarily denominated in RMB, with a minority denominated in USD, HKD, and SGD.

Trade Payables

Our trade payables primarily consisted of amounts due to hotels in respect of certain short-term room rentals and postpartum catering costs. Such amounts were typically settled monthly. Our trade payables also included amounts due to suppliers of raw materials for our food products business, as well as suppliers of materials purchased for our postpartum care services and postpartum recovery services (including S-bra products).

FINANCIAL INFORMATION

The following table sets forth the aging analysis of our trade payables based on the invoice date as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	15,312	9,877	31,860
Between 3 months and 1 year	2,527	460	414
Between 1 and 2 years	98	1,517	8
Over 2 years	—	—	1,044
Total	17,937	11,854	33,326

Our trade payables decreased by 33.5% from RMB17.9 million as of December 31, 2022 to RMB11.9 million as of December 31, 2023, primarily because we settled the room charges for certain postpartum centers we ceased to operate during the period. Our trade payables increased from RMB11.9 million as of December 31, 2023 to RMB33.3 million as of December 31, 2024, primarily due to (i) the increased room charges and postpartum meal costs payable to hotels corresponding to the expansion of our postpartum center business and the opening of new postpartum centers; and (ii) an increase in service fees payable to third-party postpartum recovery service providers corresponding to the expansion of our postpartum recovery service offerings.

Our trade payables turnover days (calculated as the average balance of the opening and closing trade payables in a period divided by cost of sales for the same period multiplied by 365 days) were 15.2, 15.3, and 15.6 days, respectively, for the years ended December 31, 2022, 2023, and 2024. We believe that our trade payable turnover days are not meaningful as we are required to make advance payment for a substantial portion of our cost of sales.

As of April 30, 2025, approximately RMB30.7 million or 92.1% of the outstanding balance of our trade payables as of December 31, 2024 had been settled.

Contract Liabilities

We generally require payment in advance for our postpartum center business (including both postpartum care services and postpartum recovery services) and home care services business. Our contract liabilities represented prepayments related to such services which were not yet rendered. See “Material Accounting Information and Critical Estimates and Judgments — Material Accounting Policies — Revenue Recognition” above for details of how we recognize revenue of our postpartum center business and home care services business.

FINANCIAL INFORMATION

The prepaid packages for our postpartum recovery services and home care services generally expire after a period of time, at which point the corresponding deferred revenue is fully recognized in profit or loss. If customers of our postpartum care services do not use our service after making the prepayment, their prepayment may be forfeited subject to the terms of our agreement, and at which point the corresponding deferred revenue is fully recognized in profit or loss.

Our contract liabilities increased by 44.0% from RMB113.3 million as of December 31, 2022 to RMB163.1 million as of December 31, 2023, and further increased by 7.6% to RMB175.5 million as of December 31, 2024, primarily reflecting the growth of our postpartum center business and our home care services business.

Our contract liabilities turnover days (calculated as the average balance of the opening and closing contract liabilities in a period divided by revenue for the same period multiplied 365 days) were 81.9, 90.1, and 77.4 days, respectively, for the years ended December 31, 2022, 2023, and 2024.

As of April 30, 2025, approximately RMB127.5 million or 72.7% of our contract liabilities as of December 31, 2024 had been recognized as revenue.

Other Payables and Accruals

Our other payables and accruals consisted of (i) accrued payroll and bonus; (ii) other payables, which consisted of advances by employees, accrued promotion fees, accrued third-party service fees, and payables to shareholders; (iii) deposits payable, which consisted of deposits we received from customers of our postpartum center business and home care services business; (iv) acquisition consideration payables relating to the unpaid consideration for the acquisition of the GuangHeTang business and a number of postpartum centers; (v) value-added tax payable and withholding individual income tax payable; (vi) payment in connection with reorganization, being amounts due to certain domestic Pre-IPO Investors in relation to the acquisition of equity interests in Hangzhou Beikang as part of the Reorganization; (vii) accrued listing expenses; (viii) a non-controlling interest in relation to an acquired postpartum center; (ix) certain amounts due to related parties (see “Related Party Transactions” below for more information); and (x) capital injection payables to a joint venture.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Accrued payroll and bonus	21,009	19,003	22,754
Other payables	35,566	12,398	14,293
Deposits payable	1,495	1,190	1,862
Acquisition consideration payables (Note 1)	8,000	500	12,222
VAT and other tax payables	9,146	12,122	14,009
Payment in connection with reorganization	—	—	12,977
Accrued listing expenses	—	467	13,364
Due to related parties (Note 2)	—	—	829
Capital injection payable to a joint venture	1,355	—	—
Total	76,571	45,680	92,310

Notes:

- (1) As of April 30, 2025, approximately RMB6.1 million of the acquisition consideration payables as of December 31, 2024 remained unsettled. This amount relates to the acquisition of Yuezige.
- (2) We entered into agreements with certain managed centers to operate the postpartum centers on behalf of them. Our other payables and accruals due to related parties as of December 31, 2024 were due to such managed centers, and represented the contract liabilities received from customers. Such amount is trade related and we may not settle such payable to related parties prior to the Listing.

Our other payables and accruals decreased by 40.3% from RMB76.6 million as of December 31, 2022 to RMB45.7 million as of December 31, 2023, primarily due to (i) a decrease in our other payables by 65.2% from RMB35.6 million as of December 31, 2022 to RMB12.4 million as of December 31, 2023, primarily as a result of the settlement of the amount payable by PrimeCare International mentioned above; (ii) a decrease in our accrued payroll and bonus by 9.5% from RMB21.0 million as of December 31, 2022 to RMB19.0 million as of December 31, 2023 as a result of (a) a decrease in the number of employees as a result of the switch to using more service providers instead of permanent staff to provide service at our postpartum centers; and (b) the disposal of GuangHeTang Catering; and (iii) a decrease in acquisition consideration payables by 93.8% from RMB8.0 million as of December 31, 2022 to RMB0.5 million as of December 31, 2023 due to the settlement of acquisition consideration.

FINANCIAL INFORMATION

Our other payables and accruals increased by 102.0% from RMB45.7 million as of December 31, 2023 to RMB92.3 million as of December 31, 2024, primarily due to (i) the recognition of an amount of RMB13.0 million due to certain domestic Pre-IPO Investors in relation to the acquisition of equity interests in Hangzhou Beikang as part of the Reorganization; (ii) an increase in accrued listing expenses from RMB0.5 million as of December 31, 2023 to RMB13.4 million as of December 31, 2024 as we prepared for the Listing.

Tax Payable

Our tax payable represented our corporate income tax payable in mainland China. Our tax payable was nil, RMB0.4 million, and RMB0.5 million, respectively as of December 31, 2022, 2023, and 2024, corresponding to fluctuations in our income tax credit during the Track Record Period.

Interest-bearing Bank Borrowings

See “Indebtedness — Interest-bearing Bank Borrowings” for details of our interest-bearing bank borrowings.

Lease Liabilities

See “Indebtedness — Lease Liabilities” below for details of our lease liabilities.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

Our principal use of cash during the Track Record Period was for investing activities, primarily representing increases in bank deposits and financial assets at fair value through profit or loss, as well as equity investments. Our main source of liquidity was generated from cash flows from operating activities in general and financing activities in the beginning of the Track Record Period.

FINANCIAL INFORMATION

The following table sets forth selected cash flow data from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Net cash flows from operating activities . . .	24,105	56,703	49,078
Net cash flows used in investing activities .	(44,287)	(28,717)	(82,428)
Net cash flows from/(used in) financing activities	21,351	3,339	(21,528)
Cash and cash equivalents at beginning of year	88,355	89,524	120,849
Cash and cash equivalents at end of year . .	89,524	120,849	65,971

Net Cash Flows from Operating Activities

For the year ended December 31, 2024, we had net cash flows from operating activities of RMB49.1 million. This net cash inflow was primarily due to (i) our loss before tax of RMB546.6 million after adjusting for non-cash items including fair value changes of financial instruments issued to investors of RMB493.7 million, share-based payment expenses of RMB60.6 million, and depreciation of right-of-use assets of RMB27.4 million; (ii) an increase in trade payables of RMB21.5 million; and (iii) an increase in contract liabilities of RMB11.2 million. This net cash inflow was partially offset by an increase in prepayments, other receivables, and other assets of RMB3.6 million.

For the year ended December 31, 2023, we had net cash flows from operating activities of RMB56.7 million. This net cash inflow was primarily due to (i) our loss before tax of RMB240.7 million after adjusting for non-cash items including changes in the carrying amount of financial instruments issued to investors of RMB256.1 million and depreciation of right-of-use assets of RMB33.4 million; and (ii) an increase in contract liabilities of RMB49.9 million. This net cash inflow was partially offset by an increase in prepayments, other receivables, and other assets of RMB26.5 million.

For the year ended December 31, 2022, we had net cash flows from operating activities of RMB24.1 million, despite having (i) a loss before tax after adjusting for non-cash items including changes in the carrying amount of financial instruments issued to investors of RMB366.9 million and depreciation of right-of-use assets of RMB39.9 million and depreciation of property, plant, and equipment of RMB4.2 million; (ii) an increase in inventories of RMB5.6 million; (iii) an increase in prepayments, other receivables, and other assets of RMB5.6 million; and (iv) an increase in

FINANCIAL INFORMATION

trade receivables of RMB2.6 million. This net cash inflow mainly reflected (i) an increase in contract liabilities of RMB14.9 million; (ii) an increase in trade payables of RMB8.3 million; (iii) a decrease in restricted cash of RMB6.5 million; and (iv) an increase in other payables and accruals of RMB10.1 million.

Net Cash Flows Used in Investing Activities

For the year ended December 31, 2024, we had net cash flows used in investing activities of RMB82.4 million. This net cash outflow was primarily due to (i) an increase in bank deposits with initial terms over three months of RMB32.0 million; (ii) net purchase of financial assets at fair value through profit or loss of RMB19.5 million; and (iii) purchases of items of property, plant, and equipment of RMB15.9 million.

For the year ended December 31, 2023, we had net cash flows used in investing activities of RMB28.7 million. This net cash outflow was primarily due to (i) an increase in bank deposits of RMB80.0 million; (ii) cash used in the investment in associates of RMB26.5 million; and (iii) prepayments for equity investment of RMB20.0 million. This net cash outflow was partially offset by net proceeds from disposal of financial assets at fair value through profit or loss of RMB73.5 million.

For the year ended December 31, 2022, we had net cash flows used in investing activities of RMB44.3 million. This net cash outflow reflected (i) an increase in loans to third parties of RMB85.0 million; and (ii) cash used in the acquisition of businesses and subsidiaries of RMB18.7 million. This net cash outflow was partially offset by net proceeds from disposal of financial assets at fair value through profit or loss of RMB36.0 million.

Net Cash Flows from/(Used in) Financing Activities

For the year ended December 31, 2024, we had net cash flows used in financing activities of RMB21.5 million. This net cash inflow was primarily due to (i) cash from new bank loans of RMB68.9 million; and (ii) proceeds from the issuance of ordinary shares with preferred rights of RMB63.3 million. This net cash inflow was partially offset by (i) payment in connection with the Reorganization of RMB67.5 million; (ii) repayment of bank loan of RMB40.0 million; and (iii) the cash used in the payment of the principal portion of lease payments of RMB32.3 million.

For the year ended December 31, 2023, we had net cash flows from financing activities of RMB3.3 million. This net cash inflow was primarily due to (i) cash from new bank loans of RMB78.8 million; and (ii) proceeds from financial instruments issued to investors of RMB70.0

FINANCIAL INFORMATION

million. This net cash inflow was partially offset by (i) repayment of bank loans of RMB108.8 million; and (ii) the cash used in the payment of the principal portion of lease payments of RMB33.3 million.

For the year ended December 31, 2022, we had net cash flows from financing activities of RMB21.4 million. This net cash inflow reflected (i) cash from new bank loans of RMB40.0 million; and (ii) proceeds from capital contributions into subsidiaries of RMB25.0 million. This net cash inflow was partially offset by (i) cash used in the payment of the principal portion of our lease payments of RMB37.2 million; and (ii) cash used in the acquisition of non-controlling interests of RMB4.8 million.

Working Capital Sufficiency

During the Track Record Period, we funded our operations primarily with cash generated from operating activities, funds raised from equity financings, and bank borrowings. 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.

We believe our liquidity requirements will be satisfied by using funds from a combination of cash flow generated from operating activities, debt financing, net proceeds from the Global Offering, and other funds raised from the capital markets from time to time. Other than the bank borrowings that we have obtained or may obtain, we currently do not have any plans for material external debt financing. As of April 30, 2025, we had (i) cash and cash equivalents and bank deposits with initial terms of over three months amounting to RMB182.0 million; and (ii) unutilized banking facilities of RMB120.0 million. After taking into consideration the above financial resources available to us, in the absence of unforeseeable circumstances, our Directors are of the opinion that we have sufficient working capital to meet our present cash requirements for at least the next 12 months from the date of publication of this prospectus.

Our ability to obtain additional funding beyond our anticipated cash needs for the next 12 months following the date of this prospectus, however, is subject to a variety of uncertainties, including our future results of operations, our future business plans, financial condition and cash flows and economic, political and other conditions in the markets where we and our customers and lenders operate.

FINANCIAL INFORMATION

INDEBTEDNESS

Our indebtedness primarily consisted of interest-bearing bank borrowings and lease liabilities.

The following table sets forth a breakdown of our indebtedness as of the date indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)
Non-current				
Lease liabilities	10,095	5,747	55,689	58,617
Current				
Interest-bearing bank borrowings	40,000	10,000	39,749	79,471
Lease liabilities	24,118	21,621	25,150	32,414
Total	74,213	37,368	120,588	170,502

Interest-bearing Bank Borrowings

Our interest-bearing bank borrowings amounted to RMB40.0 million, RMB10.0 million, and RMB39.7 million respectively, as of December 31, 2022, 2023, and 2024, which were mainly used to finance our expansion.

As of December 31, 2024, our interest-bearing bank borrowings amounting to RMB29.7 million were secured by our fixed deposits. Such secured bank borrowings were denominated in USD. The rest of our interest-bearing bank borrowings as of December 31, 2024 were denominated in RMB and were unsecured. The effective interest rate of our secured and unsecured interest-bearing bank borrowings as of December 31, 2024 was 5.8–6.0% and 2.9%, respectively.

Our bank borrowing agreements contain standard terms, conditions, and covenants that are customary for commercial bank loans but no covenants which we believe have a material impact on our business operations. Our Directors confirm that we did not experience any difficulty in obtaining bank borrowings, or experience any default in payment of bank borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors also confirm that there has been no material change in our indebtedness since April 30, 2025 up to the date of this prospectus.

FINANCIAL INFORMATION

Lease Liabilities

We recognize lease liabilities at the commencement date of a lease at the present value of lease payments to be made over the lease term. Such lease liabilities were primarily related to the leases of our postpartum centers in China.

The following table sets forth the maturity profile of our lease liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(unaudited)
Within 1 year	24,118	21,621	25,150	32,414
1 to 3 years	8,992	5,747	18,284	22,954
More than 3 years	1,103	—	37,405	35,663
Total	34,213	27,368	80,839	91,031

Our lease liabilities decreased by 19.9% from RMB34.2 million as of December 31, 2022 to RMB27.4 million as of December 31, 2023. While there was an increase in the number of properties we leased corresponding to our business expansion, there was a decrease in our lease liabilities from 2022 to 2023 because we entered into shorter-term leases for our new postpartum centers so as to maintain flexibility. Our lease liabilities increased from RMB27.4 million as of December 31, 2023 to RMB80.8 million as of December 31, 2024 primarily due to the lease liabilities of one of the postpartum centers we acquired during the period.

Miscellaneous

Save as disclosed above, as of April 30, 2025, we did not have 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, or guarantees.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023, and 2024, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

FINANCIAL INFORMATION

COMMITMENTS AND CAPITAL EXPENDITURE

Commitments

During the Track Record Period, our commitments were mainly related to non-cancellable lease contracts that had not yet commenced and investment commitments. Our commitments amounted to RMB23.6 million, RMB55.5 million, and RMB35.9 million respectively, as of December 31, 2022, 2023, and 2024. See note 36 to the Accountants' Report in Appendix I to this prospectus for more information.

Capital Expenditure

For the years ended December 31, 2022, 2023, and 2024, our capital expenditure amounted to RMB4.4 million, RMB6.1 million, and RMB16.2 million, respectively. Our capital expenditure during the Track Record Period consisted of (i) purchases of items of property, plant, and equipment, mainly representing postpartum recovery equipment we purchased for the opening of new postpartum centers; and (ii) purchases of intangible assets.

The following table sets forth a breakdown of our capital expenditure for the periods indicated:

	Year ended December 31,		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Purchases of items of property, plant and equipment	4,069	5,859	15,869
Purchases of other intangible assets	292	273	367
	<u>4,361</u>	<u>6,132</u>	<u>16,236</u>

We regularly incur capital expenditures to expand our operations. We intend to fund our planned capital expenditures through a combination of cash flow generated from operating activities, debt financing, net proceeds from the Global Offering, and other funds raised from the capital markets from time to time.

FINANCIAL INFORMATION

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we conducted related party transactions with certain operators of our managed postpartum centers. Such transactions included (i) the sale of goods for the operations of postpartum centers; (ii) management fees and consulting fees we charged for services provided in relation to these managed postpartum centers; (iii) certain loans to support the centers' operations; (iv) certain payments in relation to the centers' operations advanced by our Group in the course of providing management services to these centers; (v) secondment of staff; and (vi) certain payments from customers we received on behalf of the centers in the course of providing management services to these centers.

As of December 31, 2024, our amounts due from related parties included (i) trade related other receivables of RMB2.6 million, representing certain payments in relation to our managed centers' operations advanced by our Group; (ii) non-trade related other receivables of RMB2.7 million, representing a loan of HK\$3.0 million to our Hong Kong JV; (iii) non-trade related other payables of RMB0.8 million, representing the cost of secondment of staff from the managed centers to our Group and certain payments from customers we received on behalf of the centers; and (iv) trade related receivables of RMB4.5 million relating to the amounts receivable for certain management fees and sale of goods.

Our loan of HK\$3 million provided to our Hong Kong JV was converted from trade receivables, and will be repaid within five years from December 31, 2023. Such loan was provided to support the operations of our managed postpartum centers. We will continuously assess whether to demand the repayment of the loan receivable from our Hong Kong JV based on its financial condition, among other factors. Given that our Hong Kong JV is not a connected person of our Company, such loan has no implication under Chapter 14A of the Listing Rules.

In the view of our Directors, our related party transactions during the Track Record Period were conducted on an arm's length basis.

See note 37 to the Accountants' Report in Appendix I to this prospectus for more information about our related party transactions.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table set forth our key financial ratios as of the date or for the year indicated:

	As of or for the year ended December 31,		
	2022	2023	2024
Gross profit margin (<i>Note 1</i>)	29.9%	36.5%	33.9%
Current ratio (<i>Note 2</i>)	1.1	1.0	0.1
Quick ratio (<i>Note 3</i>)	1.1	1.0	0.1

Notes:

- (1) Calculated as gross profit divided by revenue.
- (2) Calculated as total current assets divided by total current liabilities.
- (3) Calculated as total current assets (less inventories) divided by total current liabilities.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF RISKS

Our Group's principal financial instruments mainly include cash and cash equivalents, bank deposits, financial assets at fair value through profit or loss, interest-bearing bank borrowings, and other financial assets.

Our overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. We set forth a summary of our approach to managing our material financial risks.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. See note 40 to the Accountants' Report in Appendix I to this prospectus for the maturity profile of our financial liabilities, based on the contractual undiscounted payments.

Other Risks

We consider that we do not have significant interest rate risk, foreign currency risk, or credit risk. See note 40 to the Accountants' Report in Appendix I to this prospectus for more information.

FINANCIAL INFORMATION

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, we did not declare or pay any dividend. Going forward, we may distribute dividends by way of cash or by other means that we consider appropriate.

We currently do not have a fixed dividend payout ratio or a fixed dividend policy. Any future determination to distribute any interim dividends or recommend any final dividends will be at the discretion of our Board and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board deems relevant. In addition, any final dividends for a financial year will be subject to the Shareholders' approval.

Dividends may be paid only out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits may not be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set forth in any plan to our Board or at all. Furthermore, if we or any of our subsidiaries incur debt on our or its own behalf in the future, the instruments governing the debt may restrict our ability to pay dividends. The past dividend distribution record may not be used as a reference or basis in determining the level of dividends that may be declared or paid by us in the future.

DISTRIBUTABLE RESERVES

As of December 31, 2024, our Company did not have any retained profits as reserves available for distribution to Shareholders.

Distribution of Profits by PRC Subsidiaries

One of our subsidiaries established in mainland China, namely Beijing Beikangzeen Health Consulting Co., Ltd. ("**Beijing Beikangzeen Consulting**"), had paid dividend during the Track Record Period.

According to Article 210 of the Company Law of the People's Republic of China, when a PRC company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is more than 50% of the company's registered capital.

FINANCIAL INFORMATION

Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the provisions of the preceding paragraph.

After having accrued statutory reserve from the after-tax profits, a company can also set aside discretionary reserve from the after-tax profits upon a resolution made by the shareholders' meeting.

The residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company (in the case of a limited liability company) in proportion to the capital contribution paid up by its shareholders, except where all the shareholders have agreed not to distribute the profits in accordance with the proportion of the capital contribution; or such profits shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association.

Beijing Beikangzeen Consulting had achieved residual after-tax profits and had accrued statutory reserve as provided for in its articles of association for the financial years ended December 31, 2020 and 2021, and its shareholders had also approved such dividend plans through shareholders' resolution.

Our PRC Legal Adviser is of the view that the residual after-tax profits after a PRC company has made up its losses and accrued reserve (including statutory and discretionary when applicable) could be distributed among all the shareholders upon a resolution made by the shareholders' meeting provided that such distribution of dividend is in accordance with the procedures and stipulations of the company's articles of association and the Company Law of the People's Republic of China as well as other laws and regulations applicable.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Unaudited Pro Forma Financial information" in Appendix II to this prospectus for the details of our unaudited pro forma adjusted consolidated net tangible assets.

FINANCIAL INFORMATION

LISTING EXPENSES

Listing expenses represent professional fees, underwriting commissions, and other fees incurred in connection with the Global Offering. We expect to incur total listing expenses of RMB80.0 million (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised and based on the Offer Price of HK\$6.58 per Share), of which RMB0.1 million, RMB3.6 million, and RMB31.1 million, respectively, has been charged to profit or loss for the years ended December 31, 2022, 2023, and 2024. The total listing expenses consist of RMB21.6 million in underwriting fees and RMB58.4 million in non-underwriting fees (including fees and expenses of legal advisers and accountants of RMB35.3 million and other fees and expenses of RMB23.1 million). Among the total listing expenses, RMB50.1 million is expected to be charged to profit or loss, and RMB29.8 million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the Global Offering. Our total listing expenses are estimated to account for 13.9% of the gross proceeds of the Global Offering. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

See “Summary — Recent Developments” for our recent developments that occurred subsequent to the Track Record Period.

After due and careful consideration, our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial and trading position or prospects since December 31, 2024, and there is no event since December 31, 2024 which would materially affect the information shown in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rule 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$540.5 million (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), after deducting underwriting commissions, fees, and estimated expenses payable by us in connection with the Global Offering, based on the Offer Price of HK\$6.58 per Share.

We currently intend to apply these net proceeds for the following purposes. In addition to the net proceeds from the Global Offering to be received and allocated, we also plan to utilize our internal liquidity sources to supplement any shortfall in expenditure, if any. Specifically:

- approximately 29%, or HK\$157.6 million, will be used for postpartum care network expansion, including opening new postpartum centers in cities where we already have presence or new to us, consolidation of competitors, as well as acquiring some of our managed centers (see “Business — Our Strategies — Strategically expand our postpartum center network in China and selected overseas markets to further scale up our customer base for our family care platform” for more information). We plan to open new postpartum centers in China and selected overseas markets, including through organic expansion and consolidation of competitors, as well as acquiring some of our managed centers. We plan to add approximately 55 postpartum centers through organic expansion, acquisition of competitors, and acquiring some of our managed centers from 2025 to 2029, utilizing the proceeds from the Global Offering. These include approximately four to five overseas centers in total in 2027 and 2028. As we do not require significant investment in our new centers through organic expansion, most of this part of the proceeds will be used for the acquisition of existing operators and acquiring some of our managed centers. Specifically, we plan to use HK\$10.0 million for organic expansion and HK\$147.5 million for acquisitions. We aim to target the premium segment of postpartum centers in emerging metropolitans by quickly gaining market access and building market presence. In terms of expansion through the consolidation of competitors, we consider factors including the target’s location, customer base, revenue and profitability, and operations. See “Business — Our Businesses — Postpartum Centers — Expansion Strategies — Consolidation of Competitors” for our criteria for screening potential targets. When entering into new markets to open postpartum centers, we will have the relevant measures in place to comply with the applicable laws and regulations;

FUTURE PLANS AND USE OF PROCEEDS

- approximately 37%, or HK\$202.6 million, will be used in launching new services and products to expand comprehensive offerings to meet the life-time demand from our customers (see “Business — Our Strategies — To further expand our family care platform through diversifying our service and product portfolio in order to capture longer lifetime value of customers with an increasing high-value customer base” for more information), including:
- approximately 15%, or HK\$82.5 million, will be used to develop our elderly care business in China, leveraging our collaboration with Kinoshita Group. We will bring in the industry leading experience and protocols and integrate them with specific scenarios and customer demand in China. Specifically, with a view to becoming an operator and manager of elderly care homes, we plan to form a new elderly care business unit, develop our training capabilities to service elderly care institutions, and build up the standardized training and operation system for our elderly care business. Starting from 2025, we plan to initiate the development of the training mechanism for elderly care service personnel. We will compile and localize training materials, based on the training materials of Kinoshita Group to which we have access pursuant to our cooperation agreement, and form a team of trainers, thereby establishing a system for the training of elderly care personnel in a scalable manner. In 2026, we target to complete the development of our SOPs for elderly care services, including the development of standardized service systems, inspection systems, and sales management systems. We plan to explore different service models for elderly care. We will begin marketing our service packages to customers, and plan to deliver the first batch of internally trained elderly care personnel to customers as a part of home care service for the elderly. In 2027, we target to pilot the business of management of third-party elderly care institutions, expanding the business from home-based elderly care to providing management and operational services to nursing home operators;
- approximately 12%, or HK\$67.5 million, will be used in developing our retail businesses, including incubating new retail brands and launching new nutrition product SKUs for GuangHeTang. We are exploring the feasibility of new products for woman in the postpartum period and baby care products. If there are suitable product candidates which could fulfill unmet demand in market, we will launch a new retail brand from 2026 onwards. At the initial stage of each new brand, we expect that we will launch more promotion activities such as marketing events and advertising through online channels; and
- approximately 10%, or HK\$52.5 million, will be in used in developing our postpartum recovery services, benefiting from our expansion of network and our increasing customer base. We plan to fully monetize our family care platform through providing more systematic and longer-term recovery services, by launching new service areas

FUTURE PLANS AND USE OF PROCEEDS

including medical aesthetics. Through the acquisition of third-party service providers, we also plan to enhance our capabilities and capacities to provide postpartum recovery services using our internal resources and reducing our reliance on third-party suppliers, and to offer services to non-postpartum center customers, making postpartum recovery another pillar to attract new users to our family care platform;

- approximately 6%, or HK\$35.0 million, will be used in the training of professional family care specialists. Over the next three years, we plan to invest more than RMB20 million to train over 2,200 new nursing personnel, including approximately 600 for our postpartum center business, 600 for our home care services business, and 1,000 for our elderly care services business. According to the National Health Commission of China, as of the end of 2024, the total number of registered nurses nationwide had reached 5.85 million. We expect that most of our newly recruited nursing personnel will be fresh graduates from the nursing schools we cooperate with. Such new recruits are expected to include both replacements for our departing employees and new headcounts to meet our increasing business needs. Our training costs are expected to primarily consist of new employees' salary, and costs associated with training courses, training materials, and the expenses for training venues and accommodation. Before employees are assigned to provide services to customers at our postpartum centers, we typically provide them with one month's off-the-job training and one month's on-the-job training, under our self-developed training program covering more than 20 topics of mother and baby care. For service providers for our home care services and elderly care services, we will also be providing at least one month's training to ensure their service quality. We are in the early stage of developing a comprehensive curriculum for training caregivers for the elderly, and such curriculum is expected to include techniques of caregiving, general knowledge of food and health sciences, culinary training, and certain specialized knowledge for rendering quality elderly care services. At the same time, we will increase our investment in soft skills training for our current nursing staff, in addition to providing continuous on-the-job professional skills training. See "Business — Our Strategies — Continue to cultivate nursing talent and build up the team needed for business expansion" for more information;
- approximately 18%, or HK\$97.6 million, will be used in research and development activities. We plan to conduct a substantial part of our research and development activities through our in-house personnel, given that (i) our business service requires a high level of customization. Our service is evolving according to customer needs, and thus requires continuous investment in R&D, and internal personnel are more stable and have a better understanding of our business; (ii) the response times will be faster compared to using outsourced R&D services; and (iii) with our increasing business scale, having an internal R&D team will be more cost efficient compared to using outsourced R&D services continuously. Specifically, our use of proceeds for R&D purposes is expected to include:

FUTURE PLANS AND USE OF PROCEEDS

- approximately 7%, or HK\$37.0 million, will be used in the upgrade of our existing IT systems to make them more suitable for general application, thereby enhancing the system's configurability to cater to postpartum centers within the entire industry. We plan to make upgrades and improvements on our customer profiling and management system, transaction processing system, nursing service platform, and internal operational system. In particular, our upgraded nursing service platform will provide more assistance to nursing specialists to carry out daily duty, increase operational efficiency, and enable service standardization across our network; we will also be upgrading other features of our system such as employees' work scheduling, automated payment system, and product and inventory management. On the other hand, through our upgraded CRM system, including an expansion of our membership program, we will be able to deepen our connection with customers. Our system will eventually provide an integrated interface for diverse scenarios facing operators with different nursing and business models. Our ultimate goal is to gradually promote our IT systems as an industry-standard SaaS system;
- approximately 6%, or HK\$33.0 million, will be used in investments in artificial intelligence over the next three years. This encompasses the investment in AIoT devices and the application of large language models in the domain of mother and baby care, as our business continues to expand. We will purchase AIoT devices such as smart mattresses, smart scales, and smart cameras for our postpartum centers in order to leverage the collected data to enhance our SOPs. We will empower our nursing service platform with artificial intelligence. Some of the key new functions include a warning system during daily care routine, as well as data analysis and quality control on the services provided by nursing specialists. The goal is to transform our Group into one of the most technology-enabled operators within the industry;
- approximately 3%, or HK\$16.6 million, will be used to invest in R&D for elderly care services. See "Business — Our Strategies — To further expand our family care platform through diversifying our service and product portfolio in order to capture longer lifetime value of customers with an increasing high-value customer base" for more information;
- approximately 2%, or HK\$11.0 million, will be used to invest in the upgrade of our data servers. See "Business — Our Strategies — Continue to upgrade our IT infrastructure and explore SaaS offerings for our other businesses" for more information; and
- approximately 9%, or HK\$47.8 million, will be used in working capital and other general corporate purposes.

FUTURE PLANS AND USE OF PROCEEDS

We will comply with the applicable laws and regulations when launching the new services and products referred to above.

The following table sets forth a breakdown of the estimated net proceeds (based on the Offer Price of HK\$6.58 per Offer Share and assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised) to be applied for the periods indicated:

	2025	2026	2027	2028	2029	Total
	<i>(in millions of HK\$)</i>					
Postpartum care network expansion:						
— Opening or acquiring postpartum centers:						
<i>Breakdown by mode of expansion:</i>						
• Organic expansion	5.1	4.0	1.0	—	—	10.0
• Acquisition	10.7	19.3	50.0	40.5	27.0	147.5
<i>Breakdown by geographical area:</i>						
• China	15.8	23.3	40.5	30.0	27.0	136.6
• Overseas	—	—	10.5	10.5	—	21.0
<i>Subtotal</i>	<i>15.8</i>	<i>23.3</i>	<i>51.0</i>	<i>40.5</i>	<i>27.0</i>	<i>157.6</i>
Launching new services and products:						
— Launching elderly care services:						
• Establishing middle office and supporting functions . .	4.4	8.0	10.0	—	—	22.4
• Marketing for elderly care service packages	—	12.0	11.0	—	—	23.0
• Training for elderly care specialists	3.9	13.0	20.3	—	—	37.1
<i>Subtotal</i>	<i>8.3</i>	<i>33.0</i>	<i>41.3</i>	<i>—</i>	<i>—</i>	<i>82.5</i>
— Developing retail business:						
• Branding and expansion of SKUs in GuangHeTang, and market research	6.8	8.8	10.8	—	—	26.4
• Incubating new brands	—	18.2	23.0	—	—	41.2
<i>Subtotal</i>	<i>6.8</i>	<i>27.0</i>	<i>33.8</i>	<i>—</i>	<i>—</i>	<i>67.5</i>
— Developing postpartum recovery services:						
• Acquisition of third-party postpartum recovery service providers	—	16.0	16.0	—	—	32.0
• Branding for postpartum recovery services, expansion of service scope, and market research	5.3	5.0	10.3	—	—	20.5
<i>Subtotal</i>	<i>5.3</i>	<i>21.0</i>	<i>26.3</i>	<i>—</i>	<i>—</i>	<i>52.5</i>
<i>Subtotal</i>	<i>20.3</i>	<i>81.0</i>	<i>101.3</i>	<i>—</i>	<i>—</i>	<i>202.6</i>

FUTURE PLANS AND USE OF PROCEEDS

	2025	2026	2027	2028	2029	Total
	<i>(in millions of HK\$)</i>					
Training of professional family care specialists	6.6	10.7	17.6	—	—	35.0
Research and development:						
— Upgrading existing IT systems	3.0	18.0	16.0	—	—	37.0
— Investing in artificial intelligence	3.0	15.0	15.0	—	—	33.0
— R&D for elderly care	0.8	6.9	8.9	—	—	16.6
— Upgrading data servers	3.0	4.0	4.0	—	—	11.0
<i>Subtotal</i>	9.8	43.9	43.9	—	—	97.6
Working capital	6.8	20.1	20.9	—	—	47.8
Total	56.5	179.0	234.8	40.5	27.0	540.5

If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the net proceeds that we will receive will be approximately HK\$732.8 million, based on the Offer Price of HK\$6.58 per Share. In the event that the Offer Size Adjustment Option and/or the Over-allotment Option is exercised, we intend to apply the additional net proceeds to the above purposes in the proportions stated above.

To the extent that the net proceeds are not immediately applied to the above purposes, we intend to deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions).

We will issue an appropriate announcement if there is any material change to the above proposed use of proceeds.

UNDERWRITING

HONG KONG UNDERWRITERS

UBS AG Hong Kong Branch
CLSA Limited
Huatai Financial Holdings (Hong Kong) Limited
GF Securities (Hong Kong) Brokerage Limited
Mirae Asset Securities (HK) Limited
CMB International Capital Limited
CCB International Capital Limited
Caitong International Securities Co., Limited
Futu Securities International (Hong Kong) 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.

The Global Offering comprises the Hong Kong Public Offering of initially 9,542,000 Hong Kong Offer Shares and the International Offering of initially 85,878,000 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 Offer Size Adjustment Option and 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 in issue and to be issued pursuant to the Global Offering (including any additional Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and pursuant to the Capitalization Issue on the Main Board of the Stock Exchange, and such approval and permission not subsequently having been withdrawn or

UNDERWRITING

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 or jointly and severally, 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 British Virgin Islands, PRC, the United States, Singapore, 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, without limitation, conditions and sentiments in

UNDERWRITING

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 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
- (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) any 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 our Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or
- (vii) any breach of any of the obligations or undertakings imposed upon our Company or any member of the Controlling Shareholders or any cornerstone investor (as applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement or the Cornerstone Investment Agreements; or

UNDERWRITING

- (viii) any change or prospective change, or a materialization of, any of the risks set out in the section headed “Risk Factors” in this prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (1) has or will or is likely to 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 our Company or the Group as a whole; or
 - (2) has or will or is likely to 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 is likely to make it impracticable, inadvisable, inexpedient or incapable for any material part of the 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 is likely to have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (b) there has come to the notice of the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of 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 our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) 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

UNDERWRITING

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 this prospectus, constitute a material omission or misstatement in any Global Offering Document; or
- (iii) 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 the Hong Kong Underwriting Agreement; or
- (iv) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect; or
- (v) the Chairman of the Board or any Director or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or
- (vi) any Director is being charged with an indictable offence, or any Director or any member of senior management of our Company named in this prospectus is prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or
- (vii) our Company withdraws this 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
- (viii) 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 any Shares to be issued pursuant to the Capitalization Issue, and any additional Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and 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

UNDERWRITING

- (ix) any person has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or
- (x) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or
- (xi) 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
- (xii) (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 Sponsor-Overall Coordinators, the issue or requirement to issue by our 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
- (xiii) the issue or requirement to issue by our Company of a supplement or amendment to this 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
- (xiv) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group company 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

UNDERWRITING

- (xv) 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
- (xvi) any non-compliance of this 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
- (xvii) 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
- (xviii) any contravention by any Group company or any Director of the Listing Rules or applicable Laws; or
- (xix) that (i) a material portion of the orders placed or confirmed in the bookbuilding 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,

then, in each case, the Joint Sponsors and the Sponsor-Overall Coordinators (for themselves and on behalf of the Hong Kong Underwriters) may, in their sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

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 Offer Size Adjustment Option and/or the Over-allotment Option), (b) pursuant to the Capitalization Issue or (c) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

UNDERWRITING

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:

- (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.

UNDERWRITING

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 practicable.

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 Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the Capitalization Issue, at any time after the date of this Agreement up to and including the date falling six months after the Listing Date (the “**First Six Month Period**”), it will not, without the prior written consent of the Joint Sponsors and the 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) 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, any legal or beneficial interest in the share capital or any other securities of our Company or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any share capital or other securities of our Company, as applicable), or deposit any share capital or other securities of our Company, as applicable, with a depositary in connection with the issue of depositary receipts; or
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of the Shares or any other securities of our Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares); or

UNDERWRITING

- (c) enter into any transaction with the same economic effect as any transaction described in paragraph (a) or (b) above; or
- (d) offer to or agree to do any of the foregoing specified in paragraph (a), (b) or (c) or announce any intention to do so,

in each case, whether any of the foregoing transactions is to be settled by delivery of share capital or such other securities, in cash or otherwise (whether or not the issue of such share capital or other securities will be completed within the First Six Month Period). Our Company further agrees that, in the event our Company is allowed to enter into any of the transactions described in paragraph (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction during the period of six months commencing on the date on which the First Six Month Period expires (the “**Second Six Month Period**”), it will take all reasonable steps to ensure that such an issue or disposal will not, and no other act of our Company will, create a disorderly or false market for any Shares or other securities of our Company.

The Controlling Shareholders has undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it/he shall procure our Company to comply with the above undertakings.

Our Company has undertaken to each of the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that it will, and the Controlling Shareholders undertake to procure that our Company will, comply with the minimum public float requirements specified in the Listing Rules (the “**Minimum Public Float Requirement**”), and it will not effect any purchase of the Shares, or agree to do so, which may reduce the holdings of the Shares held by the public (as defined in Rule 8.24 of the Listing Rules) to below the Minimum Public Float Requirement or any waiver granted and not revoked by the Stock Exchange prior to the expiration of the Second Six Month Period without first having obtained the prior written consent of the Joint Sponsors and the 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 Sponsor-Overall Coordinators, the Overall Coordinators, the Joint Global Coordinators, the Capital Market Intermediaries, the Joint Bookrunners, the Joint Lead Managers and the Hong Kong Underwriters that, except pursuant to the Stock Borrowing Agreement, without

UNDERWRITING

the prior written consent of the Joint Sponsors and the 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
 - (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

UNDERWRITING

- (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, it 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:

- (a) the relevant Controlling Shareholder will immediately inform our Company and the 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 Sponsor-Overall Coordinators of such indications.

Our Company has undertaken to the Joint Sponsors, the Sponsor-Overall Coordinators, the 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

UNDERWRITING

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.

Undertakings by Other Existing Shareholders

Each of the existing Shareholders other than the Controlling Shareholders has entered into a lock-up undertaking (the “**Lock-up Undertaking**”) in favor of our Company, the Joint Sponsors and the Joint Overall Coordinators (acting for themselves and on behalf of the Underwriters) that, except with the prior written consent of our Company, the Joint Sponsors and the Joint Overall Coordinators, it will not, at any time during the period commencing on June 17, 2025 and ending on, and including, the date that is six months from the Listing Date (the “**Lock-up Period**”),

- (i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, hedge, 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 any mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind (the “**Encumbrance**”) over 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 other securities of our Company) directly or indirectly held by it immediately before the completion of the Global Offering (the “**Lock-up Shares**”), or
- (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Lock-up Shares, or
- (iii) enter into any transaction with the same economic effect as any transaction specified in clause (i) or (ii) of this paragraph, or
- (iv) announce or publicly disclose any intention to effect any transaction specified in clause (i), (ii) or (iii) of this paragraph,

in each case, whether any of the transactions specified in clause (i), (ii) or (iii) of this paragraph is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the Lockup Period), provided that the foregoing shall not:

UNDERWRITING

- (a) apply to transactions relating to any Shares acquired by it in the Global Offering or in open market transactions after the Listing;
- (b) apply to any transfer of Lock-up Shares to any nominee for the purposes of holding such Lock-up Shares in CCASS, provided that such Lock-up Shares shall, at all times, remain subject to the Lock-up Undertaking until the Lock-up Period expires;
- (c) prevent it from using Lock-up Shares beneficially owned by it 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 the person making such loan undertakes to be bound by the restrictions on disposal herein during the Lock-up Period and which restrictions shall apply to any disposal of the Lock-up Shares on exercise of any enforcement action or foreclosure following a default under such loan;
- (d) apply to any transfer of Lock-up Shares as may be required by applicable law, regulations or the Listing Rules, or by a governmental authority, court of law or an arbitral tribunal; or
- (e) apply to any transfer of Lock-up Shares to (1) its wholly-owned entities, its 100% parent entity or its 100% subsidiaries; or (2) any trust or trust entity for its direct or indirect benefit, provided, however, that in any such case, it shall be a condition to the transfer that the transferee undertakes to be bound by the provisions of the Lock-up Undertaking.

Hong Kong Underwriters' Interests in Our Company

Save as disclosed in “— Independence and Interests of the Joint Sponsors” below and 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.

UNDERWRITING

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, among others, the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the International Underwriters and the Capital Market Intermediaries on or about Monday, June 23, 2025. Under the International Underwriting Agreement and subject to the Offer Size Adjustment Option and the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Offer Shares being offered under the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into or is terminated, the Global Offering will not proceed. See “Structure of the Global Offering — The International Offering.”

Offer Size Adjustment Option

Our Company is expected to grant an Offer Size Adjustment Option under the International Underwriting Agreement to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) on or before the second business day prior to the Listing Date, pursuant to which our Company may be required to allot and issue up to an aggregate of 14,313,000 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering) at the Offer Price. The Offer Size Adjustment Option provides flexibility for the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand. See “Structure of the Global Offering — Offer Size Adjustment Option.”

Over-allotment Option

Our Company is expected to grant an Over-allotment Option under the International Underwriting Agreement to the International Underwriters, exercisable by the 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 Wednesday, July 23, 2025, pursuant to which our Company may be required to

UNDERWRITING

allot and issue up to an aggregate of 16,459,500 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 14,313,000 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised), 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 3.5% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the Offer Size Adjustment Option and 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 1.25% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option) (the “**Incentive Fees**”). As of the date of this prospectus, the allocation of a portion of the Fixed Fees remains subject to the Company’s discretion. For the purpose of disclosure of the ratio of fixed and discretionary fees payable (the “**Fee Split Ratio**”) as required under paragraph 3B of Appendix D1A to the Listing Rules, assuming the Incentive Fees are paid in full, the Fee Split Ratio will be approximately 37.7%:62.3%.

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\$97.5 million (assuming an Offer Price of HK\$6.58 per Offer Share, the full payment of the discretionary fees and the exercise of the Offer Size Adjustment Option and the Over-allotment Option in full).

Indemnity

Each of our Company and the Controlling Shareholders has agreed to jointly and severally indemnify the Joint Sponsors, the Sponsor-Overall Coordinators, the Joint Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong

UNDERWRITING

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 traded 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 stabilizing 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 AND INTERESTS OF THE JOINT SPONSORS

As of the Latest Practicable Date, UBS Securities Hong Kong Limited and CITIC Securities (Hong Kong) 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. UBS AG Hong Kong Branch, CLSA Limited and Huatai Financial Holdings (Hong Kong) Limited are the Joint 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 to be issued as mentioned in this prospectus.

95,420,000 Offer Shares will initially be made available (subject to the Offer Size Adjustment Option and the Over-allotment Option) under the Global Offering comprising:

- (a) the Hong Kong Public Offering of initially 9,542,000 Shares (subject to reallocation) in Hong Kong as described in “— The Hong Kong Public Offering” below; and
- (b) the International Offering of initially 85,878,000 Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option) (a) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S and (b) in the United States solely to QIBs in reliance on an exemption from registration under the U.S. Securities Act provided by, and in accordance with the restrictions of, Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, 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 16.03% of the total Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). If the Over-allotment Option is exercised in full but the Offer Size Adjustment Option is not exercised at all, the Offer Shares (including Shares issued pursuant to the full exercise of the

STRUCTURE OF THE GLOBAL OFFERING

Over-allotment Option) will represent approximately 18.00% of the total Shares in issue (assuming the Offer Size Adjustment Option is not exercised at all) immediately following the completion of the Capitalization Issue and the Global Offering. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the Offer Shares (including the Shares to be issued pursuant to the full exercise of the Offer Size Adjustment Option and the Over-allotment Option) will represent approximately 20.15% of the total Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering.

References in this prospectus to applications, application monies or the procedures for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares Initially Offered

Our Company is initially offering 9,542,000 Shares (subject to reallocation) for subscription by the public in Hong Kong at the Offer Price, representing approximately 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 1.6% of the total Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to 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

STRUCTURE OF THE GLOBAL OFFERING

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 applicants who have applied for Hong Kong Offer Shares with an aggregate 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 applicants who have applied for Hong Kong Offer Shares with an aggregate 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.

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 4,771,000 Hong Kong Offer Shares (being 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) is liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 to the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares to be offered in the Global Offering if certain prescribed total demand levels in the Hong Kong Public Offering are reached as further described below:

- 9,542,000 Offer Shares are initially available under the Hong Kong Public Offering, representing approximately 10% of the Offer Shares initially available under the Global Offering;

STRUCTURE OF THE GLOBAL OFFERING

in the event that the International Offer Shares are fully subscribed or over-subscribed:

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 28,626,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering;
- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 38,168,000 Offer Shares, representing 40% of the Offer Shares initially available under the Global Offering; and
- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available under the Hong Kong Public Offering, then Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 47,710,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering.

The Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may also, in certain circumstances, be reallocated as between these offerings at the discretion of the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters). Subject to the following paragraph, the Sponsor-Overall Coordinators may at 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 Offer Shares are not fully subscribed, the Sponsor-Overall Coordinators (for themselves and on behalf of the Underwriters) have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sponsor-Overall Coordinators deem appropriate.

In the event that (i) the International Offer Shares are not fully subscribed and the Hong Kong Offer Shares are fully subscribed or over-subscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or over-subscribed and the Hong Kong Offer Shares are fully subscribed or over-subscribed with the number of Offer Shares validly

STRUCTURE OF THE GLOBAL OFFERING

applied for under the Hong Kong Public Offering representing less than 15 times the number of Offer Shares initially available under the Hong Kong Public Offering, the Sponsor-Overall Coordinators have the authority to reallocate International Offer Shares originally included in the International Offering to the Hong Kong Public Offering in such number as they deem appropriate, provided that the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation shall not exceed 19,084,000 Offer Shares, representing twice of the Offer Shares initially available under the Hong Kong Public 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 Wednesday, June 25, 2025.

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 (depending on application channels) be required to pay, on application, the Offer Price of HK\$6.58 per Offer 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\$3,323.18 for one board lot of 500 Shares.

THE INTERNATIONAL OFFERING

Number of Offer Shares Initially Offered

Subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option, the International Offering will consist of an offering of initially 85,878,000 Offer Shares, representing approximately 90% of the Offer Shares initially available under the Global Offering. The Offer Shares initially offered under the International Offering, subject to any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering, will represent approximately 14.4% of the total Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

STRUCTURE OF THE GLOBAL OFFERING

Allocation

The International Offering will include selective marketing of Offer Shares to QIBs in the United States in accordance with Rule 144A as well as 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 Offer Shares and/or hold or sell its Offer Shares after the Listing. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Group and the Shareholders as a whole.

The 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 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 Hong Kong Public 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 Offer Size Adjustment Option and the Over-allotment Option in whole or in part.

OFFER SIZE ADJUSTMENT OPTION

In order to provide flexibility for the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters) to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, the Company is expected to grant an Offer Size Adjustment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which our Company may be required to allot and issue up to an aggregate of 14,313,000 additional Shares (representing approximately 15% of the number of Offer

STRUCTURE OF THE GLOBAL OFFERING

Shares initially available under the Global Offering) at the Offer Price. The Offer Size Adjustment Option may be exercised on or before the second business day prior to the Listing Date and will lapse immediately thereafter.

Number of Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option (“Original Subscribers”)	Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option	Number of Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option	Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option
95,420,000	16.03%	109,733,000	15.65%

The Offer Size Adjustment Option and any exercise thereof is not part of or associated with any price stabilization activities and will not be subject to the Securities and Futures (Price Stabilizing) Rules of the SFO. The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed “Future Plans and Use of Proceeds” in this prospectus, on a pro rata basis.

Our Company will disclose in the allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, where the Offer Size Adjustment Option had not been exercised by then, the Offer Size Adjustment Option has lapsed and cannot be exercised on any future date.

OVER-ALLOTMENT OPTION

Our Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the 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 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 Wednesday, July 23, 2025, to require our Company to allot and issue up to an aggregate of 16,459,500 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of

STRUCTURE OF THE GLOBAL OFFERING

14,313,000 additional Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised), 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 Offer Shares to be issued pursuant thereto will represent approximately 2.3% of the total Shares in issue (assuming the Offer Size Adjustment Option is not exercised at all) or 2.6% of the total Shares in issue (assuming the Offer Size Adjustment Option is exercised in full), immediately following the completion of the Capitalization Issue and the Global Offering and the full exercise of 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, UBS AG Hong Kong Branch is expected to be appointed as the stabilizing manager (the “**Stabilizing Manager**”), upon entering into the International Underwriting Agreement. The Stabilizing Manager (or its affiliates or any person acting for it) may make purchases, over-allocate or effect transactions in the market or otherwise take such stabilizing action(s) 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 Stabilizing 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 Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilizing 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

STRUCTURE OF THE GLOBAL OFFERING

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.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- (a) the Stabilizing 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 Stabilizing 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 Stabilizing 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 Wednesday, July 23, 2025, 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.

STRUCTURE OF THE GLOBAL OFFERING

Over-allocation

Following any over-allocation of the Shares in connection with the Global Offering, the Stabilizing 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 Stabilizing 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 stock borrowing arrangement detailed below, or by a combination of these methods.

STOCK BORROWING AGREEMENT

In order to facilitate the settlement of over-allocations, if any, in connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it) may choose to borrow up to 16,459,500 Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 14,313,000 Shares (representing approximately 15% of the number of Offer Shares initially available under the Global Offering assuming the Offer Size Adjustment Option is not exercised) from Primecare BVI, pursuant to the Stock Borrowing Agreement, which is expected to be entered into between the Stabilizing Manager (or its affiliates or any person acting for it) and Primecare BVI on or about Monday, June 23, 2025. If the Stock Borrowing Agreement with Primecare BVI is entered into, the borrowing of Shares will only be effected by the Stabilizing Manager (or its affiliates or any person acting for it) for the settlement of over-allocations in the International Offering and such borrowing arrangement will not be subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules, provided that the requirements set out in Rule 10.07(3) of the Listing Rules are complied with.

The Stock Borrowing Agreement will be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering. The same number of Shares so borrowed must be returned to Primecare BVI within the third business day following the earlier of (a) the last day the Over-allotment Option may be exercised and (b) the day on which the Over-allotment Option is exercised in full and all relevant Shares have been issued and allotted by the Company. The stock borrowing arrangement described above will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Primecare BVI by the Stabilizing Manager (or its affiliates or any person acting for it) in relation to such stock borrowing arrangement.

STRUCTURE OF THE GLOBAL OFFERING

PRICING AND ALLOCATION

The Offer Price will be HK\$6.58 per Offer 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 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 Offer Price 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 which 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.sainbella.com notices of the reduction in the number of Offer Shares and/or the Offer Price, the cancellation of the Global Offering and the relaunch of the offering at the revised number of Offer Shares and/or Offer Price. Our Company will also, as soon as practicable following the decision to make such reduction, issue a supplemental or new prospectus updating investors of the reduction in the number of Offer Shares and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus shall include at least the following: updated (a) Offer Price 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 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, provided that the number of Offer Shares offered under the Hong Kong Public Offering shall not be less than 10% of the Offer Shares available under the Global Offering (without taking into account any additional Offer Shares that may be issued pursuant to the Offer Size Adjustment Option or the Over-allotment Option). In the absence of any such supplemental or new prospectus so published, the number of Offer Shares will not be reduced and the Offer Price will be HK\$6.58.

STRUCTURE OF THE GLOBAL 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 Offer Size Adjustment Option, the Over-allotment Option and/or the reallocation mechanism as disclosed in this prospectus), or if there is any change to the Offer Price, 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 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 Wednesday, June 25, 2025 on the website of the Stock Exchange at www.hkexnews.hk and our website at www.saintbella.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 Monday, June 23, 2025. These underwriting arrangements, including the Underwriting Agreements, are summarized in “Underwriting.”

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

- (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 any additional Shares that may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) on the Main Board of the Stock Exchange, and such approval and permission not subsequently having been withdrawn or revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (b) the execution and delivery of the International Underwriting Agreement; and

STRUCTURE OF THE GLOBAL OFFERING

- (c) 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.

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.saintbella.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. 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 Thursday, June 26, 2025 (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 Thursday, June 26, 2025, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Thursday, June 26, 2025.

The Shares will be traded in board lots of 500 Shares each and the stock code of the Shares will be 2508.

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.saintbella.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 **White Form eIPO** 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 or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

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 Wednesday, June 18, 2025 and end at 12:00 noon on Monday, June 23, 2025 (Hong Kong time).

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

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service . . .	www.eipo.com.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 Wednesday, June 18, 2025 to 11:30 a.m. on Monday, June 23, 2025 (Hong Kong time). The latest time for completing full payment of application monies will be 12:00 noon on Monday, June 23, 2025 (Hong Kong time).
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) 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.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions, and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

HOW TO APPLY FOR HONG KONG OFFER SHARES

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instruction given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for 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
<ul style="list-style-type: none">• Full name(s)⁽²⁾ as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. Hong Kong identity card (“HKID”); orii. National identification document; oriii. Passport; and• Identity document number	<ul style="list-style-type: none">• Full name(s)⁽²⁾ as shown on your identity document• Identity document's issuing country or jurisdiction• Identity document type, with order of priority:<ul style="list-style-type: none">i. Legal Entity Identifier (“LEI”) registration document; orii. Certificate of incorporation; oriii. Business registration certificate; oriv. Other equivalent document; and• Identity document number

Notes:

- (1) If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID.
- (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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (3) If the applicant is a trustee, the client identification data (“**CID**”) of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
- (4) The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice.
- (5) If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document’s issuing country or jurisdiction, the identity document type; and (ii) the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each 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 Sponsor-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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size : 500 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 Offer Price is HK\$6.58 per Offer Share.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Hong Kong Offer 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, 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 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application	No. of Hong Kong Offer Shares applied for	Amount payable ⁽²⁾ on application
	HK\$		HK\$		HK\$		HK\$
500	3,323.18	6,000	39,878.16	40,000	265,854.37	400,000	2,658,543.72
1,000	6,646.36	7,000	46,524.51	45,000	299,086.16	500,000	3,323,179.66
1,500	9,969.54	8,000	53,170.87	50,000	332,317.96	600,000	3,987,815.58
2,000	13,292.72	9,000	59,817.24	60,000	398,781.56	700,000	4,652,451.51
2,500	16,615.89	10,000	66,463.60	70,000	465,245.15	800,000	5,317,087.45
3,000	19,939.08	15,000	99,695.39	80,000	531,708.74	900,000	5,981,723.36
3,500	23,262.25	20,000	132,927.19	90,000	598,172.34	1,000,000	6,646,359.30
4,000	26,585.44	25,000	166,158.98	100,000	664,635.94	2,000,000	13,292,718.60
4,500	29,908.61	30,000	199,390.78	200,000	1,329,271.85	3,000,000	19,939,077.90
5,000	33,231.80	35,000	232,622.58	300,000	1,993,907.79	4,771,000 ⁽¹⁾	31,709,780.22

Notes:

- (1) Maximum number of Hong Kong Offer Share you may apply for.
- (2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

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 **White Form eIPO** 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 **White Form eIPO** 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** 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 Sponsor-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 **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;
- (iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;
- (iv) confirm that you are aware of the restrictions on the 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 the Relevant Persons, the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the 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 under the paragraph headed “— G. Personal Data — 3. Purposes and 4. Transfer of personal data” in this section;
- (viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees’ application) has been accepted) that you will not rescind it because of an innocent misrepresentation;
- (ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed “— B. Publication of Results” in this section;
- (x) confirm that you are aware of the situations specified in the paragraph headed “— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares” in this section;
- (xi) agree that your application or HKSCC Nominees’ application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;
- (xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- (xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, 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 Offer Shares registered in your name or otherwise held by you;
- (xiv) warrant that the information you have provided is true and accurate;
- (xv) confirm that you understand that we and the Sponsor-Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you, and that you may be prosecuted for making a false declaration;
- (xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;
- (xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving application instructions to HKSCC directly or indirectly or through the **White Form eIPO** service or by you or by anyone as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (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 (b) you have due authority to give application instructions on behalf of that other person as its agent.

HOW TO APPLY FOR HONG KONG OFFER SHARES

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform	Date/Time
Applying through White Form eIPO service or HKSCC EIPO channel:	
Website. . . . The designated results of allocation website at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment) with a “search by ID” function.	24 hours, from 11:00 p.m. on Wednesday, June 25, 2025 to 12:00 midnight on Tuesday, July 1, 2025 (Hong Kong time).
The full list of (i) wholly or partially successful applicants using the White Form eIPO service and HKSCC EIPO channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the “Allotment Results” page of the White Form eIPO service at www.iporesults.com.hk (alternatively: www.eipo.com.hk/eIPOAllotment).	
The Stock Exchange’s website at www.hkexnews.hk and our website at www.saintbella.com , which will provide links to the above-mentioned websites of the Hong Kong Share Registrar.	By 11:00 p.m. on Wednesday, June 25, 2025 (Hong Kong time).
Telephone . . . +852 2862 8555 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	Between 9:00 a.m. and 6:00 p.m. on Thursday, June 26, 2025, Friday, June 27, 2025, Monday, June 30, 2025 and Wednesday, July 2, 2025 (Hong Kong time).

For those applying through the **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Tuesday, June 24, 2025 (Hong Kong time).

HOW TO APPLY FOR HONG KONG OFFER SHARES

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, June 24, 2025 (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 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.saintbella.com by no later than 11:00 p.m. on Wednesday, June 25, 2025 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sponsor-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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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 Sponsor-Overall Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations.

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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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 Thursday, June 26, 2025 (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:

	White Form eIPO service	HKSCC EIPO channel
Dispatch/collection of Share certificate		
For physical share certificates of equal or over 1,000,000 Hong Kong Offer Shares issued under your own name	<p>Collection in person from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.</p> <p>Time: from 9:00 a.m. to 1:00 p.m. on Thursday, June 26, 2025 (Hong Kong time).</p> <p>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.</p> <p>Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.</p> <p>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.</p>	<p>The 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.</p> <p>No action by you is required.</p>

HOW TO APPLY FOR HONG KONG OFFER SHARES

	White Form eIPO service	HKSCC EIPO channel
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk.	
	Time: Wednesday, June 25, 2025	
Refund mechanism for surplus application monies paid by you		
Date	Thursday, June 26, 2025	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	White Form e-Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement 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 on Wednesday, June 25, 2025 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 Monday, June 23, 2025 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 Monday, June 23, 2025 (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.saintbella.com of the revised timetable.

If a Severe Weather Signal is hoisted on Wednesday, June 25, 2025:

- the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the Share certificates to CCASS Depository’s service counter so that they would be available for trading on Thursday, June 26, 2025; and
- for physical Share certificate(s) of less than 1,000,000 Hong Kong Offer Shares issued under your own name, dispatch 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 Wednesday, June 25, 2025 or on Thursday, June 26, 2025).

HOW TO APPLY FOR HONG KONG OFFER SHARES

If a Severe Weather Signal is hoisted on Thursday, June 26, 2025, for physical Share certificate(s) of 1,000,000 Hong Kong Offer Shares or more issued under your own name, you may collect your physical Share certificate(s) from the Hong Kong Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, June 26, 2025 or on Friday, June 27, 2025).

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.

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 the 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.

HOW TO APPLY FOR HONG KONG OFFER SHARES

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.

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 **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Company's Shares including, where applicable, HKSCC Nominees;

HOW TO APPLY FOR HONG KONG OFFER SHARES

- maintaining or updating the Company's register of members;
- verifying identities of applicants for and holders of the Company's Shares and identifying any duplicate applications for the Company's Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Company's 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 Company's 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 Company's Shares and/or regulators and/or any other purposes to which applicants for and holders of the Company's Shares may from time to time agree.

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);

HOW TO APPLY FOR HONG KONG OFFER SHARES

- 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.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SAINT BELLA INC., UBS SECURITIES HONG KONG LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED**Introduction**

We report on the historical financial information of SAINT BELLA Inc. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-4 to I-116, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 and the statements of financial position of the Company as at 31 December 2023 and 2024 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-116 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated 18 June 2025 (the “**Document**”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 1.1 and 1.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' 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 accountants' 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 accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 1.1 and 1.2 to the Historical Financial Information, respectively, 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 accountants' report, a true and fair view of the financial position of the Group as at 31 December 2022, 2023 and 2024, and the financial position of the Company as at 31 December 2023 and 2024 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 1.1 and 1.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange 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 31(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Certified Public Accountants

Hong Kong

18 June 2025

I. HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**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

		Years ended 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
Revenue	5	471,522	559,909	798,666
Cost of sales		(330,392)	(355,298)	(528,272)
Gross profit		141,130	204,611	270,394
Other income	6	10,131	16,589	6,970
Selling and distribution expenses		(58,790)	(81,500)	(94,890)
Administrative expenses		(122,147)	(112,865)	(216,836)
Research and development expenses	7	(12,931)	(9,148)	(13,261)
Other gains/(expenses), net	6	783	993	530
Finance costs	8	(1,837)	(3,005)	(4,812)
Fair value changes in financial instruments issued to investors		(366,863)	(256,092)	(493,749)
Share of profits/(losses) of associates	17	—	199	(282)
Share of losses of joint ventures	18	(1,355)	(497)	(637)
Loss before tax	7	(411,879)	(240,715)	(546,573)
Income tax credit	11	303	1,821	3,294
Loss for the year		<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>
Attributable to:				
Owners of the parent		(407,496)	(238,965)	(546,577)
Non-controlling interests		(4,080)	71	3,298
		<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>
Loss per share attributable to ordinary equity holders of the parent				
Basic and diluted	12	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Notes</i>	Years ended 31 December		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year		<u>(411,576)</u>	<u>(238,894)</u>	<u>(543,279)</u>
Other comprehensive income/(loss)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		(8)	(13)	—
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of the financial statements of the Company . . .		—	—	63
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		<u>(8)</u>	<u>(13)</u>	<u>63</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(411,584)</u>	<u>(238,907)</u>	<u>(543,216)</u>
Attributable to:				
Owners of the parent		(407,504)	(238,978)	(546,514)
Non-controlling interests		(4,080)	71	3,298
		<u>(411,584)</u>	<u>(238,907)</u>	<u>(543,216)</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	13	14,472	13,044	28,744
Right-of-use assets	14(a)	33,315	26,822	79,786
Goodwill	15	42,212	47,360	91,537
Other intangible assets	16	12,163	11,461	10,737
Investment in associates	17	—	26,704	36,570
Investments in joint ventures	18	—	7,603	13,566
Financial assets at fair value through profit or loss	23	—	—	5,000
Bank deposits with initial terms of over three months	24	—	51,481	73,012
Deferred tax assets	29	64	2,054	5,876
Other non-current assets	19	1,083	23,930	6,221
Total non-current assets		103,309	210,459	351,049
CURRENT ASSETS				
Inventories	20	9,274	10,822	18,802
Trade receivables	21	3,291	7,415	15,860
Prepayments, other receivables and other assets	22	116,252	80,606	106,159
Financial assets at fair value through profit or loss	23	73,528	—	14,569
Bank deposits with initial terms of over three months	24	10,000	32,320	43,004
Restricted cash	24	—	6,111	6,126
Cash and cash equivalents	24	89,524	120,849	65,971
Total current assets		301,869	258,123	270,491

		At 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
CURRENT LIABILITIES				
Trade payables	25	17,937	11,854	33,326
Contract liabilities	27	113,254	163,127	175,463
Other payables and accruals	26	76,571	45,680	92,310
Tax payable.		—	356	460
Interest-bearing bank borrowings.	28	40,000	10,000	39,749
Lease liabilities	14(b)	24,118	21,621	25,150
Financial instruments issued to investors. .	30	—	—	1,656,271
Total current liabilities		271,880	252,638	2,022,729
NET CURRENT				
ASSETS/(LIABILITIES)		29,989	5,485	(1,752,238)
TOTAL ASSETS LESS CURRENT				
LIABILITIES		133,298	215,944	(1,401,189)
NON-CURRENT LIABILITIES				
Lease liabilities	14(b)	10,095	5,747	55,689
Deferred tax liabilities.	29	2,996	2,805	2,842
Financial instruments issued to investors. .	30	836,430	1,162,522	—
Total non-current liabilities		849,521	1,171,074	58,531
Net liabilities		(716,223)	(955,130)	(1,459,720)
DEFICITS				
Deficits attributable to owners of the				
parent				
Share capital	31	—	3	4
Deficits	31	(711,526)	(950,507)	(1,460,409)
		(711,526)	(950,504)	(1,460,405)
Non-controlling interests		(4,697)	(4,626)	685
Total deficits		(716,223)	(955,130)	(1,459,720)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent						
	Share capital	Capital reserve	Accumulated loss	Exchange fluctuation reserve	Total	Non-controlling interests	Total deficits
	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022.	—	2,831	(301,841)	1	(299,009)	(1,025)	(300,034)
Profit/(loss) for the year	—	—	(407,496)	—	(407,496)	(4,080)	(411,576)
Other comprehensive loss for the year:							
Exchange differences on translation of a foreign operation	—	—	—	(8)	(8)	—	(8)
Total comprehensive income/(loss) for the year	—	—	(407,496)	(8)	(407,504)	(4,080)	(411,584)
Acquisition of non-controlling interests	—	(5,013)	—	—	(5,013)	189	(4,824)
Dividends paid to a non-controlling shareholder.	—	—	—	—	—	(237)	(237)
Capital contributions from a non-controlling shareholder of a subsidiary	—	—	—	—	—	400	400
Acquisition of subsidiaries	—	—	—	—	—	56	56
At 31 December 2022	—	(2,182)*	(709,337)*	(7)*	(711,526)	(4,697)	(716,223)
At 1 January 2023.	—	(2,182)	(709,337)	(7)	(711,526)	(4,697)	(716,223)
Profit/(loss) for the year	—	—	(238,965)	—	(238,965)	71	(238,894)
Other comprehensive loss for the year:							
Exchange differences on translation of foreign operations	—	—	—	(13)	(13)	—	(13)
Total comprehensive income/(loss) for the year	—	—	(238,965)	(13)	(238,978)	71	(238,907)
Issue of shares	3	(3)	—	—	—	—	—
At 31 December 2023	3	(2,185)*	(948,302)*	(20)*	(950,504)	(4,626)	(955,130)

Attributable to owners of the parent							
	Share capital	Capital reserve	Accumulated loss	Exchange fluctuation reserve	Total	Non-controlling interests	Total deficits
	RMB'000 (note 31)	RMB'000 (note 31)	RMB'000	RMB'000 (note 32)	RMB'000	RMB'000	RMB'000
At 1 January 2024.	3	(2,185)	(948,302)	(20)	(950,504)	(4,626)	(955,130)
Profit/(loss) for the year	—	—	(546,577)	—	(546,577)	3,298	(543,279)
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	—	—	—	63	63	—	63
Total comprehensive income/(loss) for the year	—	—	(546,577)	63	(546,514)	3,298	(543,216)
Acquisition of non-controlling interests	—	(20,826)	—	—	(20,826)	4,640	(16,186)
Capital injection from non-controlling interests .	—	(3,210)	—	—	(3,210)	3,387	177
Issue of shares	1	(1)	—	—	—	—	—
Acquisition of subsidiaries	—	—	—	—	—	(5,607)	(5,607)
Disposal of subsidiaries	—	—	—	—	—	(407)	(407)
Recognition of share-based payment expenses .	—	60,649	—	—	60,649	—	60,649
At 31 December 2024	4	34,427*	(1,494,879)*	43*	(1,460,405)	685	(1,459,720)

* These reserve accounts comprise the deficits of approximately RMB711,526,000, RMB950,507,000 and RMB1,460,409,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Years ended 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(411,879)	(240,715)	(546,573)
Adjustments for:				
Finance costs	8	1,837	3,005	4,812
Share-based payment expenses		—	—	60,649
Share of profits or losses of joint ventures and associates		1,355	298	919
Interest income	6	(2,532)	(8,468)	(5,186)
Loss on disposal of property, plant and equipment	6	199	77	1
Gain on disposal of subsidiaries	6	—	(246)	28
Fair value gains on financial assets at fair value through profit or loss	6	(1,696)	(1,282)	(875)
Fair value changes of financial instruments issued to investors	30	366,863	256,092	493,749
Depreciation of property, plant and equipment	13	4,155	5,092	5,420
Amortisation of other intangible assets	16	923	975	1,091
Depreciation of right-of-use assets	14(a)	39,926	33,389	27,375
(Gain)/loss on disposal of right-of-use assets and lease liabilities	6	(130)	—	—
Provision for inventories		—	169	84
Foreign exchange differences, net	6	(4)	120	(818)
		(983)	48,506	40,676
(Increase)/decrease in trade receivables		(2,628)	(4,786)	(8,445)
(Increase)/decrease in inventories		(5,616)	(2,158)	(8,064)
(Increase)/decrease in prepayments, other receivables and other assets		(5,581)	(26,546)	(3,638)
(Increase)/decrease in restricted cash		6,507	(6,111)	—
Increase/(decrease) in trade payables		8,276	(5,152)	21,472
Increase/(decrease) in other payables and accruals		10,135	3,081	(3,769)
Increase/(decrease) in contract liabilities		14,934	49,873	11,233
Cash generated from operations		25,044	56,707	49,465
Income tax paid		(939)	(4)	(387)
Net cash flows from operating activities		24,105	56,703	49,078

		Years ended 31 December		
	Notes	2022	2023	2024
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of equity investment.		17,542	(17,542)	—
Interest received.		2,327	4,423	4,956
Purchases of items of property, plant and equipment.		(4,069)	(5,859)	(15,869)
Proceeds from disposal of property, plant and equipment		35	75	263
Investment income received from financial assets at fair value through profit or loss		3,370	1,310	806
Disposal of subsidiaries	34	—	(192)	(9,648)
Acquisition of businesses and subsidiaries		(18,700)	(11,962)	5,679
Prepayment for an equity investment		—	(20,000)	—
Purchases of other intangible assets		(292)	(273)	(367)
Investments in joint ventures		—	(9,455)	(6,600)
Investments in associates		—	(26,505)	(10,148)
Proceeds from disposal of financial assets at fair value through profit or loss.		182,000	185,500	160,000
Purchase of financial assets at fair value through profit or loss.		(146,000)	(112,000)	(179,500)
Purchases of bank deposits with initial terms of over three months.		—	(80,000)	(222,010)
Proceeds from disposal of bank deposits with initial terms of over three months		—	10,000	190,010
Loans to third parties.		(85,000)	(24,000)	—
Repayment of loans to third parties		4,500	80,500	—
Loan to a related party		—	(2,737)	—
Repayment of a loan to a shareholder		—	—	21,598
A loan to a shareholder		—	—	(21,598)
Net cash flows used in investing activities		(44,287)	(28,717)	(82,428)

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from financial instruments issued to investors	25,000	70,000	—
Capital contribution from non-controlling shareholders	400	—	177
Commissions paid in relation to capital contribution	(15)	(457)	(3,167)
New bank loans	40,000	78,800	68,920
Repayment of bank loans	—	(108,800)	(40,000)
Principal portion of lease payments	(37,210)	(33,268)	(32,298)
Interest portion of lease payments	(1,624)	(1,363)	(2,919)
Interest paid	(139)	(1,573)	(1,015)
Acquisition of non-controlling interests	(4,824)	—	(7,075)
Dividends paid to a non-controlling shareholder	(237)	—	—
Proceeds from issuance of ordinary shares with preferred rights	—	—	63,327
Payment in connection with the reorganization	—	—	(67,478)
Net cash flows from/(used in) financing activities	21,351	3,339	(21,528)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year	88,355	89,524	120,849
CASH AND CASH EQUIVALENTS AT END OF YEAR	89,524	120,849	65,971
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents as stated in the consolidated statements of financial position and statements of cash flows	89,524	120,849	65,971

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		At 31 December	
	Notes	2023	2024
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Investments in subsidiaries	1.1	71,963	195,939
Total non-current assets.		71,963	195,939
CURRENT ASSETS			
Prepayments, other receivables and other assets . .	22	—	27,988
Cash and cash equivalents	24	—	43
Total current assets		—	28,031
CURRENT LIABILITIES			
Other payables and accruals	26	—	26,034
Financial instruments issued to investors.	30	—	1,656,271
Total current liabilities		—	1,682,305
TOTAL ASSETS LESS CURRENT			
LIABILITIES.		71,963	(1,458,335)
NON-CURRENT LIABILITIES			
Financial instruments issued to investors.	30	1,082,067	—
Net liabilities		(1,010,104)	(1,458,335)
DEFICITS			
Share capital		3	4
Deficits	31	(1,010,107)	(1,458,339)
Total deficits		(1,010,104)	(1,458,335)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1.1 BASIS OF PRESENTATION

The Company was established in the Cayman Islands on 4 July 2023, as an exempted company with limited liability under the Companies Act, Cap. 22 (As revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and has not carried on any business operations since the date of its incorporation save for the group reorganization mentioned below (the “**Reorganization**”). The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the following principal activities:

- Postpartum centers
- Home care services
- Food products

Prior to the incorporation of the Company and completion of the Reorganization as described below, the principal business of the Group was carried out by Hangzhou Beikang Health Technology Group Co., Ltd. (杭州貝康健康科技集團有限公司, “**Hangzhou Beikang**”), which was established on 29 December 2016 in the People’s Republic of China (the “**PRC**”), and its subsidiaries (collectively the “**Operating Subsidiaries**”).

To rationalise the corporate structure in preparation of the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Group underwent the Reorganization, as detailed in the section headed “History, Reorganization, and Corporate Structure” in the Prospectus.

Upon completion of the Reorganization on 11 June 2024, the Company became the holding company of the companies now comprising the Group. The Reorganization involved inserting the Company and certain investment holding companies with no substantive operations, as holding companies of Hangzhou Beikang and its subsidiaries. There were no changes in the economic substance of the ownership and business carried out by the Operating Subsidiaries before and after the Reorganization. Accordingly, the Historical Financial Information has been prepared and presented as a continuation of the consolidated financial statements of the Operating Subsidiaries with the assets and liabilities recognised and measured at their historical carrying amounts prior to the Reorganization.

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 of the Group for the Relevant Periods as set out in the Historical Financial Information include the financial performance and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the Relevant Periods, or since their respective dates of incorporation or establishment, whichever is a shorter period. The consolidated statements of financial position of the Group as at 31 December 2022, 2023 and 2024 as set out in the Historical Financial Information have been prepared to present the financial position of the companies now comprising the Group as at those date. Intra-group balances, transactions and unrealised gains/losses on intra-group transactions are eliminated in full in preparing the Historical Financial Information.

Upon completion of Reorganization and as at the date of this report, the Company had direct and indirect interests in its subsidiaries, the particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
SAINT BELLA HOLDINGS LIMITED (ii)	British Virgin Islands ("BVI")	USD1	100	—	Investment holding
PrimeCare International Holdings Limited ("Primecare") (iii)	Hong Kong	HKD10,933	—	100	Investment holding
Hangzhou Beikang Health Technology Group Co., Ltd. ("Hangzhou Beikang") (杭州貝康健康科技集團有限公司) (i)	PRC/Mainland China	RMB3,700,615	—	100	Investment holding and management
Shanghai Beikang Ze'en Health Management Co., Ltd. (上海貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Hangzhou Beikang Ze'en Health Management Co., Ltd. (杭州貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB5,000,000	—	100	Postpartum care services
Shenzhen Beikang Ze'en Health Management Co., Ltd. (深圳貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Postpartum care services
Guangzhou Beikang Ze'en Health Management Co., Ltd. (廣州貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Beijing Beikang Ze'en Health Management Co., Ltd. (北京貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB5,000,000	—	100	Postpartum care services
Chengdu Beikang Ze'en Health Management Co., Ltd. (成都貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Postpartum care services

APPENDIX I

ACCOUNTANTS' REPORT

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hangzhou Beikang Beize Health Management Co., Ltd. (杭州貝康貝澤健康管理有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Postpartum care services
Hangzhou Beikang Xiaobeila Health Management Co., Ltd. (杭州貝康小貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Postpartum care services
Nanjing Beikang Ze'en Health Management Co., Ltd. (南京貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	80	Postpartum care services
Zhuhai Beikang Maternal and Infant Care Management Co., Ltd. (珠海貝康母嬰護理管理有限公司) (ii)	PRC/Mainland China	RMB5,000,000	—	100	Postpartum care services
Foshan Shunde Beikang Ze'en Health Management Co., Ltd. (佛山順德區貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Postpartum care services
Shenzhen Beikang Xiaobeila Health Management Co., Ltd. (深圳市貝康小貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Chongqing Beikang Ze'en Health Management Co., Ltd. (重慶貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Zhuhai Beikang Education Consulting Co., Ltd. (珠海貝康教育諮詢有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Home care service
Chengdu Beikang Enhu Housekeeping Service Co., Ltd. (成都貝康恩護家政服務有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Home care service
Wuhan Beikang Ze'en Health Management Co., Ltd. (武漢貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Postpartum care services
Shanghai Beikang Shengbeila Health Management Co., Ltd. (上海貝康聖貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Xiamen Beikang Ze'en Health Management Co., Ltd. (廈門貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Hangzhou Beikang Jian'en Health Consultation Co., Ltd. (杭州貝康健恩健康諮詢有限公司) (ii)	PRC/Mainland China	RMB500,000	—	60	Postpartum care services
Suzhou Beikang Ze'en Health Management Co., Ltd. (蘇州貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Zhuhai Beikang Beize Health Consulting Co., Ltd. (珠海貝康貝澤健康諮詢有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Shenzhen Beize Xiaobeila Health Management Co., Ltd. (深圳貝澤小貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Beijing Beikang Beize Health Management Co., Ltd. (北京貝康貝澤健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Taiyuan Beikang Xiaobeila Health Management Co., Ltd. (太原貝康小貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	70	Postpartum care services

APPENDIX I

ACCOUNTANTS' REPORT

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Beikang Jian'en Health Consulting Co., Ltd. (北京貝康健恩健康諮詢有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Changsha Beikang Beize Health Consulting Co., Ltd. (長沙貝康貝澤健康諮詢有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Changsha Beikang Ze'en Health Management Co., Ltd. (長沙貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Hangzhou Beikang Enhu Housekeeping Service Co., Ltd. (杭州貝康恩護家政服務有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Home care service
Guangzhou Beikang En Housekeeping Service Co., Ltd. (廣州貝康恩護家政服務有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Home care service
Beijing Beikang Enhu Housekeeping Service Co., Ltd. (北京貝康恩護家政服務有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Home care service
Hangzhou Beikang GuangHe Technology Co., Ltd. (“Beikang GuangHe”) (杭州貝康廣禾科技有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	90	Food products
Shanghai GuangHeTang Foods Co., Ltd. (“GuangHeTang Foods”) (上海廣禾堂食品有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Food products
Hangzhou Beikang Shengbeila Health Management Co., Ltd. (杭州貝康聖貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Shanghai Beikangbeila Health Management Co., Ltd. (上海貝康貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB3,000,000	—	100	Postpartum care services
Shanghai Beila Enhui Health Consulting Co., Ltd. (上海貝拉恩匯健康諮詢有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Shenzhen Beikang Shengbeila Health Management Co., Ltd. (深圳貝康聖貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Beijing Beikang Shengbeila Health Management Co., Ltd. (北京貝康聖貝拉健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Ningbo Beikang Ze'en Health Management Co., Ltd. (寧波貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	90	Postpartum care services
Ningbo Beikang Beize Health Management Co., Ltd. (寧波貝康貝澤健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	90	Postpartum care services
Haikou Beikang Ze'en Health Management Co., Ltd. (海口貝康澤恩健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Chengdu Beikangbeize Health Management Co., Ltd. (成都貝康貝澤健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Beikang Beize Health Consulting Co., Ltd. ("Shanghai Beikang") (上海貝康貝澤健康諮詢有限公司) (ii)	PRC/Mainland China	RMB1,670,000	—	60	Postpartum care services
Shanghai Beikang Maternal & Child home care agent service Co., Ltd. (上海貝康恩護家政服務有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Home care service
Hangzhou Beikang Ze'en Technology Co., Ltd. (杭州貝康澤恩科技有限公司) (ii)	PRC/Mainland China	RMB1,000,000	—	100	Software development
Hangzhou Beikang Hanlian Technology Co., Ltd. ("Hanlian") (杭州貝康韓蓮科技有限公司) (ii)	PRC/Mainland China	RMB500,000	—	80	Apparel Manufacturing and Sales
Suzhou Beikang Beize Health Management Co., Ltd. (蘇州貝康貝澤健康管理有限公司) (ii)	PRC/Mainland China	RMB500,000	—	100	Postpartum care services
Hangzhou Huasheng Huize Self Owned Fund Investment Co., Ltd. (杭州華盛匯澤自有資金投資 有限公司) (ii)	PRC/Mainland China	RMB10,000,000	—	100	Postpartum care services
Yuezige (Shanghai) Health Services Co., Ltd. ("Yuezige") (悅子閣(上海)健康服務有限公司)	PRC/Mainland China	RMB38,000,000	—	88	Postpartum care services

- (i) The statutory financial statements of these companies for the year ended 31 December 2022 has been prepared in accordance with PRC Generally Accepted Accounting Principles were audited by Zhejiang Tianheng Certified Public Accountants LLP.
- (ii) No statutory financial statements of these companies above prepared for the Relevant Periods (or since the date of incorporation/registration, where later than the beginning of the Relevant Periods), as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation/registration.
- (iii) The statutory financial statement of Primecare for the period from date of incorporation to 31 March 2022 and for the year ended 31 March 2023 prepared under Hong Kong Financial Reporting Standards for Private Entities was audited by McMillan Woods(Hong Kong) CPA Limited, a certified public accountant registered in Hong Kong.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Company

The Company's investments in subsidiaries:

	At 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments in subsidiaries, at cost	—	71,963	135,290
Investments in subsidiaries derived from equity settled share-based payment	—	—	60,649
Total	—	71,963	195,939

1.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the HKICPA, and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRSs effective for the accounting period commencing from 1 January 2024, including relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and financial instruments issued to investors which have been measured at fair value.

As at 31 December 2024, the Group recorded net liabilities and net current liabilities amounting to RMB1,459,720,000 and RMB1,752,238,000, respectively. The net liabilities primarily arose from ordinary shares with preferred rights amounting to RMB1,656,271,000. The directors of the Company believe that the Company would be successfully listed before 31 December 2025 and no other redemption events would occur, therefore no cash payment is expected for the settlement of the liabilities arising from financial instruments issued to investors as holders of the ordinary shares with preferred rights are not able to exercise the redemption rights and such preferred rights would automatically be terminated upon the listing of the Company's shares on the Stock Exchange. At the meantime, the net current liabilities primarily arose from contract liabilities with carrying amount of RMB175,463,000 which will be settled by provision of services instead of cash payment. In addition, long-term bank deposits with carrying amount of RMB73,012,000 could be withdrawn when needed. Taken the above into consideration, and together with the cashflow forecast which covers a period of not less than twelve months from

31 December 2024 prepared by the management of the Group, the directors of the Company are of view that the Group has sufficient cash flow to settle the borrowings and payables that will be due in the next twelve months from 31 December 2024. Therefore, the directors of the Company consider that it is appropriate to prepare the Historical Financial Information on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

1.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in this Historical Financial Information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ²
Amendments to HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
Amendments to HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instrument</i> ⁴
Annual Improvements to HKFRS Accounting Standards — Volume 11	<i>Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7</i> ⁴

¹ Effective for annual periods beginning on or after 1 January 2025

² No mandatory effective date yet determined but available for adoption

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after 1 January 2026

The Group is in the process of making an assessment of the impact of these revised HKFRSs upon initial application. So far, the Group considers that these standards will not have a significant impact on the Group's financial performance and financial position.

2. MATERIAL ACCOUNTING POLICY INFORMATION**Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated statements of other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its debt investments, equity investments in unlisted companies and financial instruments issued to investors at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for a non-financial asset is required (other than inventories, contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; (If the Group is itself such a plan) and the sponsoring employers of the post-employment benefit plan;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20.00% to 50.00%
Postpartum equipment	19.00%
Office equipment	19.00% to 31.67%
Furniture fittings and electronic equipment	9.50% to 31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Other intangible assets (other than goodwill)

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of other intangible assets are assessed to be finite. Other intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the other intangible asset may be impaired. The amortisation period and the amortisation method for other intangible asset with a finite useful life are reviewed at least at each financial year end.

Brands

Brands acquired in business combinations are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 20 years, which is based on the anticipated number of years in which the existing brands of the acquired entities are expected to contribute revenue to the Group.

Patents

Patents acquired in business combinations are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years, which is based on the anticipated number of years in which the patents will retire due to more advanced technologies.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 2–3 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings

1–10 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

Financial assets with cash flows that are not solely payments of principal and interest ("SPPI") are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities***Initial recognition and measurement***

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing bank borrowings and financial instruments issued to investors.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Group issued certain series of instruments to investors. The instrument holders have the right to require the Group to redeem all of the instruments held by the instrument holders upon occurrence of certain redemption events, which are out of the control of the Group. The Group designated those instruments upon initial recognition in their entirety as financial liabilities at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities. Issuance costs that are directly attributable to the issue of the instruments, designated as financial liabilities at fair value through profit or loss, are recognized immediately in the consolidated statement of profit or loss.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term including term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised 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.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts of the Group do not contain significant financing components.

(a) Provision of postpartum care services

Revenue from the provision of postpartum care services recognised over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of postpartum care services, the corresponding deferred revenue is fully recognised in profit or loss.

(b) Provision of postpartum recovery services

Revenue from the provision of postpartum recovery services is recognised at the point in time when services is delivered to customers. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of postpartum recovery services, the corresponding deferred revenue is fully recognised in profit or loss.

(c) Provision of home care service

Revenue from the provision of home care service is recognised over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of home care services, the corresponding deferred revenue is fully recognised in profit or loss.

(d) Sale of food products

Revenue from the sale of food products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer.

(e) Provision of consulting service of establishing postpartum center

Revenue from the provision of consulting service of establishing postpartum center is recognised at the point in time when services is delivered to customers, generally on establishment of new postpartum center.

(f) Provision of management services

Revenue from the provision of management service is recognised over the agreed period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. Management fees are charged to customers based on revenues generated by the customers monthly.

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates a share incentive scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Other employee benefits

Pension scheme

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates or the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2022, 2023 and 2024 was approximately RMB42,212,000, RMB47,360,000 and RMB91,537,000, respectively. Further details are given in note 15.

Fair value of financial instruments

The financial instruments issued to investors by the Group are not traded in an active market and the respective fair values are determined by using valuation techniques, including Backsolve method, discounted cash flow method and equity allocation model. For details of the key assumptions used and the impact of changes to these assumptions see Note 30.

The fair values of financial instruments issued to investors at 31 December 2022, 2023 and 2024 were RMB836,430,000 and RMB1,162,522,000 and RMB1,656,271,000. Further details are set out in note 30 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“**IBR**”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2022, 2023 and 2024 was approximately RMB607,000, RMB5,608,000 and RMB14,796,000. The amount of unrecognised tax losses at 31 December 2022, 2023 and 2024 was approximately RMB165,998,000, RMB150,059,000 and RMB266,775,000. Further details are contained in note 29 to the financial statements.

4. OPERATING SEGMENT INFORMATION**Information about geographical areas**

For management purposes, the Group is organised into a whole business unit based on their products and services. Management monitors the results of the Group’s operating as a whole for the purpose of making decisions about resource allocation and performance assessment.

Since nearly all of the Group’s non-current assets were located in Mainland China, no geographical segment information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

No revenue from the Group's sales to a single customer amounted to 10% or more of the Group's revenue during the Relevant Periods.

5. REVENUE

An analysis of the Group's revenue is as follows:

	Years ended 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers. . . .	471,522	559,909	798,666

Revenue from contracts with customers**(a) Disaggregated revenue information**

	Years ended 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Types of goods or services			
Provision of postpartum care services	344,730	378,370	535,950
Provision of postpartum recovery services. .	48,615	71,909	92,491
Provision of home care service	34,930	45,309	69,065
Sale of food products	29,259	47,071	51,246
Others	13,988	17,250	49,914
Total	471,522	559,909	798,666
Timing of revenue recognition			
Goods and services transferred at a point in time	91,739	131,978	188,487
Services transferred over time	379,783	427,931	610,179
Total	471,522	559,909	798,666

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Years ended 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:			
Delivering products and services	82,280	97,398	154,464

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Provision of postpartum care services

The performance obligation is satisfied over time as services are rendered and payment is generally in advance. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position.

Provision of postpartum recovery services

The performance obligation is satisfied upon postpartum recovery service completed and payment is generally in advance. Payments that are related to services not yet completed are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon completion of postpartum recovery services, the corresponding deferred revenue is fully recognised in profit or loss.

Provision of home care service

The performance obligation is satisfied over time as services are rendered and payment is generally in advance. Payments that are related to services not yet rendered are deferred and shown as contract liabilities in the consolidated statement of financial position. Upon expiry of prepaid packages of home care service, the corresponding deferred revenue is fully recognised in profit or loss.

Sale of food products

The performance obligation is satisfied upon delivery of the food products and payment is generally 0-30 days from delivery.

Provision of consulting services of establishing postpartum center

The performance obligation is recognised at the point in time when consulting services is delivered to customers, generally on establishment of new postpartum center, and payment is generally made within 6 months after provision of services.

Provision of management services

The performance obligation is satisfied over time as services are rendered and payment is generally made between 10 and 90 days after provision of services. The periods of the management service contracts are from 1 to 10 years, and service fees are billed on a monthly basis.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods are as follows:

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Amount expected to be recognised as revenue:			
Within one year.	113,254	163,127	175,463

6. OTHER INCOME AND OTHER GAINS/(EXPENSES), NET

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Other income			
Tax incentives and			
other government grants (i)	7,340	7,058	758
Interest income	2,532	8,468	5,186
Others	259	1,063	1,026
	<u>10,131</u>	<u>16,589</u>	<u>6,970</u>
Other gains/(expenses), net			
Gain/(loss) on disposal of property, plant			
and equipment	(199)	(77)	(1)
Gain/(loss) on disposal of right-of-use			
assets and lease liabilities	130	—	—
Fair value gain/(loss) of financial assets at			
fair value through profit or loss	1,696	1,282	875
Gain/(loss) on disposal of subsidiaries	—	246	(28)
Donation	—	—	(219)
Foreign exchange differences — net	(4)	120	(818)
Others	(840)	(578)	721
Total	<u>783</u>	<u>993</u>	<u>530</u>

- (i) Government grants mainly represent subsidy income received from various government authorities as incentives to certain members of the Group.

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Years ended 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
Cost of inventories sold		20,458	18,707	20,772
Cost of services provided		112,480	129,420	152,910
Depreciation of property, plant and equipment	13	4,155	5,092	5,420
Depreciation of right-of-use assets	14(c)	39,926	33,389	27,375
Amortisation of other intangible assets	16	923	975	1,091
Lease payments not included in the measurement of lease liabilities		109,474	117,365	174,891
Research and development expenses		12,931	9,148	13,261
Advertising and publicity expenses		28,240	49,356	52,472
Auditor's remuneration		100	—	—
Listing expenses		85	3,574	31,137
Provision for inventories		—	169	84
Human resource outsourcing and other labour costs		32,421	38,947	64,595
Employee benefit expense (excluding directors', chief executive's and supervisors' remuneration):				
Wages, salaries and other benefits		174,858	173,767	199,703
Pension scheme contributions		9,265	9,312	9,518
Share-based payment expenses		—	—	60,649
		184,123	183,079	269,870
Interest income	6	(2,532)	(8,468)	(5,186)
Foreign exchange differences, net	6	4	(120)	818
Loss on disposal of items of property, plant and equipment	6	199	77	1
(Gain)/loss on disposal of right-of-use assets and lease liabilities	6	(130)	—	—
Fair value (gains)/loss of financial assets at fair value through profit or loss	6	(1,696)	(1,282)	(875)

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Years ended 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank loans	139	1,573	1,844
Interest on lease liabilities and restoration costs	1,698	1,432	2,968
Total	<u>1,837</u>	<u>3,005</u>	<u>4,812</u>

9. DIRECTORS' REMUNERATION

The Company did not have any chief executive, executive directors, non-executive directors and independent non-executive directors before 4 July 2023, the date of incorporation of the Company.

Ms. Hua Xiangli was appointed as non-executive director of the Company on 4 July 2023 and resigned on 25 June 2024, Mr. Danny Xiang was appointed as executive director of the Company on 21 December 2023, Mr. Liang Jun. was appointed as non-executive directors on 21 December 2023. Ms. Wu Annie Suk Ching, Mr. Rainer Josef Bürkle and Mr. Sim Koon Yin Edmund have been appointed as independent non-executive directors on 9 June 2025, with effect on the Listing Date.

Certain of the directors received remuneration from the subsidiaries now comprising the Group of for their appointment as directors of these subsidiaries. The remuneration of each of these directors as recorded in the financial statements of the subsidiaries is set out below:

	Years ended 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Emoluments:			
Salaries, bonuses, allowances, and benefits in kind	205	121	133
Pension scheme contributions	7	7	9
Total	<u>212</u>	<u>128</u>	<u>142</u>

(a) Executive directors and non-executive directors

Year ended 31 December 2022					
	Salaries and other benefits	Retirement benefit scheme contributions	Share-based payment expenses	Consultation fee	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:					
Mr. Danny Xiang	131	7	—	—	138
Non-executive directors:					
Mr. Liang Jun	—	—	—	—	—
Ms. Hua Xiangli	74	—	—	—	74
Independent non-executive directors:					
Ms. Wu Annie Suk Ching .	—	—	—	—	—
Mr. Rainer Josef Bürkle . .	—	—	—	—	—
Mr. Sim Koon Yin Edmund	—	—	—	—	—
Total	205	7	—	—	212

Year ended 31 December 2023					
	Salaries and other benefits	Retirement benefit scheme contributions	Share-based payment expenses	Consultation fee	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:					
Mr. Danny Xiang	121	7	—	—	128
Non-executive directors:					
Mr. Liang Jun	—	—	—	—	—
Ms. Hua Xiangli	—	—	—	—	—
Independent non-executive directors:					
Ms. Wu Annie Suk Ching .	—	—	—	—	—
Mr. Rainer Josef Bürkle . .	—	—	—	—	—
Mr. Sim Koon Yin Edmund	—	—	—	—	—
Total	121	7	—	—	128

Year ended 31 December 2024					
	Salaries and other benefits	Retirement benefit scheme contributions	Share-based payment expenses	Consultation fee	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:					
Mr. Danny Xiang	133	9	—	—	142
Non-executive directors:					
Mr. Liang Jun	—	—	—	—	—
Ms. Hua Xiangli	—	—	—	—	—
Independent non-executive directors:					
Ms. Wu Annie Suk Ching .	—	—	—	—	—
Mr. Rainer Josef Bürkle . .	—	—	—	—	—
Mr. Sim Koon Yin Edmund	—	—	—	—	—
Total	133	9	—	—	142

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2022, 2023 and 2024 included nil, nil and nil director, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the Relevant Periods of the remaining highest paid employees who are not directors of the Company for the years ended 31 December 2022, 2023, and 2024 are as follows:

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind.	3,301	2,034	1,788
Pension scheme contributions	99	45	39
Share-based payment expenses	—	—	46,112
Total	3,400	2,079	47,939

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Years ended 31 December		
	2022	2023	2024
Nil to RMB1,000,000	5	5	—
RMB1,000,001 to RMB2,000,000	—	—	—
RMB2,000,001 to RMB3,000,000	—	—	2
more than RMB3,000,000	—	—	3
Total	5	5	5

11. 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.

The income tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax during the Relevant Periods is 8.25% on the first HK\$2 million of estimated assessable profit and at 16.5% on the estimated assessable profits above HK\$2 million. No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the Relevant Periods.

According to the Corporate Income Tax (“CIT”) Law of the People’s Republic of China, the income tax rates for both domestic and foreign investment enterprises in Mainland China are unified at 25% during the relevant year.

In 2022, Hangzhou Beikang accredited as a “High and New Technology Enterprise” (“HNTE”) and was entitled to a preferential income tax of 15% for a period of three years from 2022 to 2024.

Taxes on estimated assessable profits elsewhere were calculated at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current tax	109	360	491
Deferred tax (<i>note 29</i>).	(412)	(2,181)	(3,785)
Total tax credit for the year.	<u>(303)</u>	<u>(1,821)</u>	<u>(3,294)</u>

A reconciliation of the tax credit applicable to loss before tax using the statutory rate for the jurisdictions in which the majority of the Group's subsidiaries are domiciled and operate to the tax credit at the effective tax rate is as follows:

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loss before tax	(411,879)	(240,715)	(546,573)
At the statutory income tax rate	(102,970)	(60,125)	(136,552)
Preferential income tax rate applicable to certain subsidiaries	(985)	(11,050)	(10,349)
Expenses not deductible for tax.	54	135	15,852
Unrecognised tax loss and temporary differences.	103,891	70,521	130,225
Additional deductible allowance for research and development expense.	(293)	(1,302)	(2,470)
	<u>(303)</u>	<u>(1,821)</u>	<u>(3,294)</u>

During the Relevant Periods, enterprises incorporated in the PRC are normally subject to enterprise income tax ("EIT") at the rate of 25%, while the portion of annual taxable income amount of certain subsidiaries (as small low-profit enterprises) which did not exceed RMB1,000,000 shall be computed at a reduced rate of 12.5% as taxable income amount, and be subject to enterprise income tax at 20% tax rate.

12. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Earnings per share information for the years ended 31 December 2022, 2023 and 2024 is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganization and the preparation of the results of the Group for the Relevant Periods on the basis as disclosed in note 1.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Postpartum equipment	Office equipment	Furniture fittings and electronic equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2022					
At 1 January 2022					
Cost	5,557	9,050	2,077	2,042	18,726
Accumulated depreciation and impairment	(1,453)	(1,095)	(1,636)	(753)	(4,937)
Net carrying amount	<u>4,104</u>	<u>7,955</u>	<u>441</u>	<u>1,289</u>	<u>13,789</u>
At 1 January 2022, net of accumulated depreciation and impairment	4,104	7,955	441	1,289	13,789
Acquisition of businesses (note 33)	—	102	—	108	210
Additions	49	4,335	73	405	4,862
Disposals	—	(145)	(19)	(70)	(234)
Depreciation	<u>(1,495)</u>	<u>(2,006)</u>	<u>(143)</u>	<u>(511)</u>	<u>(4,155)</u>
At 31 December 2022, net of accumulated depreciation and impairment	<u>2,658</u>	<u>10,241</u>	<u>352</u>	<u>1,221</u>	<u>14,472</u>
At 31 December 2022					
Cost	5,274	13,308	2,113	2,415	23,110
Accumulated depreciation and impairment	<u>(2,616)</u>	<u>(3,067)</u>	<u>(1,761)</u>	<u>(1,194)</u>	<u>(8,638)</u>
Net carrying amount	<u>2,658</u>	<u>10,241</u>	<u>352</u>	<u>1,221</u>	<u>14,472</u>

	Leasehold improvements	Postpartum equipment	Office equipment	Furniture fittings and electronic equipment	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023					
At 1 January 2023					
Cost.	5,274	13,308	2,113	2,415	23,110
Accumulated depreciation and impairment	(2,616)	(3,067)	(1,761)	(1,194)	(8,638)
Net carrying amount	<u>2,658</u>	<u>10,241</u>	<u>352</u>	<u>1,221</u>	<u>14,472</u>
At 1 January 2023, net of accumulated depreciation and impairment	2,658	10,241	352	1,221	14,472
Disposal of subsidiaries (note 34)	—	—	(72)	(175)	(247)
Additions.	150	3,391	123	399	4,063
Disposals.	—	(49)	(43)	(60)	(152)
Depreciation.	(1,693)	(2,837)	(99)	(463)	(5,092)
At 31 December 2023, net of accumulated depreciation and impairment	<u>1,115</u>	<u>10,746</u>	<u>261</u>	<u>922</u>	<u>13,044</u>
At 31 December 2023					
Cost.	5,424	16,568	660	1,992	24,644
Accumulated depreciation and impairment	(4,309)	(5,822)	(399)	(1,070)	(11,600)
Net carrying amount	<u>1,115</u>	<u>10,746</u>	<u>261</u>	<u>922</u>	<u>13,044</u>

	Leasehold improvements	Postpartum equipment	Office equipment	Furniture fittings and electronic equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
At 1 January 2024						
Cost	5,424	16,568	660	1,992	—	24,644
Accumulated depreciation and impairment.	(4,309)	(5,822)	(399)	(1,070)	—	(11,600)
Net carrying amount	<u>1,115</u>	<u>10,746</u>	<u>261</u>	<u>922</u>	<u>—</u>	<u>13,044</u>
At 1 January 2024, net of accumulated depreciation and impairment.	1,115	10,746	261	922	—	13,044
Acquisition of subsidiaries (note 33)	—	319	167	6	2,537	3,029
Additions	137	4,235	428	1,177	12,378	18,355
Disposals	—	(240)	(3)	(21)	—	(264)
Depreciation	<u>(1,057)</u>	<u>(3,682)</u>	<u>(159)</u>	<u>(522)</u>	<u>—</u>	<u>(5,420)</u>
At 31 December 2024, net of accumulated depreciation and impairment.	<u>195</u>	<u>11,378</u>	<u>694</u>	<u>1,562</u>	<u>14,915</u>	<u>28,744</u>
At 31 December 2024						
Cost	5,893	21,233	1,412	3,081	14,915	46,534
Accumulated depreciation and impairment.	<u>(5,698)</u>	<u>(9,855)</u>	<u>(718)</u>	<u>(1,519)</u>	<u>—</u>	<u>(17,790)</u>
Net carrying amount	<u>195</u>	<u>11,378</u>	<u>694</u>	<u>1,562</u>	<u>14,915</u>	<u>28,744</u>

The Group did not identify impairment indicators that may exist during the Relevant Periods.

14. LEASES

The Group as a lessee

The Group has lease contracts for various items of leased buildings. Leases of leased buildings generally have lease terms between 1 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings
	<i>RMB'000</i>
31 December 2022	
As at 1 January 2022	42,205
Acquisition of businesses (<i>note 33</i>)	4,876
Additions	27,863
Disposals	(1,703)
Depreciation	(39,926)
As at 31 December 2022	<u>33,315</u>
	Buildings
	<i>RMB'000</i>
31 December 2023	
As at 1 January 2023	33,315
Additions	29,027
Revision of a lease payment	(151)
Disposal of subsidiaries (<i>note 34</i>)	(1,980)
Depreciation	(33,389)
As at 31 December 2023	<u>26,822</u>
	Buildings
	<i>RMB'000</i>
31 December 2024	
As at 1 January 2024	26,822
Acquisition of subsidiaries (<i>Note 33</i>)	56,770
Additions	28,999
Depreciation	(32,805)
As at 31 December 2024	<u>79,786</u>

The Group capitalized the depreciation expenses amounting to RMB5,430,000 of right-of-use assets of Yuezige from February 2024.

The Group did not identify impairment indicators that may exist during the Relevant Periods.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	40,891	34,213	27,368
Acquisition of businesses and subsidiaries (note 33)	5,022	—	56,770
Additions	27,187	28,651	28,999
Accretion of interest	1,624	1,363	2,919
Disposals	(1,677)	—	—
Payments	(38,834)	(34,631)	(35,217)
Revision of a lease payment	—	(167)	—
Disposal of subsidiaries (note 34)	—	(2,061)	—
Carrying amount at end of the year	<u>34,213</u>	<u>27,368</u>	<u>80,839</u>
Analysed into:			
Current portion	24,118	21,621	25,150
Non-current portion	<u>10,095</u>	<u>5,747</u>	<u>55,689</u>

The maturity analysis of lease liabilities is disclosed in note 40 to the financial statements.

The Group has applied the practical expedient to all eligible rent concessions granted by the lessors for leases of certain buildings during the Relevant Periods.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Years ended 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,624	1,363	2,919
Depreciation charge of right-of-use assets . .	39,926	33,389	27,375
Expense relating to short-term leases (included in cost of sales and administrative expenses)	109,474	117,365	174,891
(Gain)/loss on disposal of items of right-of-use assets	(130)	—	—
Total amount recognised in profit or loss . .	<u>150,894</u>	<u>152,117</u>	<u>205,185</u>

15. GOODWILL

RMB'000

31 December 2022

At 1 January 2022:

Cost	30,648
Net carrying amount	30,648
Cost at 1 January 2022, net of accumulated impairment	30,648
Acquisition of businesses (<i>note 33</i>)	11,564
At 31 December 2022	42,212

31 December 2023

At 1 January 2023:

Cost	42,212
Net carrying amount	42,212
Cost at 1 January 2023, net of accumulated impairment	42,212
Acquisition of a business (<i>note 33</i>)	5,148
At 31 December 2023	47,360

31 December 2024

At 1 January 2024:

Cost	47,360
Net carrying amount	47,360
Cost at 1 January 2024, net of accumulated impairment	47,360
Acquisition of subsidiaries (<i>note 33</i>)	44,177
At 31 December 2024	91,537

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit groups for impairment testing:

- Jiangsu province cash-generating unit group; and
- Guangdong province cash-generating unit group; and
- Shanxi province cash-generating unit; and
- Hainan province cash-generating unit; and

- Zhejiang province cash-generating unit group; and
- Shanghai cash-generating unit group; and
- GuangHeTang cash-generating unit; and
- Hanlian cash-generating unit.

The carrying amount of goodwill allocated to each of the cash-generating unit groups is as follows:

Carrying amount of goodwill			
As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Jiangsu province	1,466	6,614	6,614
Guangdong province	5,087	5,087	5,087
Shanxi province	3,532	3,532	3,532
Hainan province	4,403	4,403	4,403
Zhejiang province	5,235	5,235	5,235
Shanghai	—	—	44,177
GuangHeTang	20,563	20,563	20,563
Hanlian	1,926	1,926	1,926
Total	<u>42,212</u>	<u>47,360</u>	<u>91,537</u>

Assumptions were used in the value in use calculation of the above cash-generating unit groups for 31 December 2022, 31 December 2023 and 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Jiangsu province cash-generating unit group			
As at 31 December			
	2022	2023	2024
Discount rate	13.45%	13.48%	13.20%
Terminal growth rate	2.00%	2.00%	2.00%

	Guangdong province cash-generating unit group		
	As at 31 December		
	2022	2023	2024
Discount rate.	13.45%	13.48%	13.20%
Terminal growth rate.	2.00%	2.00%	2.00%
	Shanxi province cash-generating unit		
	As at 31 December		
	2022	2023	2024
Discount rate.	13.45%	13.48%	13.20%
Terminal growth rate.	2.00%	2.00%	2.00%
	Hainan province cash-generating unit		
	As at 31 December		
	2022	2023	2024
Discount rate.	13.45%	13.48%	13.20%
Terminal growth rate.	2.00%	2.00%	2.00%
	Zhejiang province cash-generating unit group		
	As at 31 December		
	2022	2023	2024
Discount rate.	13.45%	13.48%	13.20%
Terminal growth rate.	2.00%	2.00%	2.00%
	Shanghai cash-generating unit		
	As at 31 December		
	2024		
Discount rate.	13.20%		
Terminal growth rate.	2.00%		
	GuangHeTang cash-generating unit		
	As at 31 December		
	2022	2023	2024
Discount rate.	14.21%	13.72%	13.30%
Terminal growth rate.	2.00%	2.00%	2.00%

	Hanlian cash-generating unit		
	As at 31 December		
	2022	2023	2024
Discount rate	14.13%	13.70%	13.52%
Terminal growth rate	2.00%	2.00%	2.00%

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

Growth rate — The growth rate does not exceed the long-term average growth rate for the market.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

Sensitivity to changes in key assumptions:

The management of the Company has performed sensitivity test by decreasing 1% of expected revenue or increasing 1% of pre-tax discount rate, with all other assumptions held constant. The impacts on the amount by which each cash-generating unit group's recoverable amount above its carrying amount (headroom) are as below:

	Jiangsu province cash-generating unit group		
	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	8,970	9,826	8,532
Impact by decreasing expected revenue . . .	(1,872)	(2,209)	(2,759)
Impact by increasing pre-tax discount rate .	(614)	(1,281)	(1,085)

Guangdong province cash-generating unit group			
As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	44,935	50,726	109,342
Impact by decreasing expected revenue	(5,783)	(5,647)	(9,602)
Impact by increasing pre-tax discount rate .	(3,117)	(3,415)	(8,996)
Shanxi province cash-generating unit			
As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	1,814	1,425	6,899
Impact by decreasing expected revenue	(646)	(534)	(860)
Impact by increasing pre-tax discount rate .	(463)	(518)	(858)
Hainan province cash-generating unit			
As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	1,423	3,333	6,156
Impact by decreasing expected revenue	(251)	(471)	(856)
Impact by increasing pre-tax discount rate .	(694)	(769)	(1,040)
Zhejiang province cash-generating unit group			
As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	78,908	80,122	223,197
Impact by decreasing expected revenue	(6,079)	(6,685)	(12,840)
Impact by increasing pre-tax discount rate .	(5,249)	(5,492)	(16,629)

	Shanghai cash-generating unit group
	As at 31 December 2024
	<i>RMB'000</i>
Headroom	98,928
Impact by decreasing expected revenue	(11,586)
Impact by increasing pre-tax discount rate	(14,949)

	GuangHeTang cash-generating unit		
	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	16,598	22,348	22,786
Impact by decreasing expected revenue	(2,738)	(2,996)	(3,284)
Impact by increasing pre-tax discount rate	(5,142)	(5,304)	(5,723)

	Hanlian cash-generating unit		
	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Headroom	632	3,204	690
Impact by decreasing expected revenue	(204)	(318)	(153)
Impact by increasing pre-tax discount rate	(600)	(697)	(569)

Considering there was still sufficient headroom based on the assessment, the management of the Company believes that a reasonably possible change in the above key parameters would not cause the carrying amount of the Group of cash-generating unit groups to exceed its recoverable amount as at 31 December 2022, 31 December 2023 and 31 December 2024.

16. OTHER INTANGIBLE ASSETS

	Software	Patents	Brands	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2022				
At 1 January 2022:				
Cost.	—	3,500	9,500	13,000
Accumulated amortisation.	—	(87)	(119)	(206)
Net carrying amount.	—	3,413	9,381	12,794
Cost at 1 January 2022, net of accumulated amortisation.	—	3,413	9,381	12,794
Additions.	292	—	—	292
Amortisation provided during the year.	(98)	(350)	(475)	(923)
At 31 December 2022.	194	3,063	8,906	12,163
31 December 2023				
At 1 January 2023:				
Cost.	292	3,500	9,500	13,292
Accumulated amortisation.	(98)	(437)	(594)	(1,129)
Net carrying amount.	194	3,063	8,906	12,163
Cost at 1 January 2023, net of accumulated amortisation.	194	3,063	8,906	12,163
Additions.	273	—	—	273
Amortisation provided during the year.	(150)	(350)	(475)	(975)
At 31 December 2023.	317	2,713	8,431	11,461
31 December 2024				
At 1 January 2024:				
Cost.	565	3,500	9,500	13,565
Accumulated amortisation.	(248)	(787)	(1,069)	(2,104)
Net carrying amount.	317	2,713	8,431	11,461
Cost at 1 January 2024 net of accumulated amortisation.	317	2,713	8,431	11,461
Additions.	367	—	—	367
Amortisation provided during the year.	(266)	(350)	(475)	(1,091)
At 31 December 2024.	418	2,363	7,956	10,737

17. INVESTMENTS IN ASSOCIATES

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share of net liabilities	—	(4,801)	(699)
Goodwill on acquisition	—	31,505	37,269
Total	—	26,704	36,570

Particulars of the associates held by the Group are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
(a) Hangzhou Beris Meihua Women's and Children's Hospital Co., Ltd. ("Hangzhou Meihua")	Registered capital of RMB106,142,373	PRC/Mainland China	7.8125%	Medical services

On 23 August 2023, the Group completed the acquisition of 7.8125% equity interests in Hangzhou Meihua at a cash consideration of RMB25,000,000. The Group's investment in this associate is accounted for under the equity method of accounting because the Group has significant influence over the associate by way of representation on the board of directors and participation in the policy-making process, despite the fact that the percentage of the Group's equity interest in it was lower than 20% for the year ended 31 December 2023 and 31 December 2024.

Hangzhou Meihua is one of a strategic partner of the Group engaged in the medical services and is accounted for using the equity method. Hangzhou Meihua is not publicly listed and its quoted market price is not available.

APPENDIX I

ACCOUNTANTS' REPORT

The following table illustrates the summarised financial information in respect of Hangzhou Meihua adjusted for any differences in accounting policies to the carrying amount in the historical financial information:

	As at 31 December 2023	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	2,700	5,348
Other current assets	12,226	12,453
Non-current assets, excluding goodwill	68,023	54,438
Goodwill on acquisition of the associate	384,007	384,007
Current liabilities	(74,753)	(87,209)
Non-current liabilities	(69,612)	(40,482)
Net assets	<u>322,591</u>	<u>328,555</u>
Net liabilities, excluding goodwill	<u>(61,416)</u>	<u>(55,452)</u>
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	7.8125%	7.8125%
Group's share of net liabilities of the associate, excluding goodwill	(4,798)	(4,332)
Goodwill on acquisition	<u>30,000</u>	<u>30,000</u>
Carrying amount of the investment	<u>25,202</u>	<u>25,668</u>

	Year ended 31 December 2023	Year ended 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	32,920	101,864
Profit and total other comprehensive income for the year	<u>2,591</u>	<u>5,964</u>

	Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
(b)	Wuxi Beikang Ze'en Health Management Co. Ltd ("Wuxi Beikang")	Registered capital of RMB100,000	PRC/Mainland China	30%	Postpartum care services

On 12 October 2023, the Group completed the acquisition of 30% equity interests in Wuxi Beikang at a cash consideration of RMB1,505,000. Wuxi Beikang is accounted for using the equity method. Wuxi Beikang is not publicly listed and its quoted market price is not available.

APPENDIX I**ACCOUNTANTS' REPORT**

The following table illustrates the summarised financial information in respect of Wuxi Beikang adjusted for any differences in accounting policies to the carrying amount in the historical financial information:

	As at 31 December 2023	As at 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	370	176
Other current assets	157	99
Goodwill on acquisition of the associate	5,017	5,017
Current liabilities	(538)	(921)
Net assets	<u>5,006</u>	<u>4,371</u>
Net liabilities, excluding goodwill	<u>(11)</u>	<u>(646)</u>
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	30%	30%
Group's share of net liabilities of the associate, excluding goodwill	(3)	(194)
Goodwill on acquisition	<u>1,505</u>	<u>1,505</u>
Carrying amount of the investment	<u>1,502</u>	<u>1,311</u>
	Year ended 31 December 2023	Year ended 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	195	1,317
Loss and total other comprehensive loss for the period	<u>(10)</u>	<u>(835)</u>

The following table illustrates the aggregate financial information of the Group's associate that is not individually material:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share of the associate's loss for the year	—	—	(497)
Aggregate carrying amount of the Group's investment in the associate	—	—	9,591

18. INVESTMENTS IN JOINT VENTURES

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share of net assets	—	7,603	13,566

Particulars of the principal joint ventures are as follows:

	Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
(a)	Hangzhou Beikang Nanshan Health Management Co. ("Beikang Nanshan")	Registered capital of RMB30,000,000	PRC/Mainland China	51%	Postpartum care services

The Group's shareholdings in the joint venture is held through Hangzhou Beikang.

Beikang Nanshan, which is considered a material joint venture of the Group, is a strategic partner of the Group engaged in the postpartum care services and is accounted for using the equity method. The Group's investment in this joint venture is accounted for under the equity method of accounting because the Group and Hangzhou Hubin Nanshan Commercial Development Co. have joint control over the joint venture by way of representation on the general meeting of shareholders and participation in the policy-making process, despite the fact that the percentage of the Group's equity interest in it was higher than 50% for the year ended 31 December 2023 and 31 December 2024.

The following table illustrates the summarised financial information in respect of Beikang Nanshan adjusted for any differences in accounting policies to the carrying amount in the historical financial information:

	As at 31 December 2023	As at 31 December 2024
	RMB'000	RMB'000
Cash and cash equivalents	6,899	8,701
Other current assets	—	2,919
Non-current assets, excluding goodwill	3,833	24,967
Current liabilities	(716)	(17,783)
Net assets	10,016	18,804
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership	51%	51%
Carrying amount of the investment	5,108	9,590

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	RMB'000
Revenue	—	670
Profit/(loss) and total other comprehensive income/(loss) for the period.	17	(1,212)

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activities
(b) Shantou Beikang Enze Health Management Co. ("Beikang Shantou")	Registered capital of RMB20,000,000	PRC/Mainland China	30%	Postpartum care services

The Group's shareholdings in the joint venture is held through Hangzhou Beikang.

Beikang Shantou, which is considered a material joint venture of the Group, is a strategic partner of the Group engaged in the postpartum care services and is accounted for using the equity method. The Group's investment in this joint venture is accounted for under the equity method of accounting because the Group and Guangdong Zhen Aijia Health Technology Co. Ltd have joint control over the joint venture by way of representation on the general meeting of shareholders and participation in the policy-making process, despite the fact that the percentage of the Group's equity interest in it was only 30% for the year ended 31 December 2023 and 31 December 2024.

The following table illustrates the summarised financial information in respect of Beikang Shantou adjusted for any differences in accounting policies to the carrying amount in the historical financial information:

	As at 31 December 2023	As at 31 December 2024
	RMB'000	RMB'000
Cash and cash equivalents.	2,152	1,101
Other current assets.	7,872	1,161
Non-current assets, excluding goodwill	11,375	11,934
Current liabilities	(4)	(943)
Non-current liabilities	(13,079)	—
Net assets	8,316	13,253
Reconciliation to the Group's interest in the joint venture:		
Proportion of the Group's ownership.	30%	30%
Carrying amount of the investment	2,495	3,976

	Year ended 31 December 2023	Year ended 31 December 2024
	RMB'000	RMB'000
Revenue	—	1,387
Loss and total other comprehensive loss for the period	(1,684)	(63)

The following table illustrates the aggregate financial information of the Group's joint venture that is not individually material:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share of the joint venture's loss for the year	(1,355)	—	—
Share of the joint venture's total comprehensive loss	(1,355)	—	—
Aggregate carrying amount of the Group's investment in the joint venture	—	—	—

19. OTHER NON-CURRENT ASSETS

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Prepayment for equipment purchases	1,083	1,193	3,484
Prepayment for acquisition of subsidiaries (i)	—	20,000	—
Loan to a related party (ii)	—	2,737	2,737
	1,083	23,930	6,221

(i) On 7 March 2023, the Group entered into a share purchase agreement with Shanghai Atlas Venture Capital Co., Ltd. to purchase 52.63% of Yuezige (Shanghai) Health Services Co., Ltd. ("Yuezige") and its subsidiary Shanghai Maternal and Child Products Co., Ltd. ("Yunshanfang") at a consideration of RMB20,000,000.

(ii) The Loan receivable as at 31 December 2024 was a long-term loan due from Kid Garden Limited, this loan is non-interest bearing and matures within five years from 31 December 2023.

20. INVENTORIES

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	2,057	1,819	2,897
Finished goods	7,217	9,172	16,158
Less: Provision for impairment	—	(169)	(253)
Net carrying amount	<u>9,274</u>	<u>10,822</u>	<u>18,802</u>

21. TRADE RECEIVABLES

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	3,328	7,415	15,860
Impairment	(37)	—	—
Net carrying amount	<u>3,291</u>	<u>7,415</u>	<u>15,860</u>

The Group's trading terms with its customers are mainly payment in advance, except for management fees from a joint venture, associates, strategic partners, and certain managed centers, which are normally on credit. The credit period of managed centers is generally 0–12 months and they must pay within 10 working days from the end of each calendar month. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The net value of the Group's trade receivables due from the Group's related parties is further detailed in note 37 to the Historical Financial Information, which are repayable on credit terms similar to those offered to the third parties of the Group.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	2,046	3,532	13,823
3 months to 1 year	1,245	3,883	2,035
1 year to 2 years	—	—	2
Total	<u>3,291</u>	<u>7,415</u>	<u>15,860</u>

The movements in the loss allowance for impairment of trade receivables are as follows:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	37	37	—
Disposal of subsidiaries (<i>note 34</i>)	—	(37)	—
At the end of year	<u>37</u>	<u>—</u>	<u>—</u>

The ageing of trade receivables is mainly within one year, and there is low credit loss in the history. Therefore, trade receivables of the Group were considered to be of low credit risk and thus the Group has assessed that the ECL for trade receivables was immaterial under the life time expected credit loss method.

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loans to third parties (i)	80,705	24,449	—
Rental deposits	15,780	23,950	28,127
Prepayments	15,552	24,861	31,072
Other receivables	1,941	2,873	17,864
Deductible input value-added tax	2,259	3,199	3,939
Due from related parties (Note 37)	—	716	2,578
Deferred listing expenses	15	558	5,494
Receivables from issuance of ordinary shares with preferred rights	—	—	17,128
	116,252	80,606	106,202
Less: Impairment allowance	—	—	(43)
Total	116,252	80,606	106,159

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Receivables from issuance of ordinary shares with preferred rights	—	—	17,128
Deferred listing expenses	—	—	3,049
Due from related parties	—	—	7,715
Prepayments	—	—	96
Total	—	—	27,988

- (i) The loan receivables as at 31 December 2022 and 2023 include short-term interest bearing loans due from Hangzhou Qingzhi Enterprise Management Co., Ltd., Hangzhou Qinglong Construction Development Co., Ltd and Yuezige.

As at 31 December 2022, the short-term interest bearing loan due from Hangzhou Qingzhi Enterprise Management Co., Ltd. amounted to RMB30,500,000, with an interest rate of 6% per annum for its operation and the accrued interest amounted to approximately Nil, and the loan was recovered in 2023.

As at 31 December 2022, the short-term interest bearing loan due from Hangzhou Qinglong Construction Development Co., Ltd amounted to RMB50,000,000, with an interest rate of 5% per annum for its operation and the accrued interest amounted to approximately RMB205,000, and the loan was recovered in 2023.

As at 31 December 2023, the receivables due from Yuezige amounted to RMB24,000,000 with an interest rate of 5% per annum for its operation, the borrowing period of the receivables is 12 months and the accrued interest amounted to approximately RMB449,000.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Wealth management products (i)	73,528	—	14,569
Unlisted equity investment, at fair value (ii)	—	—	5,000
	<u>73,528</u>	<u>—</u>	<u>19,569</u>

- (i) The above investments represent investments in certain wealth management products and trust products issued by commercial banks with expected return rates from 2.70% to 4.20% per annum for the year ended 31 December 2022 and 2.28% per annum for the year ended 31 December 2024. The returns on all of these wealth management products and trust products are not guaranteed. These wealth management products and trust products are market-oriented and can be redeemed at any time. The fair values of the investments approximate to their costs plus expected return.

The above investments were wealth management products issued by banks in Mainland China and trust products issued by other finance institutions. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

- (ii) The Group has determined that the reported net asset value of underlying investments value represents fair value at the end of the reporting period. Key assumptions are set out as below:

Financial assets	Fair value hierarchy	Valuation technique	Significant unobservable input	Sensitivity of fair value to the input
Investment in unlisted equity fund	Level 3	Net asset value of underlying investments value	N/A	N/A

24. BANK DEPOSITS WITH INITIAL TERMS OF OVER THREE MONTH, RESTRICTED CASH, AND CASH AND CASH EQUIVALENTS

Group

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Restricted cash and bank deposits			
Restricted cash (a)	—	6,111	6,126
Bank deposits with an initial term of over three months (b)	10,000	83,801	116,016
Total	<u>10,000</u>	<u>89,912</u>	<u>122,142</u>
Cash and cash equivalents			
Cash in banks	<u>89,524</u>	<u>120,849</u>	<u>65,971</u>
Denominated in:			
RMB	70,324	120,562	63,709
USD	17,511	—	1,691
HKD	1,689	—	285
SGD	—	287	286
Total	<u>89,524</u>	<u>120,849</u>	<u>65,971</u>

Company

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents			
Cash in banks	<u>—</u>	<u>—</u>	<u>43</u>
Denominated in:			
RMB	—	—	5
USD	—	—	37
HKD	—	—	1
Total	<u>—</u>	<u>—</u>	<u>43</u>

- (a) As at 31 December 2023, approximately RMB6,111,000 were restricted on escrow accounts for share purchase transaction.

As at 31 December 2024, approximately RMB6,126,000 were restricted on escrow accounts for share purchase transaction.

- (b) As at 31 December 2024, the Group's Bank deposits with an initial term of over three months with a carrying value of RMB32,000,000 were pledged to secure general banking facilities granted to the Group.

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

25. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	15,312	9,877	31,860
Between 3 months and 1 year	2,527	460	414
Between 1 and 2 years	98	1,517	8
Over 2 years	—	—	1,044
Total	<u>17,937</u>	<u>11,854</u>	<u>33,326</u>

The trade payables are non-interest-bearing and are normally settled on 30 to 90 day terms. The fair value of trade payables approximates to their carrying amount.

26. OTHER PAYABLES AND ACCRUALS

Group

	<i>Notes</i>	As at 31 December		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accrued payroll and bonus		21,009	19,003	22,754
Other payables.		35,566	12,398	14,293
Deposits payable		1,495	1,190	1,862
Acquisition consideration payables		8,000	500	12,222
VAT and other tax payables.		9,146	12,122	14,009
Payment in connection with reorganization		—	—	12,977
Accrued listing expenses		—	467	13,364
Due to related parties (<i>Note 37</i>)		—	—	829
Capital injection payable to a joint venture.		1,355	—	—
Total		<u>76,571</u>	<u>45,680</u>	<u>92,310</u>

Company

	<i>Notes</i>	As at 31 December		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Due to related parties		—	—	21,422
Accrued listing expenses		—	—	4,612
Total		<u>—</u>	<u>—</u>	<u>26,034</u>

27. CONTRACT LIABILITIES

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advance received from customers for products and services.	<u>113,254</u>	<u>163,127</u>	<u>175,463</u>

28. INTEREST-BEARING BANK BORROWINGS

As at 31 December									
2022				2023			2024		
<i>Effective</i>		<i>Maturity</i>	<i>RMB'000</i>	<i>Effective</i>		<i>Maturity</i>	<i>Effective</i>		<i>RMB'000</i>
<i>Interest rate</i>				<i>Interest rate</i>			<i>Interest rate</i>		
(%)				(%)			(%)		
Current									
Bank loans — unsecured	3.85	2023	20,000	3.30	2024	10,000	2.90	2025	10,008
Bank loans — secured (a) . . .	4.50	2023	20,000	—	—	—	5.80/6.00	2025	29,741
Total			40,000			10,000			39,749

The carrying amounts of borrowings are denominated in the following currencies:

As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
United States dollar	—	—	29,741
RMB	40,000	10,000	10,008
Total	40,000	10,000	39,749

An analysis of the carrying amounts of borrowings by type of interest rate is as follows:

As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fixed interest rate	40,000	10,000	39,749

As at 31 December			
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:			
Within one year or on demand	40,000	10,000	39,749

(a) As at 31 December 2022, secured bank loans amounting to RMB20,000,000 were guaranteed by Danny Xiang.

As at 31 December 2024, the Group's bank deposits with an initial term of over three months with a carrying value of RMB32,000,000 were pledged to secure general banking facilities granted to the Group.

At the end of respective reporting periods, the fair value of the current borrowings approximates to their carrying amount.

29. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	As at 31 December 2022			
	Fair value changes on financial assets at fair value through profit and loss			Total
	Right-of-use assets	Other intangible assets		
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022.	10,247	255	3,199	13,701
Credited to the statement of profit or loss during the year (note 11)	(3,362)	(251)	(207)	(3,820)
Acquisition of businesses (note 33)	1,219	—	—	1,219
Gross deferred tax liabilities at 31 December 2022	8,104	4	2,992	11,100

Deferred tax assets

	As at 31 December 2022				
	Deductible donation expenses	Lease liabilities	Tax losses	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	172	9,733	1	415	10,321
Acquisition of businesses (note 33)	—	1,255	—	—	1,255
Credited/(charged) to the statement of profit or loss during the year (note 11)	(172)	(3,486)	152	98	(3,408)
Gross deferred tax assets at 31 December 2022	—	7,502	153	513	8,168

Deferred tax liabilities

	As at 31 December 2023			
		Fair value changes on financial assets at fair value		
	Right-of-use assets	through profit and loss	Other intangible assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023.	8,104	4	2,992	11,100
(Credited)/Charged to the statement of profit or loss during the year (<i>note 11</i>)	(1,049)	(4)	(206)	(1,259)
Disposal of subsidiaries (<i>note 34</i>)	(495)	—	—	(495)
Gross deferred tax liabilities at 31 December 2023	<u>6,560</u>	<u>—</u>	<u>2,786</u>	<u>9,346</u>

Deferred tax assets

	As at 31 December 2023				
			Impairment provision for inventory	Others	Total
	Lease liabilities	Tax losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	7,502	153	—	513	8,168
Credited/(charged) to the statement of profit or loss during the year (<i>note 11</i>)	(661)	1,403	15	165	922
Disposal of subsidiaries (<i>note 34</i>).	(495)	—	—	—	(495)
Gross deferred tax assets at 31 December 2023	<u>6,346</u>	<u>1,556</u>	<u>15</u>	<u>678</u>	<u>8,595</u>

Deferred tax liabilities

	As at 31 December 2024			
		Fair value changes on financial assets at fair value		
	Right-of-use assets	through profit and loss	Other intangible assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024.	6,560	—	2,786	9,346
Acquisition of subsidiaries.	14,192	—	—	14,192
(Credited)/Charged to the statement of profit or loss during the year (<i>note 11</i>)	(880)	10	(206)	(1,076)
Gross deferred tax liabilities at 31 December 2024.	19,872	10	2,580	22,462

Deferred tax assets

	As at 31 December 2024				
			Impairment provision for inventory	Others	Total
	Lease liabilities	Tax losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	6,346	1,556	15	678	8,595
Acquisition of subsidiaries	14,192	—	—	—	14,192
Credited/(charged) to the statement of profit or loss during the year (<i>note 11</i>)	(1,071)	3,699	44	37	2,709
Gross deferred tax assets at 31 December 2024.	19,467	5,255	59	715	25,496

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position as at 31 December 2022, 2023 and 2024. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	64	2,054	5,876
Net deferred tax liabilities recognised in the consolidated statement of financial position	2,996	2,805	2,842
Total	<u>(2,932)</u>	<u>(751)</u>	<u>3,034</u>

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. Based on the above principle, the Group did not recognise deferred tax assets of approximately RMB41,500,000, RMB37,765,000 and RMB66,694,000 as at 31 December 2022, 2023 and 2024 in respect of tax losses amounting to approximately RMB165,998,000, RMB150,059,000 and RMB266,775,000 as at 31 December 2022, 2023 and 2024. As at 31 December 2022, 2023 and 2024, these unrecognised tax losses amounting to approximately RMB165,998,000, RMB150,059,000 and RMB266,775,000 will respectively expire in 5 years.

30. FINANCIAL INSTRUMENTS ISSUED TO INVESTORS

Group

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current			
Ordinary shares with preferred rights and warrants (<i>Note (a)</i>)	<u>—</u>	<u>—</u>	<u>1,656,271</u>
Non-current			
Ordinary shares with preferred rights and warrants (<i>Note (a)</i>)	<u>836,430</u>	<u>1,162,522</u>	<u>—</u>

Company

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current			
Ordinary shares with preferred rights and warrants (<i>Note (a)</i>)	—	—	1,656,271
Non-current			
Ordinary shares with preferred rights and warrants (<i>Note (a)</i>)	—	1,082,067	—

(a) Ordinary shares with preferred rights and warrants***Issuance of ordinary shares with preferred rights and warrants***

In 2018, Hangzhou Beikang entered into investment agreements with Series A investors, pursuant to which, these investors agreed to subscribe 466,200 shares of Hangzhou Beikang at a consideration of RMB15,000,000 (referred as “Series A Investment”).

In 2019, Hangzhou Beikang entered into investment agreements with Series A+ investors, pursuant to which, these investors agreed to subscribe 374,350 shares of Hangzhou Beikang at a consideration of RMB21,189,820 (referred as “Series A+ Investment”).

In 2020, Hangzhou Beikang entered into investment agreements with a Series B investor, pursuant to which, these investors agreed to subscribe 132,499 shares of Hangzhou Beikang at a consideration of RMB10,952,760 (referred as “Series B Investment”).

In 2020, Hangzhou Beikang entered into investment agreements with Series B+ investors, pursuant to which, these investors agreed to subscribe 159,175 shares of Hangzhou Beikang at a consideration of RMB40,000,000 (referred as “Series B+ Investment”).

In 2021, Hangzhou Beikang entered into investment agreements with a Series C investor, pursuant to which, these investors agreed to subscribe 397,938 shares of Hangzhou Beikang at a consideration of RMB150,000,000, which was paid in USD equivalent (referred as “Series C Investment”).

In 2022, Hangzhou Beikang entered into investment agreements with Series C-3 investors, pursuant to which, these investors agreed to subscribe 119,172 shares of Hangzhou Beikang at a consideration of RMB95,000,000 (referred as “Series C-3 Investment”).

In 2023, the Group underwent the Reorganization, upon completion of which, the Company became the holding company of the Group.

On 21 December 2023, the Company issued and allotted 2,098,934 shares of a par value of US\$0.0001 each to Pre-IPO investors Tencent Mobility Limited, Sun Hung Kai Strategic Capital Limited, River Delta Capital SPC — Mirae Asset Prime Alpha SP, C Ventures SP I Ltd., Gotham Equity Limited, Bourn Well Investment Limited, and Elegant Riverine Limited, at a consideration of RMB69,599,000, in exchange for the equity interests in Hangzhou Beikang.

On 22 December 2023, the Company issued 2,462,755 warrants to Pre-IPO investors (“**subscribers**”), Ulanqab Gaorong Phase III Investment Partnership (LP), Ningbo Liansu Tangzhu Investment Management Partnership (LP), Kunshan Tanglu Investment Management Partnership (LP), Beijing China Life Pension Industry Investment Fund (LP), Hainan Shengdan Jinsheng Venture Capital Partnership (LP), Zhuji Jiantou Qihang Equity Investment Partnership (LP), Wuxi Shenqi Haohui Venture Capital Partnership (LP) with no consideration.

On 7 June 2024, the warrants subscribers exercised 2,462,755 warrants to subscribe equivalent number of ordinary shares with preferred rights at a consideration of RMB32.6688 per share.

The key terms of preferred rights are summarized as follows:

Redemption feature

Shares issued by the Company for the Series A, Series A+, Series B+, Series C and Series C-3 shall be redeemable by any of the Controlling Shareholders and/or the Company upon the occurrence of certain events, with the main conditions being:

- (i) the Company fails to complete a Qualified IPO or to be sold by 31 December 2025;
- (ii) the Company, having submitted a Qualified IPO Application, then subsequently withdraws it or such application is rejected by the relevant listing regulatory authorities (including but not limited to the securities supervision and administration authorities, or the stock exchanges);
- (iii) the Group incurs significant losses due to material personal integrity issues of the Founding Shareholders or the management;

- (iv) the Company's auditor is unable to issue an unqualified audit report and this causes the Company not able to complete a Qualified IPO Application;
- (v) violation of certain obligations under various agreements or documents set forth in the shareholder agreement by the Company, Founders and/or initial Shareholders, and this results in a material adverse effect to the Series A, Series A+, Series B+, Series C and Series C-3 investors;
- (vi) a material breach by the Founding Shareholders, the Initial Shareholders or any Group Company which is a party to the relevant agreement, of various agreements or documents set forth in the shareholder agreement, and such breach is not remedied within 10 business days after receiving a written notice from the Investors requesting them to do so; or
- (vii) any shareholder requests a repurchase and exercises its repurchase right.

Shares issued by the Company for the Series B shall be redeemable by any or both of the Repurchase Obligors upon the occurrence of certain events, with the main conditions being:

- (i) the Company fails to complete a Qualified IPO or to be sold by 31 December 2025;
- (ii) the Company fails to complete a Sale by 31 December 2025.

The redemption amount payable for Series A Investment and Series A+ Investment, upon exercise of the redemption option by the holder, will be an amount equal to the investment amount, plus compounded accrued interest at a rate of 10% per annum and all declared but unpaid dividends thereon up to the date of redemption.

The redemption amount payable for Series B Investment, Series B+ Investment, Series C Investment and Series C-3 Investment, upon exercise of the redemption option by the holder, will be an amount equal to the investment amount, plus accrued interest at a rate of 8%(simple interest) per annum and all declared but unpaid dividends thereon up to the date of redemption.

Liquidation preferences

In the event of any liquidation including deemed liquidation, dissolution, bankruptcy, acquisitions, sale or transfer of all or part of the core assets, winding up of the Company, the founder of the Company and the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to founder in order of priority, an amount equals to the aggregate of the original issue price for the respective series plus an amount declared but not paid dividends and the remaining assets of the Company available for distribution shall be distributed rateably among the shareholders.

The liquidation preference amount will be paid to the shareholders with preferred rights (“**preferred shareholders**”) in the following order: first to Series C-3 Investors, second to Series C Investors, third to Series B+ Investors, fourth to Series B Investors, fifth to Series A+ Investors and Series A Investors. After distribution to the preferred shareholders the amount of preference, all remaining assets and funds of the Company available for distribution to the shareholders shall be distributed rateably among all the ordinary shareholders and preferred shareholders on a fully diluted basis.

Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors of the investments on a per share capital basis prior to a qualified IPO, the investors have a right to require the Company and the controlling shareholders of the Company to transfer for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

Presentation and classification

The Company recognized the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at weighted average amount of each scenario to be paid to the investors upon redemption or liquidation which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in “Fair value changes in financial instruments issued to investors”.

Financial instruments issued to investors as at 31 December 2022 and 2023 are classified as non-current liabilities as the shareholders can demand the Group to redeem the shares with preferred rights for cash at least 12 months after the end of the reporting period.

Financial instruments issued to investors as at 31 December 2024 are classified as current liabilities because shareholders may require the Group to redeem preference shares in cash less than 12 months after the end of the reporting period.

The movements of the financial instruments issued to investors are set out below:

Group

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	444,567	836,430	1,162,522
Fair value change	366,863	256,092	493,749
Issuance for cash.	25,000	70,000	—
At the ending of the year	<u>836,430</u>	<u>1,162,522^{**}</u>	<u>1,656,271</u>

Company

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year	—	—	1,082,067
Issue of warrants and ordinary shares with preferred rights for ordinary shares with preferred rights of a subsidiary*	—	1,082,067	—
Fair value change	—	—	493,749
Conversion of warrants to ordinary shares with preferred rights	—	—	80,455
At the ending of the year	<u>—</u>	<u>1,082,067^{**}</u>	<u>1,656,271</u>

* The Company was incorporated in the Cayman Islands on 4 July 2023 to act as the holding company of the Group following the reorganization. Pursuant to the reorganization, Primecare, a subsidiary of the Company, repurchased the ordinary shares with preferred rights of Hangzhou Beikang from IPO investors, and then the Company issued warrants and ordinary shares with preferred rights to IPO investors on the same date.

** The fair value of warrants, ordinary shares with preferred rights and repurchase obligation to IPO investors are recorded in financial instruments issued to investors. As at 31 December 2023, warrants were not exercisable yet and Primecare still had the obligation to pay for the residual repurchase consideration, amounting to approximately RMB80,455,000. As at 31 December 2024, all warrants have been exercised.

The Company has engaged an independent valuer to determine the fair value of ordinary shares with preferred rights and warrants. The Backsolve method was used to determine the total equity value of the Company as at 31 December 2022 and 2023, and discounted cash flow method was used to determine the total equity value of the Company as at 31 December 2024, and then equity allocation model was adopted to determine the fair value of the ordinary shares with preferred rights and warrants. Key assumptions are set as below:

	As at 31 December		
	2022	2023	2024
Discounts for lack of marketability (“ DLOM ”) . . .	7%–23%	6%–16%	8%–10%
Expected volatility (<i>a</i>)	58.57%/54.46%	47.39%/39.44%	52.95%/51.01%
Discounted rate	—	—	13.2%

- (a) Volatility was estimated based on annualized standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term. Probability weight among redemption, liquidation and IPO scenarios was based on the Company’s best estimates. In the liquidation and redemption scenarios, the expected volatility at 31 December 2022, 2023 and 2024 is 58.57%, 47.39% and 52.95%, in the IPO scenario, the expected volatility at 31 December 2022, 2023 and 2024 is 54.46%, 39.44% and 51.01%.

If the Company’s significant unobservable inputs applied in the valuation had been 1% lower or higher than management’s estimation as at 31 December 2022, 2023 and 2024, the fair value of the ordinary shares with preferred rights and warrants would increase/(decrease) by the amounts listed in table below:

	As at 31 December 2022	
	DLOM	Expected volatility
	<i>RMB’000</i>	<i>RMB’000</i>
Impact on the fair value of financial instruments issued to investors		
Add 1%	(21,239)	(3,783)
Reduce 1%	21,239	9,806

	As at 31 December 2023	
	DLOM	Expected volatility
	<i>RMB’000</i>	<i>RMB’000</i>
Impact on the fair value of financial instruments issued to investors		
Add 1%	(28,160)	(4,640)
Reduce 1%	28,160	7,235

As at 31 December 2024			
	DLOM	Expected volatility	Discounted rate
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Impact on the fair value of financial instruments issued to investors			
Add 1%	(18,310)	(1,692)	(132,389)
Reduce 1%	18,310	1,201	156,838

31. SHARE CAPITAL AND RESERVES

(a) Share capital

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Authorised:

Ordinary shares of US\$0.0001 each

At 4 July 2023, 31 December 2023 and 31 December 2024	500,000,000
---	-------------

Issued and fully paid:

Ordinary shares of US\$0.0001 each

	Number of shares in issue	Share capital
		<i>RMB'000</i>
At 4 July 2023 (<i>Note (a)</i>)	—	—
Issuance of new ordinary shares (<i>Note (b)</i>)	4,354,087	3
At 31 December 2023 and 1 January 2024	4,354,087	3
Issuance of new ordinary shares	1,188,991	1
At 31 December 2024	5,543,078	4

- (a) The Company was incorporated in the Cayman Islands as an exempted company on 4 July 2023 with authorised share capital of US\$50,000 divided into 500,000,000 shares of a nominal par value of US\$0.0001 each.

- (b) On 21 December 2023, pursuant to the founder subscription agreements dated 8 December 2023, the Company issued 4,249,320 fully paid ordinary shares to part of the then shareholders of Hangzhou Beikang pursuant to the Reorganization.

On 21 December 2023, pursuant to the investors subscription agreements dated 21 December 2023, the Company issued 104,767 ordinary shares to part of the then shareholders of Hangzhou Beikang pursuant to the Reorganization which have been fully paid as at 31 December 2023.

- (c) Pursuant to the application for shares dated 4 July 2023, the Company issued 1,000,000 ordinary shares to part of the then shareholders of Hangzhou Beikang pursuant to the Reorganization, which shall be satisfied until the Capital Reduction and the registration of the Capital Reduction having been completed in accordance with the requirements of the applicable laws and regulations in the PRC on 9 February 2024.

Pursuant to the initial shareholders capitalization agreement dated 11 June 2024, the Company issued 188,991 ordinary shares to part of the then shareholders of Hangzhou Beikang pursuant to the Reorganization.

(b) Capital reserve

Group

(i) Capital reserve

The capital reserve of the Group represents the contribution from the ultimate holding company and shareholder and the excess of the consideration over the carrying amount of the non-controlling interests acquired. Details of the movements in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

(ii) Dividends

No dividend has been paid or declared by the Company during the Relevant Periods.

(iii) Share scheme reserve

The share scheme reserve of the Group represents the share-based payment granted by the Group.

Company

The amounts of the Company's reserve and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Exchange fluctuation reserve	Share scheme reserve	Retained earnings	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 4 July 2023 (date of incorporation)	—	—	—	—	—
Issue of ordinary shares (Note 31)	5,784	—	—	—	5,784
Issue of ordinary shares with preferred rights and warrants	(1,015,891)	—	—	—	(1,015,891)
At 31 December 2023 and 1 January 2024.	<u>(1,010,107)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,010,107)</u>
Loss for the year	—	—	—	(509,862)	(509,862)
Issue of ordinary shares (Note 31)	(1)	—	—	—	(1)
Recognition of share-based payment expenses	—	—	60,649	—	60,649
Exchange differences of translation of financial statements	—	982	—	—	982
At 31 December 2024	<u>(1,010,108)</u>	<u>982</u>	<u>60,649</u>	<u>(509,862)</u>	<u>(1,458,339)</u>

32. EQUITY-SETTLED SHARE-BASED PAYMENT

In order to motivate the eligible participants to optimize their performance for the benefit of the Group, and attract and retain or otherwise maintain an on-going working relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group, SAINT BELLA Inc., the holding company of the Group adopted a share incentive scheme in June 2024.

In June 2024, the Board approved a share incentive scheme which would grant 367,474 restricted shares to certain employees at a consideration of USD0.0001 per share. As at 31 December 2024, the grant was not completed as the arrangement was not legally enforceable. Services have been effectively being rendered for the award in advance of the grant date. According to HKFRS 2, when grant date occurs after the employees to whom the equity instruments were granted have begun rendering services, the Group estimated the expected grant date fair value of the restricted shares for the purposes of recognising the services received during the period between the service commencement date and the expected grant date.

During the Relevant Periods, the Group recognised share-based payment expenses of Nil, Nil and RMB60,649,000, respectively.

The fair value of restricted shares at expected grant date was RMB35.15 per share and the exercise price was USD0.00001 per share.

The fair value of restricted shares was estimated as at the expected grant date, using a binomial model, taking into account the terms and conditions upon which the restricted shares were granted. The following table lists the inputs to the model used:

	Expected grant date
Dividend yield (%)	—
Expected volatility (%)	50.41
Risk-free interest rate (%)	4.82
Expected life of restricted shares (year)	10.00
Weighted average share price (RMB per share)	35.15

33. BUSINESS COMBINATION

(i) Acquisition of Yuezige and Yunshanfang

The Group and the original shareholders of Yuezige and Yunshanfang, Shanghai Atlas Venture Capital Co., Ltd., entered into an equity transfer agreement in March 2023, to acquire 52.6316% interests in Yuezige at a cash consideration of RMB20,000,000. As at 31 December 2024, the consideration has been fully paid.

The Group and the original shareholders of Yuezige, Diamond BioFund (Hong Kong) Limited, entered into an equity transfer agreement in August 2023, to acquire 23.6842% interests in Yuezige at a cash consideration of RMB6,111,000. As at 31 December 2024, the consideration payable amounted to RMB6,111,000.

As at 5 February 2024, the Group obtained control of Yuezige, and Yuezige was consolidated into the Group since then.

The fair values of the identifiable assets and liabilities of Yuezige and Yunshanfang as at the date of acquisition were as follows:

	<i>Notes</i>	Fair value recognized on acquisition
		2024
		<i>RMB'000</i>
Cash and cash equivalents		6,102
Prepayments, other receivables and other assets		1,589
Property, plant and equipment	13	3,029
Right-of-use assets	14(a)	56,770
Other non-current assets		1,276
Other payables and accruals		(34,566)
Contract liabilities		(1,103)
Lease liabilities	14(b)	(56,770)
Total identifiable net assets at fair value		(23,673)
Non-controlling interests		5,607
Goodwill on acquisition	15	44,177
		<u>26,111</u>
Prepayment for acquisition of subsidiaries		20,000
Cash consideration not paid at year end		6,111
		<u>26,111</u>

The fair values of the other receivables as at the date of acquisition amounted to approximately RMB899,000. The gross contractual amount of other receivables was approximately RMB899,000.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the leases relative to market terms.

Since the acquisition, Yuezige and its subsidiary contributed approximately RMB5,084,000 to the Group's revenue and RMB1,706,000 to the Group's loss for the twelve months ended 31 December 2024.

Had the combination taken place at the beginning of the year ended December 31, 2024, the revenue of the Group and the loss of the Group for the year would have been approximately RMB 798,973,000 and approximately RMB 546,083,000, respectively.

An analysis of the cash flows in respect of the acquisition of subsidiaries is as follows:

	<i>RMB'000</i>
Cash consideration	(26,111)
Cash consideration not paid yet	(6,111)
Prepayment for acquisition of subsidiaries	(20,000)
Cash and bank balances acquired	6,102
Net inflow of cash and cash equivalents included in cash flows used in investing activities	<u>6,102</u>

(ii) Acquisition of postpartum centers and Hanlian

Businesses acquired from the following companies	Month of acquisition	Consideration
		<i>RMB'000</i>
Shenzhen Yuefu Health Technology Co., Ltd.	Jun, 2021	6,016
Shanxi Meiaibijia Maternity & Baby Care Co., Ltd.	Oct, 2021	2,555
Ningbo Man Yuege Health Consultancy Co., Ltd.	Mar, 2022	3,000
Ningbo Man Yuege Maternity Care Co., Ltd.	Mar, 2022	2,200
Hangzhou Hanlian Gongchuang Technology Co., Ltd. and Tianjin Hanlian Gongchuang Trading Co., Ltd.	Mar, 2022	2,000
Hainan Haikou Berijia Maternity Care Service Co., Ltd.	Apr, 2022	4,500
Suzhou Zhenlinge Maternity Home Service Co., Ltd.	Jan, 2023	5,200

The effect of the above acquisitions is summarised as follows:

	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Acquisition consideration			
— Cash consideration	11,700	5,200	—

The details of the assets and liabilities acquired and cash flows relating to these acquisitions are summarised as follows:

		Fair value at acquisition date		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments, other receivables and other assets		92	52	—
Property, plant and equipment	13	210	—	—
Right-of-use assets	14(a)	4,876	—	—
Deferred tax assets		1,255	—	—
Lease liabilities	14(b)	(5,022)	—	—
Deferred tax liabilities		(1,219)	—	—
Total identifiable net assets at fair value . .		192	52	—
Non-controlling interests		(56)	—	—
Goodwill on acquisition		11,564	5,148	—
		11,700	5,200	—
Satisfied by cash		10,700	5,200	—
Cash consideration not paid at end of each year of the relevant period		1,000	—	—
		11,700	5,200	—

An analysis of the cash flows in respect of the acquisition of the businesses and subsidiaries is as follows:

	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash consideration	(11,700)	(5,200)	—
Less: Cash consideration not paid at end of each year of the relevant period.	1,000	—	—
Cash outflow on acquisition	<u>(10,700)</u>	<u>(5,200)</u>	<u>—</u>
Add: Satisfied in cash in relation to acquisitions in prior year	<u>(8,000)</u>	<u>(6,762)*</u>	<u>(423)**</u>
Net outflow of cash and cash equivalents included in cash flows from investing activities	<u><u>(18,700)</u></u>	<u><u>(11,962)</u></u>	<u><u>(423)</u></u>

* The Group entered into a supplementary agreement with GuangHeTang Herbal that approximately RMB738,000 of the consideration was settled through the receivables due from Beikang GuangHe, while others were settled through cash in 2023.

** The Group entered into a supplementary agreement with the original shareholder of Hainan Haikou Berijia Maternity Care Service Co., Ltd., Huang Yamei (黄雅美), that approximately RMB77,000 of the consideration was settled through the receivables due from Huang Yamei, while others were settled through cash in 2024.

The unpaid acquisition consideration is RMB8,000,000, RMB500,000 and RMB6,111,000 as at 31 December 2022, 2023 and 2024.

34. DISPOSAL OF SUBSIDIARIES

The Group entered into share and business transfer agreements with Chung Yu-Fu, Xu Jiancong and Wang Cun on 31 March 2023, to dispose of 100% equity interests in the Group's subsidiary, GuangHeTang Catering, at a consideration of approximately RMB24,000 with a total disposal gain of approximately RMB246,000.

The Group entered into share and business transfer agreements with Hangzhou Beixiang Technology Co., Ltd on 19 December 2024, to dispose of 70% equity interests in the Group's subsidiary, Chengdu Wenjiang BekZene Internet Hospital Co., Ltd, at a consideration of approximately RMB9,241,000 with a total disposal gain of approximately RMB1,000.

The Group entered into share and business transfer agreements with Chengdu Boxing Zhiyuan Technology Co., Ltd on 30 December 2024, to dispose of 70% equity interests in the Group's subsidiary, Chengdu Wenjiang Beikang Enhu Outpatient Department Co., Ltd, at a consideration of nil with a total disposal loss of approximately RMB29,000.

Details of the net assets disposed of are as follows:

		2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>
Net assets disposed of:			
Cash and cash equivalents		192	9,648
Trade and bills receivables		542	—
Prepayments, other receivables and other assets.		6,515	28
Inventories		298	—
Property, plant and equipment	13	247	—
Right-of-use assets	14(a)	1,980	—
Deferred tax assets		495	—
Trade and bills payables		(788)	—
Other payables and accruals		(7,147)	—
Lease liabilities	14(b)	(2,061)	—
Deferred tax liabilities		(495)	—
Net (liabilities)/assets		(222)	9,676
Non-controlling interests		—	(407)
Net liabilities attributable to the Company		(222)	9,269
Gain/(loss) on disposal of subsidiaries	6	246	(28)
Satisfied by:			
Net off by due to a third party		24	—
Cash		—	9,241

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents in the subsidiaries disposed of . . .	(192)	(9,648)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(192)	(9,648)

35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets of approximately RMB27,863,000, RMB28,876,000 and RMB28,999,000, lease liabilities of approximately RMB27,187,000, RMB28,484,000 and RMB28,999,000, and other payables of approximately RMB676,000, RMB392,000 and nil, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2022

	Financial instruments issued to investors	Interest-bearing bank borrowings	Lease liabilities	Accrued listing expenses in other payables	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022	444,567	—	40,891	—	485,458
Changes from financing cash flows. . .	25,000	39,861	(38,834)	(15)	26,012
Changes from non-financing cash flows.	—	—	—	(85)	(85)
Changes in the carrying amount of financial instruments issued to investors	366,863	—	—	—	366,863
Interest expenses	—	139	1,624	—	1,763
Acquisition of businesses (<i>note 33</i>). . .	—	—	5,022	—	5,022
New leases	—	—	27,187	—	27,187
Lease terminations	—	—	(1,677)	—	(1,677)
Increase in deferred listing expenses . .	—	—	—	15	15
Listing expenses	—	—	—	85	85
At 31 December 2022.	<u>836,430</u>	<u>40,000</u>	<u>34,213</u>	<u>—</u>	<u>910,643</u>

APPENDIX I

ACCOUNTANTS' REPORT

Year ended 31 December 2023

	Financial instruments issued to investors	Interest-bearing bank borrowings	Lease liabilities	Accrued listing expenses in other payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	836,430	40,000	34,213	—	910,643
Changes from financing cash flows. . .	70,000	(31,573)	(34,631)	(457)	3,339
Changes from non-financing cash flows.	—	—	—	(3,193)	(3,193)
Changes in the carrying amount of financial instruments issued to investors	256,092	—	—	—	256,092
Interest expenses	—	1,573	1,363	—	2,936
Revision of a lease payment	—	—	(167)	—	(167)
New leases	—	—	28,651	—	28,651
Disposal of subsidiaries.	—	—	(2,061)	—	(2,061)
Increase in deferred listing expenses . .	—	—	—	543	543
Listing expenses	—	—	—	3,574	3,574
At 31 December 2023.	<u>1,162,522</u>	<u>10,000</u>	<u>27,368</u>	<u>467</u>	<u>1,200,357</u>

Year ended 31 December 2024

	Financial instruments issued to investors	Interest-bearing bank borrowings	Lease liabilities	Accrued listing expenses in other payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,162,522	10,000	27,368	467	1,200,357
Changes from financing cash flows. . .	—	27,905	(35,217)	(3,167)	(10,479)
Changes from non-financing cash flows.	—	—	—	(20,009)	(20,009)
Changes in the carrying amount of financial instruments issued to investors	493,749	—	—	—	493,749
Interest expenses	—	1,844	2,919	—	4,763
Acquisition of subsidiaries (note 33). .	—	—	56,770	—	56,770
New leases	—	—	28,999	—	28,999
Increase in deferred listing expenses . .	—	—	—	4,936	4,936
Listing expenses	—	—	—	31,137	31,137
At 31 December 2024.	<u>1,656,271</u>	<u>39,749</u>	<u>80,839</u>	<u>13,364</u>	<u>1,790,223</u>

Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities.	109,474	117,365	174,891
Within financing activities.	38,834	34,631	35,217
Total	148,308	151,996	210,108

36. COMMITMENTS

- (a) The Group has various lease contracts that have not yet commenced at the end of each of the Relevant Periods. The future lease payments for these non-cancellable lease contracts are as follows:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	13,354	37,091	26,909
1-2 years.	10	1,143	842
Total	13,364	38,234	27,751

- (b) The Group had the following investment commitments, which are not included in the above:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for			
Beikang Nanshan	10,200	10,200	5,100
Yuezige	—	6,111	—
Hangzhou Beikangbeifu Health Management Co., Ltd.	—	980	—
Total	10,200	17,291	5,100

37. RELATED PARTY TRANSACTIONS**(a) Name and relationship**

Name of related party	Relationship with the Company
Kid Garden Limited	Joint venture
Beikang Nanshan	Joint venture
Beikang Shantou	Joint venture
Wuxi Beikang	Associate
Hangzhou Beikang Yiran Health Management Co., Ltd (Hangzhou Yiran)	Associate
Hefei Xiaobeila Health Management Co., Ltd (Hefei Xiaobeila)	Associate
Suzhou Beikang Jinyue Health Management Co., Ltd (Suzhou Jinyue)	Associate
Nexus Media Limited	Associate
Hangzhou Meihua	Associate
Hangzhou Beikang Zeen Internet Health Management Co., Ltd	Other related party
Hangzhou Beikang Vocational Skills Training School Co., Ltd	Other related party
Zhejiang Zheshang Jiantou Asset Management Co., Ltd. (Zheshang Jiantou)	Other related party

(b) The Group had the following transactions with related parties:

		Years ended 31 December		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Joint venture and associates:				
Sales of products	(i)	1,230	253	2,802
Management fee	(ii)	888	2,732	5,873
Consulting fee	(iii)	—	—	6,981
Loan to a related party	(iv)	—	2,737	—
Expenses paid on behalf of related parties	(v)	—	716	12,047
Contract liabilities received on behalf of related parties	(v)	—	—	31,391

(i) The sales of products to Kid Garden Limited, Beikang Nanshan, Beikang Shantou, Wuxi Beikang, Hangzhou Yiran, Hangzhou Meihua, Suzhou Jinyue and Zheshang Jiantou were mainly materials used for postpartum centres.

- (ii) A subsidiary of the Group entered into agreements with Kid Garden Limited, Nexus Media Limited, Hangzhou Yiran, Suzhou Jinyue and Zheshang Jiantou, to provide branding and operational support and charge a management fee ranging from 5% to 10% based on the revenue of the managed centers.
- (iii) A subsidiary of the Group entered into agreements with the managed centers, to provide services for preparing the opening of the postpartum centers and charge a consulting fee.
- (iv) A subsidiary of the Group entered into an agreement with Kid Garden Limited as at 31 December 2023, the trade receivables of HKD 3,000,000 from Kid Garden Limited were converted into a loan to Kid Garden Limited for daily operation.
- (v) A subsidiary of the Group entered into agreements with Beikang Shantou, Wuxi Beikang, Hangzhou Yiran and Zheshang Jiantou, to operate the postpartum center on behalf of them. The payment of daily operating expenses and costs, as well as the contract liabilities received from customers, will be regularly settled with the above entities.
- (vi) The Group's director Danny Xiang guaranteed certain bank loans made to the Group of up to RMB20,000,000 as at 31 December 2022, as disclosed in note 28 to the financial statements. No guarantee or pledge was received by the Group other than this during the Relevant Periods.

(c) Outstanding balances with related parties

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade related:			
Trade receivables			
Kid Garden Limited	2,642	106	1,120
Beikang Nanshan	—	—	367
Beikang Shantou	—	—	86
Wuxi Beikang	—	—	57
Hangzhou Yiran	—	—	376
Zheshang Jiantou	—	—	482
Hefei Xiaobeila Health Management Co., Ltd	—	—	1,200
Nexus Media Limited	—	—	741
Suzhou Jinyue	—	—	94
Total	<u>2,642</u>	<u>106</u>	<u>4,523</u>

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Other receivables			
Beikang Nanshan (iii)	—	—	55
Beikang Shantou (iii)	—	—	161
Hangzhou Beikang Zeen Internet Health Management Co., Ltd.	—	—	1
Wuxi Beikang (iii)	—	—	175
Hangzhou Yiran (iii)	—	—	120
Zheshang Jiantou (iii)	—	—	2,033
Suzhou Jinyue (iii)	—	—	33
Total	—	—	2,578
Other payables			
Beikang Nanshan (iii)	—	—	(2)
Zheshang Jiantou (iii)	—	—	(545)
Suzhou Jinyue (iii)	—	—	(282)
Total	—	—	(829)
Non-trade related:			
Other receivables			
Kid Garden Limited (i)	—	2,737	2,737
Beikang Nanshan (ii).	—	716	—
Total	—	3,453	2,737

(i) A subsidiary of the Group entered into an agreement with Kid Garden Limited as at 31 December 2023, the non-trade receivables of HKD3,000,000 from Kid Garden Limited were converted into a loan to Kid Garden Limited, which will be repaid within five years from 31 December 2023.

(ii) The loan of RMB 716,000 was settled in February 2024.

(iii) A subsidiary of the Group entered into agreements with the managed centers, to operate the postpartum centers on behalf of them. The payment of daily operating expenses and costs, as well as the contract liabilities received from customers, will be regularly settled with above entities.

(d) Compensation of key management personnel of the Group

	Years ended 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Remuneration of directors and senior management.	212	120	1,167
Share-based payment expenses	—	—	29,994
Total	<u>212</u>	<u>120</u>	<u>31,161</u>

Further details of the directors' and chief executive's emoluments are included in note 9 to the financial statements.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

2022

Financial assets

	At 31 December 2022		
	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at fair value through profit or loss (<i>Note 23</i>)	—	73,528	73,528
Trade receivables (<i>Note 21</i>).	3,291	—	3,291
Financial assets included in prepayments, other receivables and other assets (<i>Note 22</i>).	98,426	—	98,426
Bank deposits with initial terms of over three months (<i>Note 24</i>)	10,000	—	10,000
Cash and cash equivalents (<i>Note 24</i>).	89,524	—	89,524
Total	<u>201,241</u>	<u>73,528</u>	<u>274,769</u>

Financial liabilities

At 31 December 2022			
	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors (Note 30)	—	836,430	836,430
Interest-bearing bank and other borrowings (Note 28)	40,000	—	40,000
Trade payables (Note 25)	17,937	—	17,937
Financial liabilities included in other payables and accruals	46,416	—	46,416
Total	104,353	836,430	940,783

2023*Financial assets*

At 31 December 2023	
	Financial assets at amortised cost
	RMB'000
Other non-current assets	2,737
Trade receivables (Note 21)	7,415
Financial assets included in prepayments, other receivables and other assets (Note 22)	51,272
Bank deposits with initial terms of over three months (Note 24)	83,801
Cash and cash equivalents (Note 24)	120,849
Restricted cash (Note 24)	6,111
Total	272,185

Financial liabilities

At 31 December 2023			
	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors (Note 30)	—	1,162,522	1,162,522
Interest-bearing bank and other borrowings (Note 28)	10,000	—	10,000
Trade payables (Note 25)	11,854	—	11,854
Financial liabilities included in other payables and accruals	14,555	—	14,555
Total	36,409	1,162,522	1,198,931

2024*Financial assets*

At 31 December 2024			
	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss (Note 23)	—	19,569	19,569
Other non-current assets	2,737	—	2,737
Trade receivables (Note 21)	15,860	—	15,860
Financial assets included in prepayments, other receivables and other assets (Note 22)	45,991	—	45,991
Bank deposits with initial terms of over three months (Note 24)	116,016	—	116,016
Cash and cash equivalents (Note 24)	65,971	—	65,971
Restricted cash (Note 24)	6,126	—	6,126
Total	252,701	19,569	272,270

Financial liabilities

	At 31 December 2024		
	Financial liabilities at amortised cost	Financial liabilities at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial instruments issued to investors (Note 30)	—	1,656,271	1,656,271
Interest-bearing bank and other borrowings (Note 28)	39,749	—	39,749
Trade payables (Note 25)	33,326	—	33,326
Financial liabilities included in other payables and accruals	55,547	—	55,547
Total	<u>128,622</u>	<u>1,656,271</u>	<u>1,784,893</u>

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, bank deposits, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments or the difference between the fair value and carrying amount of non-current assets is immaterial.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management adopts discounted cash flow valuation model with some unobservable inputs.

Financial assets at fair value through profit or loss of the Group represented wealth management products with banks in Mainland China and trust products issued by other finance institutions. For the structured deposits, the fair value is based on expected cash flow from implied yield, while for other wealth management products, the fair value is based on the quoted net assets value per unit and the discount factor for lack of marketability.

Analysis on fair value measurement of financial instruments as at 31 December 2022, 2023 and 2024 are as follows:

Financial assets at fair value:

	Quoted prices in active markets Level 1 <i>RMB'000</i>	Significant Observable inputs Level 2 <i>RMB'000</i>	Significant unobservable inputs Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
As at 31 December 2022				
Financial assets at fair value through profit or loss-wealth management products.	—	73,528	—	73,528
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023				
Financial assets at fair value through profit or loss-wealth management products.	—	—	—	—
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2024				
Financial assets at fair value through profit or loss-unlisted equity investments	—	—	5,000	5,000
Financial assets at fair value through profit or loss-trust products	—	14,569	—	14,569
	—	14,569	5,000	19,569

Financial liabilities measured at fair value:

	Quoted prices in active markets Level 1	Significant Observable inputs Level 2	Significant unobservable inputs Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2022				
Financial instruments issued to investors (<i>Note 30</i>)	—	—	836,430	836,430
	Quoted prices in active markets Level 1	Significant Observable inputs Level 2	Significant unobservable inputs Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023				
Financial instruments issued to investors (<i>Note 30</i>)	—	—	1,162,522	1,162,522
	Quoted prices in active markets Level 1	Significant Observable inputs Level 2	Significant unobservable inputs Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2024				
Financial instruments issued to investors (<i>Note 30</i>)	—	—	1,656,271	1,656,271

During the Relevant Periods, there was no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

The summary of significant unobservable inputs to the valuation of financial instruments as at 31 December 2022, 2023 and 2024 have been disclosed in Note 23 and Note 30.

The sensitivity analysis for financial instruments issued to investors was disclosed in Note 30.

The changes of financial instruments issued to investors for the years ended 31 December 2022, 2023 and 2024 have been presented in Note 30.

Any gain or loss arising from financial instruments issued to investors are presented in the “Fair value changes in financial instruments issued to investors” line item in the consolidated statements of profit or loss.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and cash equivalents, bank deposits, financial assets at fair value through profit or loss, other financial assets, interest-bearing bank borrowings, and financial instruments issued to investors. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The Group's bank balances expose to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The management of the Company consider the Group's exposure to interest rate risk in respect of bank balances is not significant.

Foreign currency risk

The Group operates the businesses in Mainland China and nearly all operational transactions are conducted in RMB. The foreign currency exposures of the Group mainly arise from sales and acquisition of capital investment. The Group does not have material foreign currency risk during the Relevant Periods.

Credit risk

The carrying amounts of cash and cash equivalents, bank deposits, trade receivables, other receivables and financial assets at fair value through profit or loss represent the Group's maximum exposure to credit risk in relation to financial assets. At the end of each Relevant Periods, there are no significant concentrations of credit risk within the Group.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers both the maturity of its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

At 31 December 2022				
	On demand	Less than 1 year	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	—	22,524	13,476	36,000
Interest-bearing bank borrowings.	—	41,008	—	41,008
Trade payables	17,937	—	—	17,937
Financial liabilities included other payables and in accruals	46,416	—	—	46,416
Financial instruments issued to investors	—	—	836,430	836,430
Total	64,353	63,532	849,906	977,791

At 31 December 2023				
	On demand	Less than 1 year	1 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	—	22,654	5,719	28,373
Interest-bearing bank borrowings.	—	10,265	—	10,265
Trade payables	11,854	—	—	11,854
Financial liabilities included other payables and in accruals	14,555	—	—	14,555
Financial instruments issued to investors	—	—	1,162,522	1,162,522
Total	26,409	32,919	1,168,241	1,227,569

At 31 December 2024					
	On demand	Less than 1 year	1 to 5 years	5 to 10 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	—	27,960	36,175	27,687	91,822
Interest-bearing bank borrowings	—	39,749	—	—	39,749
Trade payables	33,326	—	—	—	33,326
Financial liabilities included other payables and in accruals	55,547	—	—	—	55,547
Financial instruments issued to investors	—	1,656,271	—	—	1,656,271
Total	88,873	1,723,980	36,175	27,687	1,876,715

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the relevant periods.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes lease liabilities but excludes financial instruments issued to investors). Adjusted capital comprises all components of equity and financial instruments issued to investors. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities	1,121,401	1,423,712	2,081,260
Less: Financial instruments issued to investors	(836,430)	(1,162,522)	(1,656,271)
Adjusted net debt	284,971	261,190	424,989
Total assets	405,178	468,582	621,540
Add: Financial instruments issued to investors	836,430	1,162,522	1,656,271
Adjusted capital	1,241,608	1,631,104	2,277,811
Gearing ratio	22.95%	16.01%	18.66%

41. EVENTS AFTER THE RELEVANT PERIODS

On 2 January 2025, the Group and Hangzhou Branch of China Merchants Bank Co., Ltd. signed a credit agreement, which stipulated that the bank would provide the Group with a credit line of RMB100,000,000 for the period from 3 January 2025 to 2 January 2026.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2024.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the Accountants' Report from Ernst & Young, Certified Public Accountants, Hong Kong, the Company's reporting accountants, as set out in Appendix I to this prospectus, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' 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 of our Group prepared in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants is to illustrate the effect of (i) the Global Offering; and (ii) conversion of ordinary shares with preferred rights into ordinary shares on the consolidated net tangible assets of our Group attributable to owners of the parent as of 31 December 2024 as if the Global Offering had taken place on that date.

The unaudited pro forma statement of adjusted consolidated net tangible assets of our Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not provide a true picture of the consolidated net tangible assets attributable to owners of the parent had the Global Offering been completed as of 31 December 2024 or at any future date.

It is prepared based on the consolidated net tangible assets of our Group attributable to the owners of the parent as of 31 December 2024 as set out in the Accountants' Report in Appendix I to this prospectus, and adjusted as described below. The unaudited pro forma adjusted consolidated net tangible assets does not form part of the Accountants' Report as set out in Appendix I to this prospectus.

Consolidated net tangible assets/(liabilities) attributable to owners of the parent as of 31 December 2024	Estimated impact to the consolidated net tangible assets upon conversion of ordinary shares with preferred rights	Estimated net proceeds from the Global Offering	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent as of 31 December 2024	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share as of 31 December 2024	
RMB'000 (Note 1)	RMB'000 (Note 2)	RMB'000 (Note 3)	RMB'000 (Note 4)	RMB (Note 4)	HK\$ (Note 5)
Based on Offer Price HK\$6.58 per Offer Share	(1,562,679)	1,656,271	529,562	623,154	1.05
					1.14

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Notes:

- (1) The consolidated net tangible liabilities of our Group attributable to owners of the parent as of 31 December 2024 was equal to the audited net liabilities attributable to owners of the parent as of 31 December 2024 of RMB1,460,405,000 after deduction of other intangible assets of RMB10,737,000 and goodwill of RMB91,537,000 as of 31 December 2024 set out in the Accountants' Report in Appendix I to this prospectus.
- (2) For the purpose of this unaudited pro forma statement, assuming the ordinary shares with preferred rights would have converted into ordinary shares upon completion of Global Offering. The conversion of ordinary shares with preferred rights would have reclassified such ordinary shares with preferred rights amounting to RMB1,656,271,000 from liabilities to equity and accordingly increased the unaudited pro forma adjusted consolidated net tangible assets of the Group as of 31 December 2024 by RMB1,656,271,000.
- (3) The estimated net proceeds from the Global Offering is based on an indicative Offer Price of HK\$6.58 per share, after deduction of the underwriting fees and other related expenses payable by the Company (excluding the listing expenses that have been charged to profit or loss during the Track Record Period) and do not take into account any Shares which may be issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option.
- (4) The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the parent per Share is arrived at after adjustments referred in note 2 above and on the basis of 595,420,000 Shares are in issue, assuming that the Global Offering has been completed on 31 December 2024 but does not take into account any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option or the Over-allotment Option.
- (5) For the purpose of this unaudited pro forma statement of adjusted net tangible assets attributable to owners of the parent, the balances stated in RMB are converted into HK\$ at the rate of RMB1.00 to HKD1.0925.
- (6) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

To the Directors of SAINT BELLA Inc.

We have completed our assurance engagement to report on the compilation of pro forma financial information of SAINT BELLA Inc. (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 December 2024, and related notes as set out on pages II-1 to II-2 of the prospectus dated 18 June 2025 issued by the Company (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Section A of Appendix II to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the (1) the Global Offering and (2) conversion of ordinary shares with preferred rights into ordinary shares on the Group’s financial position as at 31 December 2024 as if the transaction had taken place at 31 December 2024. As part of this process, information about the Group’s financial position, has been extracted by the Directors from the Group’s financial statements for the twelve months ended 31 December 2024, on which an accountants’ report has been published.

Directors’ Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the 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 (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**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 behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* 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 Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 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 Document* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the 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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the prospectus is solely to illustrate the impact of the Global Offering on unadjusted financial information of the Group as if 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 transaction would have been as presented.

A reasonable assurance engagement to report on whether the 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 Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma 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:

- (a) the Pro Forma Financial Information has been properly compiled 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 Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Certified Public Accountants

Hong Kong

18 June 2025

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 4 July 2023 under the Companies Act (As Revised) of the Cayman Islands (the “**Companies Act**”). The Company’s constitutional documents consist of its Memorandum of Association (the “**Memorandum**”) and its Articles of Association (the “**Articles**”).

MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Act and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on June 12, 2025 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

Shares

Classes of shares

The share capital of the Company consists of ordinary shares.

Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified 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 general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (including at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. 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 in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by members by ordinary resolution.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

Power of the Company to purchase its own shares

The Company is empowered by the Companies Act and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

The board may accept the surrender for no consideration of any fully paid share.

Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, 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 board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

Directors

Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not 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 shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. 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.

A Director (including a managing or other executive Director) may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

Power to allot and issue shares and warrants

Subject to the provisions of the Companies Act and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Act and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting.

Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

Compensation or payments for loss of office

Pursuant to the Articles, payments 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 be approved by the Company in general meeting.

Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) the giving of any security or indemnity either:–

(aaa) to the Director or his close associate(s) 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; or

(bbb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) 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;

(bb) any proposal concerning an offer of shares or 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 his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(cc) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:–

(aaa) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or

(bbb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Directors, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;

(dd) any contract or arrangement in which the Director or his close associate(s) 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.

Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. 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 an additional or casting vote.

Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

Meetings of members***Special and ordinary resolutions***

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles 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, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member and such corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, the right to speak and to vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

All members have the right to speak and vote at a general meeting except where a member is required, by the rules of the Stock Exchange, to abstain from voting to approve the matter under consideration.

Where the Company has any knowledge that any member is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company for each financial year and such general meeting must be held within six (6) months after the end of the Company's financial year unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more members 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, on a one vote per share basis. Such requisition shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the board shall be reimbursed to the requisitionist(s) by the Company.

Notwithstanding any provisions in the Articles, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting.

Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days. All other general meetings must be called by notice of at least fourteen (14) clear days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers; and
- (ee) the fixing of the remuneration of the directors and of the auditors.

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.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorized representative or proxy, and entitled to vote. In respect of a separate class meeting (including an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by ordinary resolution remove the auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed and approved by the Company by an ordinary resolution passed at a general meeting or in such manner as the members may by ordinary resolution determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that members 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 board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, 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 in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

Inspection of corporate records

Pursuant to the Articles, the register and branch register of members maintained in Hong Kong shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Act or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to members of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

Procedures on liquidation

Unless otherwise provided by the Companies Act, a resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and 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 *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members 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 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 the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of 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. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

Company operations

As an exempted company, the Company's 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 amount of its authorised share capital.

Share capital

The 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 premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums 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 Companies Act provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (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) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of 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 Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “**Court**”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person 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 acting 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.

Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised 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 and the Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution 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 issued shares of the company other than shares held as treasury 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.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not to be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

Dividends and distributions

The 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. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

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 made to the company, in respect of a treasury share.

Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative 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 and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court 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 Court shall direct.

Any shareholder of a company may petition the Court 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 or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must 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.

Disposal of assets

The Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) 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.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

Taxation

Pursuant to the Tax Concessions Act of the Cayman Islands, the Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 19 March 2024.

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 for 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 a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

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.

Loans to directors

There is no express provision in the Companies Act prohibiting the making of loans by a company to any of its directors.

Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) is made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the 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.

Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by Section 40 of the Companies Act. A branch register must be kept in the same manner in which a principal register is by the Companies Act required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the 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. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

Beneficial Ownership Register

An exempted company is required to identify its beneficial owners and provide details of these beneficial owners to its corporate service provider (“CSP”) which maintains its beneficial ownership register in the Cayman Islands. A beneficial owner is defined as an individual who (a) ultimately owns or controls, whether through director or indirect ownership or control 25% or more of the shares, voting rights, or partnership interests in the company, (b) otherwise exercises ultimate effective control over the management of the company, or (c) is identified as exercising control of the company through other means. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands although the Cayman Islands government may introduce regulations to allow for public access in the future. An exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange, may provide its CSP with details of its listed status as an alternative compliance route instead of providing details of its beneficial owners. Accordingly, as long as the shares of the Company remain listed on the Stock Exchange, the Company may opt for this alternative compliance route rather than maintaining a beneficial ownership register.

Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing seventy-five per cent. (75%) in value of creditors, or (ii) seventy-five per cent. (75%) in value of shareholders or class of shareholders, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the 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.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the 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.

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 Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act of the Cayman Islands ("**ES Act**") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. 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, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in the paragraph headed "Documents on Display" in Appendix V to this prospectus. 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 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 July 4, 2023. Its registered address is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

Our Company was registered in Hong Kong under Part 16 of the Companies Ordinance as a non-Hong Kong company on July 9, 2024 and our principal place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong. Ms. Oh Sim Yee (胡倩鈺) has been appointed as the agent for the acceptance of service of process and any notice required to be served on our Company in Hong Kong.

Since our Company was incorporated in the Cayman Islands, our Group's operation is subject to the relevant laws and regulations of the Cayman Islands as well as our Company's constitution which comprises the Memorandum and the Articles of Association. A summary of certain parts of our Company's constitution and certain relevant aspects of Cayman Islands company law is set out in Appendix III to this prospectus.

2. Changes in the Share Capital of our Company

At the date of incorporation, the authorized share capital of our Company was US\$50,000, divided into 500,000,000 Shares with a par value of US\$0.0001 each.

The following sets forth the changes in the share capital of our Company during the two years immediately preceding the date of this prospectus:

- (a) Upon incorporation of our Company on July 4, 2023, one Share was allotted and issued at par fully paid to ICS Corporate Services (Cayman) Limited, an Independent Third Party. On the same date, such one Shares was transferred to Primecare Investment.

- (b) On July 4, 2023, our Company allotted and issued the following number of Shares at par fully paid to the following persons:

Allottee	Number of Shares
Primecare Investment	309,063
Minee Holdings	531,845
Brainalone	90,909
Deltacare	68,182

- (c) On December 21, 2023, our Company allotted and issued the following number of Shares to the following persons as part of the Reorganization:

Allottee	Number of Shares	Total consideration (RMB)
Primecare BVI	3,824,388	2,127,544.02
Mr. Danny Xiang	424,932	236,393.78
SHK Strategic	298,470	10,779,683.94

- (d) On December 21, 2023, our Company allotted and issued the following number of nil paid Shares to the following Pre-IPO Investors as part of the Reorganization:

Allottee	Number of Shares	Total consideration (RMB)
Tencent Mobility	1,161,356	37,940,186.12
River Delta	175,000	5,717,052.69
C Capital.	169,492	5,537,096.54
Gotham Equity	119,153	3,892,578.61
Bourn Well	107,666	3,517,333.90
Elegant Riverine	67,797	2,214,838.44

The above Shares were subsequently fully paid up on December 25, 2023.

- (e) On December 22, 2023, our Company issued an aggregate of 2,462,755 warrants to certain Pre-IPO Investors for nil consideration as part of the Reorganization. Each warrant entitled its holder to subscribe for one Share. Further details of the warrants issued are as follows:

Holder	Number of warrants	Subscription amount if the warrants are exercised in full (RMB)
Gaorong Capital	825,755	26,976,493.48
Ningbo Tangzhu	661,121	21,598,087.43
Kunshan Tanglu	396,482	12,952,610.39
China Life	195,513	6,387,204.17
Hainan Shengdan	172,053	5,620,767.92
Zhuji Jiantou	127,085	4,151,736.56
Pegasus Capital	84,746	2,768,548.27

- (f) On June 7, 2024, all the warrants were exercised in full and our Company allotted and issued the following number of Shares to the following Pre-IPO Investors:

Allottee	Number of Shares
Gaorong BK Holding Limited, an affiliate of Gaorong Capital	825,755
Ningbo Tangzhu	661,121
Panda Six Limited, an affiliate of Kunshan Tanglu	396,482
China Life	195,513
Hainan Shengdan	172,053
Zhuji Jiantou	127,085
Pegasus Capital	84,746

- (g) On June 11, 2024, our Company allotted and issued the following number of Shares at par to the following persons upon capitalization of certain sums standing to the credit of the share premium account of our Company:

Allottee	Number of Shares
Primecare Investment	58,410
Minee Holdings	100,514
Brainalone	17,181
Deltacare	12,886

- (h) On December 31, 2024, our Company repurchased a total of 1,188,991 Shares at par from Primecare Investment, Minee Holdings, Brainalone and Deltacare.
- (i) On December 31, 2024, our Company repurchased 424,932 Shares from Mr. Danny Xiang for RMB236,393.78.
- (j) On December 31, 2024, our Company allotted and issued (a) 1,188,991 new Shares at par value to Primecare Alpha; and (b) 424,932 new Shares to Prime Intelligence for RMB236,393.78.

Except as disclosed above and in “4. Resolutions of our Shareholders Passed on June 12, 2025” below, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital or Registered Capital of our Subsidiaries

The following alterations in the share capital or registered capital of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

(a) Saint Bella BVI

On December 21, 2023, Saint Bella BVI allotted and issued 99 shares to our Company for an aggregate subscription price of RMB71,962,708.04.

(b) PrimeCare International

- (i) On December 18, 2023, PrimeCare International repurchased (A) 114 ordinary shares from Mr. Danny Xiang for a cash consideration of RMB6,800,000; and (B) 139 preference shares from SHK Strategic for a cash consideration of RMB15,400,000.
- (ii) On December 21, 2023, PrimeCare International allotted and issued 100 ordinary shares to Saint Bella BVI for an aggregate subscription price of RMB71,962,708.04.
- (iii) On December 21, 2023, PrimeCare International repurchased (A) 9,886 ordinary shares from Mr. Danny Xiang for a cash consideration of HK\$9,886; and (B) 694 preference shares from SHK Strategic for a cash consideration of HK\$694.

(c) Hangzhou Beikang

On February 9, 2024, Hangzhou Beikang purchased Zhuhai Beikang's entire equity interest in Hangzhou Beikang and as a result its capital was reduced by RMB440,000. Upon completion of such capital reduction, the registered capital of Hangzhou Beikang was reduced to RMB3,260,614.57.

Except as disclosed above and in "History, Reorganization, and Corporate Structure" in this prospectus, no other alterations in the share capital of other members of our Company took place within the two years immediately preceding the date of this prospectus.

4. Resolutions of our Shareholders Passed on June 12, 2025

Pursuant to the written resolutions of the Shareholders passed on June 12, 2025, our Shareholders adopted, among other things, the following resolutions:

- (a) the Memorandum of Association was adopted with immediate effect, and the Articles of Association were conditionally approved and adopted with effect upon Listing;
- (b) the authorized share capital of our Company was increased from US\$50,000 divided into 500,000,000 Shares to US\$100,000 divided into 1,000,000,000 Shares by the creation of an additional 500,000,000 Shares;
- (c) conditional on (A) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares in issue, the Shares to be allotted and issued pursuant to the Capitalization Issue and the Global Offering, and the Shares to be issued as mentioned in this prospectus; and (B) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the such agreements (or any conditions as specified in this prospectus), in each case on or before the dates and times specified in the Underwriting Agreements or otherwise:
 - (i) the Global Offering was approved and our Directors were authorized to allot and issue the Offer Shares pursuant to the Global Offering;
 - (ii) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, our Directors were authorize to capitalize US\$49,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par a total of 490,000,000 Shares for allotment and issue to

holders of Shares whose names appear on the register of members of our Company on the date of passing these resolutions in proportion (as near as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing respective shareholdings in our Company;

- (iii) a general unconditional mandate was granted to our Directors to allot, issue, and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or any scrip dividend schemes or similar arrangements providing for allotment and issue of Shares in lieu of the whole or in part of a dividend on Shares in accordance with the Articles of Association or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares (including any sale or transfer of treasury shares) not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Capitalization Issue and the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or 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 until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first;
- (iv) a general unconditional mandate was granted to our Directors authorizing them to exercise all powers of our Company to buy back on the Stock Exchange or on any other approved 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 number of issued Shares immediately following the completion of the Capitalization Issue and the Global Offering (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first; and
- (v) the extension of the general mandate mentioned in paragraph (v) above was extended by the addition to the number of issued Shares which may be allotted and issued (including any sale or transfer of treasury shares), or agreed conditionally or

unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares bought back by our Company pursuant to the mandate to buy back Shares referred to in paragraph (vi) above.

5. Repurchase of our Own Securities

The following explanatory statement includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid 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 its shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the written resolutions of all our Shareholders passed on June 12, 2025, a general unconditional mandate (the “**Repurchase Mandate**”) was granted to our Directors authorizing the repurchase of shares by our Company 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 the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until 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 by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles, the Listing Rules and the Cayman Companies Act. A listed company may not buy back its own shares 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.

(iii) Core connected persons

The Listing Rules prohibit our Company from knowingly buying back the Shares on the Stock Exchange from a “core connected person”, which includes a director, chief executive or substantial shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell his/her/its Shares to our Company.

(b) Reasons for Repurchase

Our Directors believe that it is in the best interest of our Company and the Shareholders for our Directors to have general authority from the Shareholders to enable our Company to buy back 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 if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of Repurchases

In repurchasing our Shares, our Company may only apply funds legally available for such purpose in accordance with the Memorandum and the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium amount of our Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase and, in the case of any premium payable on the purchase over the par value of the Shares to be bought back must be provided for, out of either or both of the profits of our Company or from sums standing to the credit of the share premium account of our Company. Subject to the Cayman Companies Act, a repurchase of Shares may also be paid out of capital.

On the basis of the current financial position of our Group as disclosed in “Financial Information” in this prospectus and taking into account the current working capital position of our Company, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared to the position disclosed in this prospectus. 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 or the gearing levels of our Group which in the opinion of our Directors are from time to time appropriate for our Group.

(d) Share Capital

The exercise in full of the Repurchase Mandate, on the basis of 595,420,000 Shares in issue immediately after Listing (but not taking into account of any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or the Over-allotment Option), would result in up to 59,542,000 Shares being bought back by our Company during the period until:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by any applicable law or the Articles to be held; or
- (iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

The Company may cancel any Shares it repurchased and/or hold them as treasury shares subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention if the Repurchase Mandate is exercised to sell any Share(s) to our Company or our subsidiaries.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, 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 Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

Immediately following completion of the Capitalization Issue and the Global Offering, but excluding any Shares that may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or the Over-allotment Option, Mr. Danny Xiang, through Prime Intelligence and Primecare BVI, will be able to control the exercise of approximately 35.7% of the voting rights of our Company. Accordingly, any repurchase of Shares by us may result in an increase in Mr. Danny Xiang's proportionate interest in the voting rights of our Company and he may hence become obliged under Rule 26 of the Takeovers Code to make a mandatory offer. Except as

disclosed in this section, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate. Our Directors have no present intention to exercise the power to buy back Shares to such extent.

No core connected person of our Company has notified our Group that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

Neither the explanatory statement on the Repurchase Mandate nor the Repurchase Mandate has any unusual features. The Directors will exercise the power of the Company to repurchase the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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 of our Group) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) a founder subscription agreement dated December 8, 2023 entered into among SAINT BELLA Inc., Saint Bella Holdings Limited, PrimeCare International Holdings Limited (貝康國際控股有限公司), Danny Xiang Hua, Primecare International Holdings Limited and Sun Hung Kai Strategic Capital Limited, pursuant to which Mr. Xiang Hua (向華), Primecare International Holdings Limited and Sun Hung Kai Strategic Capital Limited have agreed to subscribe for new shares of SAINT BELLA Inc. at an aggregate consideration of RMB13,143,621.74, while PrimeCare International Holdings Limited (貝康國際控股有限公司) has agreed to repurchase all its existing shares held by Mr. Xiang Hua (向華) and Sun Hung Kai Strategic Capital Limited in an aggregate amount of HKD10,580;
- (b) an investors subscription agreement dated December 21, 2023 entered into among SAINT BELLA Inc., Saint Bella Holdings Limited, PrimeCare International Holdings Limited (貝康國際控股有限公司), Hangzhou Beikang Health Technology Group Co., Ltd. (杭州貝康健康科技集團有限公司), Danny Xiang Hua, Primecare International Holdings Limited, Primecare Investment Holdings Limited, Minee Holdings Limited, Brainalone Holdings Limited, DELTACARE Holdings Limited, Tencent Mobility Limited, River Delta Capital SPC — Mirae Asset Prime Alpha SP, C Ventures SP I Ltd., Gotham Equity Limited, Bourn Well Investment Limited and Elegant Riverine Limited,

pursuant to which Tencent Mobility Limited, River Delta Capital SPC — Mirae Asset Prime Alpha SP, C Ventures SP I Ltd., Gotham Equity Limited, Bourn Well Investment Limited and Elegant Riverine Limited have agreed to subscribe for new shares of SAINT BELLA Inc. at an aggregate consideration of RMB58,819,086.3;

- (c) a warrant subscription agreement dated December 22, 2023 entered into among SAINT BELLA Inc., 烏蘭察布市高榕三期投資合伙企業(有限合伙), 寧波聯塑唐竹投資管理合伙企業(有限合伙), 昆山唐陸投資管理合伙企業(有限合伙), 北京國壽養老產業投資基金(有限合伙), 海南聖誕金晟創業投資合伙企業(有限合伙), 諸暨健投啟航股權投資合伙企業(有限合伙) and 無錫神騏好匯創業投資合伙企業(有限合伙), pursuant to which 烏蘭察布市高榕三期投資合伙企業(有限合伙), 寧波聯塑唐竹投資管理合伙企業(有限合伙), 昆山唐陸投資管理合伙企業(有限合伙), 北京國壽養老產業投資基金(有限合伙), 海南聖誕金晟創業投資合伙企業(有限合伙), 諸暨健投啟航股權投資合伙企業(有限合伙) and 無錫神騏好匯創業投資合伙企業(有限合伙) have agreed to subscribe for certain warrants of SAINT BELLA Inc. which entitle them to subscribe for new shares of SAINT BELLA Inc. at an aggregate consideration of RMB80,455,448.22;
- (d) a warrant instrument dated December 22, 2023 signed by SAINT BELLA Inc. setting out the terms and conditions of the warrants of SAINT BELLA Inc.;
- (e) an initial shareholders capitalisation agreement dated June 11, 2024 entered into among SAINT BELLA Inc., Saint Bella Holdings Limited, PrimeCare International Holdings Limited (貝康國際控股有限公司), Minee Holdings Limited, Lin Wanyi, Primecare Investment Holdings Limited, Hua Xiangli, Brainalone Holdings Limited, Han Jiwen, DELTACARE Holdings Limited and Yang Jian, pursuant to which SAINT BELLA Inc. has agreed to issue new shares to Primecare Investment Holdings Limited, Minee Holdings Limited, Brainalone Holdings Limited and DELTACARE Holdings Limited by way of capitalisation of the sum of US\$18.8991;
- (f) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., GIMM Holding Limited, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch and CLSA Limited, pursuant to which GIMM Holding Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of HK\$50,000,000 (excluding brokerage and levies);
- (g) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., China Asset Management (Hong Kong) Limited, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch

and CLSA Limited, pursuant to which China Asset Management (Hong Kong) Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent amount of US\$4,000,000 (excluding brokerage and levies);

- (h) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., JKKB Limited, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch and CLSA Limited, pursuant to which JKKB Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent amount of RMB94,000,000 (excluding brokerage and levies);
- (i) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., Carl Wu, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch and CLSA Limited, pursuant to which Carl Wu agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent amount of US\$1,000,000 (excluding brokerage and levies);
- (j) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., SS Morgan Capital Limited, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch and CLSA Limited, pursuant to which SS Morgan Capital Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent amount of US\$6,000,000 (excluding brokerage and levies);
- (k) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., Minwise Business Consulting Limited, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch and CLSA Limited, pursuant to which Minwise Business Consulting Limited agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent amount of US\$4,000,000 (excluding brokerage and levies);
- (l) a cornerstone investment agreement dated June 17, 2025 entered into among SAINT BELLA Inc., Wang Qianqing, UBS Securities Hong Kong Limited, CITIC Securities (Hong Kong) Limited, UBS AG Hong Kong Branch and CLSA Limited, pursuant to which Wang Qianqing agreed to subscribe for Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent amount of US\$7,000,000 (excluding brokerage and levies); and
- (m) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights of our Group



The following sets out certain information about our intellectual property rights which we consider to be material in relation to our business.

(a) Trademarks



As of the Latest Practicable Date, Hangzhou Beikang was the registered proprietor of the following trademarks which, in the opinion of our Directors, are considered to be material to our business:

Trademark	Class	Place of registration	Expiry date
SAINT BELLA	8, 21, 28, 29, 38	PRC	February 27, 2032
SAINT BELLA	43	PRC	October 6, 2032
SAINT BELLA	45	PRC	September 27, 2032
SAINT BELLA	35, 43, 44, 45	Hong Kong	February 13, 2032
圣贝拉	8, 10, 11, 18, 21, 29, 31, 38, 39	PRC	March 20, 2032
圣贝拉	40	PRC	March 13, 2032
圣贝拉	44, 45	PRC	September 27, 2032
圣贝拉	35, 43, 44, 45	Hong Kong	February 13, 2032
Baby BELLA 母婴护理中心	29, 30	PRC	May 27, 2032
Baby BELLA 母婴护理中心	43	PRC	June 13, 2033
SAINT BELLA 圣贝拉母婴护理中心	42	PRC	September 6, 2031
SAINT BELLA 圣贝拉母婴护理中心	45	PRC	September 27, 2031

As of the Latest Practicable Date, Beikang Guanghe was the registered proprietor of the following trademarks which, in the opinion of our Directors, are considered to be material to our business:

Trademark	Class	Place of registration	Expiry date
GUANGHETANG 广禾堂	5, 9, 30	PRC	February 20, 2034
GUANGHETANG 广禾堂	29	PRC	February 13, 2034
GUANGHETANG 广禾堂	38	PRC	December 16, 2033
GUANGHETANG 广禾堂	39, 42	PRC	February 27, 2034
GUANGHETANG 广禾堂	40	PRC	March 6, 2034
GUANGHETANG 广禾堂	43	PRC	December 6, 2033
	5, 39	PRC	June 20, 2032
	9, 29, 30, 32, 38, 40, 42, 43	PRC	June 13, 2032

As of the Latest Practicable Date, our Group had applied for the registration of the following trademarks which, in the opinion of our Directors, are considered to be material to our business:

No.	Trademark	Class	Name of applicant	Place of application	Application date
1.	SAINT BELLA 圣贝拉母婴护理中心	45	Hangzhou Beikang	Hong Kong	December 25, 2023
2.	Baby BELLA 小贝拉母婴护理中心	45	Hangzhou Beikang	Hong Kong	December 25, 2023
3.	 GUANGHETANG 广禾堂	5	Hangzhou Beikang	Hong Kong	December 25, 2023
4.	 子家 PRIMECARE FOR FAMILY	45	Beikang Enhu	Hong Kong	December 22, 2023

(b) Patents

As of the Latest Practicable Date, our Group had registered the following patents in the PRC which, in the opinion of our Directors, are material to our business:

No.	Patent	Type	Patent Number	Registered Owner	Application date	Status
1.	Magic Cube Box (魔方盒)	Utility Model	2022219530207	Beikang Guanghe	July 27, 2022	Granted
2.	A tablet candy made of polygonatum and its preparation method (一種黃精壓片糖果及其製 備方法)	Invention	2015102277738	Beikang Guanghe	May 6, 2015	Granted
3.	A digestive-promoting food and its preparation method (一種具有促進消化功能的 食品及其製備方法)	Invention	2012103097226	Beikang Guanghe	August 28, 2012	Granted
4.	A Chinese medicinal supplement for enhancing lactation and its preparation method (一種促進泌乳的中藥健康 食品及其製備方法)	Invention	2012103096098	Beikang Guanghe	August 28, 2012	Granted

(c) Software Copyrights

As of the Latest Practicable Date, our Group had registered the following software copyrights in the PRC which, in the opinion of our Directors, are material to our business:

No.	Software Name	Registrant	Registration Number	Date of Registration
1.	Nursing Art Therapy Intelligent AI Interaction System V1.0 (護理藝術療養智能AI交互系統 V1.0).	Beikang Technology	2020SR0528614	May 28, 2020
2.	Nursing Informatization Synchronous Data Acquisition System V1.0 (護理信息化同步數據採集系統 V1.0).	Beikang Technology	2020SR0529886	May 28, 2020
3.	AI Maternal and Infant Interaction Time Point Recommendation System V1.0 (智能母嬰交互時間點AI推薦系統 V1.0).	Beikang Technology	2020SR0529579	May 28, 2020
4.	AR + MR Nursing Experience Dynamic Construction Platform V1.0 (AR+MR護理體驗動態搭建平台系統V1.0).	Beikang Technology	2020SR0529910	May 28, 2020
5.	Nursing Art Therapy Knowledge Based Sharing System V1.0 (護理藝術療養知識庫共享系統 V1.0).	Beikang Technology	2020SR0529665	May 28, 2020
6.	PI Intelligent Nursing IOT Management System V1.0 (PI智能護理物聯管理系統V1.0) . . .	Beikang Technology	2021SR0043641	January 8, 2021

No.	Software Name	Registrant	Registration Number	Date of Registration
7.	PI Nursing User Dynamic Data Analysis Model V1.0 (PI護理用戶動態數據分析模型系統 V1.0)	Beikang Technology	2021SR0043134	January 8, 2021
8.	PI Maternal And Infant Emotional Interaction Touch Point Measurement Model V1.0 (PI母嬰情感交互接觸點測算模型系 統V1.0)	Beikang Technology	2021SR0043636	January 8, 2021
9.	PI Nursing Service Intelligent Supervision and Risk Feedback Early Warning System V1.0 (PI護理服務智能監督及風險反饋預 警系統V1.0)	Beikang Technology	2021SR0043135	January 8, 2021
10.	PI Nursing Standard Knowledge Based System V1.0 (PI護理標準體系知識庫系統V1.0) . .	Beikang Technology	2021SR0043152	January 8, 2021
11.	PI Art Therapy Nursing Plan BLA Optimization Adaptation System V1.0 (PI藝術療養護理方案BLA優化適配 結構系統V1.0)	Beikang Technology	2021SR0034451	January 7, 2021
12.	PI Nursing AR and VR Scenario-Based Intelligent Recommendation System V1.0 (PI基於AR與VR的護理情景化功能 智能推薦系統V1.0)	Beikang Technology	2021SR0034554	January 7, 2021

No.	Software Name	Registrant	Registration Number	Date of Registration
13.	PI Data Acquisition Ultra-Reliable Low-Latency Communication System V1.0 (PI採集數據超可靠低延遲通信系統 V1.0).	Beikang Technology	2021SR0032482	January 7, 2021
14.	PI Maternal and Infant IOT Device with Non-Disturbance Information Acquisition and Management System V1.0 (PI母嬰信息物聯設備無感採集網絡 管理系統V1.0)	Beikang Technology	2021SR0032481	January 7, 2021
15.	PI Maternal and Infant Intelligent and Synchronized Information Update Management System V1.0 (PI母嬰信息智能化同步更新管理系 統V1.0)	Beikang Technology	2021SR0032480	January 7, 2021

(d) Domain names

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain names which, in the opinion of our Directors, are considered to be material to our business:

No.	Domain name	Name of registered proprietor	Date of registration	Expiry date
1.	saintbella.com	Hangzhou Beikang	March 16, 2023	May 30, 2027
2.	guanghetang.cn	Beikang Guanghe	June 26, 2023	July 11, 2026

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) *Disclosure of Interests — Interests and short positions of our Directors and the chief executive of our Company in our Shares, underlying Shares and debentures of our Company and its associated corporations*

Immediately following completion of the Capitalization Issue and the Global Offering (but without taking into account any Shares which may allotted and issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option), the interests and short positions of our Directors and our chief executive in the Shares, underlying shares, and debentures of our Company and any 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 in which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name of Director	Nature of interest	Number of Shares interested ⁽¹⁾	Approximate percentage of interest
Mr. Danny Xiang ⁽²⁾	Interest in controlled corporations	212,466,000 Shares (L)	35.7%

Notes:

- (1) The letters “L” and “S” denote respectively the “long position” and “short position” (as defined under Part XV of the SFO) of the relevant person/entity in such Shares.
- (2) Mr. Danny Xiang is deemed to be interested in the 191,219,400 Shares held by Primecare BVI and the 21,246,600 Shares held by Prime Intelligence, in each case immediately following the completion of the Capitalization Issue. Each of Primecare BVI and Prime Intelligence is a company incorporated in the BVI and whose entire issued share capital is held by Mr. Danny Xiang.

(b) Particulars of Service Agreements and Letters of Appointment

Each of our Directors has entered into a service contract or letter of appointment with our Company. The principal particulars of these service agreements and appointment letters comprise (i) the term of the service; (ii) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

None of our Directors has or is proposed to have a service contract with any member of our Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

(c) Directors' Remuneration

Our executive Director, Mr. Danny Xiang, and our non-executive Director, Mr. Liang Jun, is not expected to receive any remuneration for holding their office as executive Director and non-executive Director, respectively.

We intend to pay a director's fee of RMB300,000 per annum to each of our independent non-executive Directors, being Ms. Wu Annie Suk Ching, Mr. Rainer Josef Bürkle and Mr. Sim Koon Yin Edmund. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as independent non-executive Directors.

Under the arrangements currently in force as of the date of this prospectus, the aggregate remuneration (including fees, salaries, allowances and benefits in kind, performance related bonuses, pension scheme contributions and equity-settled share-based payments and excluding any discretionary bonuses) payable by our Group to our Directors (including our independent non-executive Directors) in their respective capacity as Directors for the year ending December 31, 2025 are expected to be no more than RMB1.2 million.

2. Substantial Shareholders in our Subsidiaries

The following sets out the names of the persons/entities who are interested in 10% or more of the issued voting shares of our subsidiaries and their respective percentage shareholdings in the relevant subsidiaries:

Name of substantial shareholder	Subsidiary in which such substantial shareholder has 10% or more interest	Interest in the subsidiary (%)
Shenzhen Qianhai Defengxing Financial Services Co., Ltd. (深圳前海德豐行金融服務有限公司)	Shenzhen Beikang Zeen Health Management Co., Ltd. (深圳貝康澤恩健康管理有限公司)	10
FANG Yingqi (方滢琪)	Shenzhen Beikang Zeen Health Management Co., Ltd. (深圳貝康澤恩健康管理有限公司)	10
Shanxi Meiaibi Home Maternal and Infant Care Co., Ltd. (山西美艾比家母嬰護理有限公司)	Taiyuan Beikang Xiaobeila Health Management Co., Ltd. (太原貝康小貝拉健康管理有限公司)	30
COMO Hong Kong Limited	Yuezige	11.84
XU Jiaqi (徐佳奇)	Hangzhou Beikang Jian'en Health Consultation Co., Ltd. (杭州貝康健恩健康諮詢有限公司)	40
QIAN Beibei (錢蓓蓓)	Nanjing Beikang Ze'en Health Management Co., Ltd. (南京貝康澤恩健康管理有限公司)	20
YU Shaofen (余紹芬)	Ningbo Beikang Ze'en Health Management Co., Ltd. (寧波貝康澤恩健康管理有限公司)	10
Hangzhou Hubin Nanshan Commercial Development Co., Ltd. (杭州湖濱南山商業發展有限公司)	Beikang Nanshan	49
Shanshui Muxia (Beijing) Elderly Care Management Co., Ltd. (山水木下(北京)養老管理有限公司)	Hangzhou Beikang Muxia Health Management Co., Ltd. (杭州貝康木下康養健康管理有限公司)	25
LYU Yuan (呂遠)	Hangzhou Beikang Muxia Health Management Co., Ltd. (杭州貝康木下康養健康管理有限公司)	10

Name of substantial shareholder	Subsidiary in which such substantial shareholder has 10% or more interest	Interest in the subsidiary (%)
CHUNG Yu-fu (鍾宇富)	Beikang Guanghe	10
Hangzhou Hanlian Gongchuang Technology Co., Ltd. (杭州韓聯共創 科技有限公司).	Beikang Hanlian	20
Xu Zhiyi (徐知憶)	Shanghai Beikang Beize Health Consulting Co., Ltd. (上海貝康貝澤健康諮詢有限公司)	40.12

Note: Other than Dr. Chung Yu-fu, who is a member of our senior management, each of the above persons/entities would have been an Independent Third Party but for such person's or entity's interests in the relevant subsidiary of our Company.

Except as disclosed above and in the section headed "Substantial Shareholders" in this prospectus, our Directors are not aware of any person (other than our Directors or chief executive of our Company) who will, immediately following completion of the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), have interests or short positions in our Shares or underlying Shares which would be required 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 will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group (other than our Company).

3. Agency Fees or Commissions Received

Except as disclosed in this section, none of our Directors or any of the persons whose names are listed under "— E. Other Information — 7. Qualification of Experts" in this Appendix had received any commissions, discounts, brokerages, or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

4. Disclaimers

Except as disclosed in this prospectus:

- (a) none of our Directors has any interest or short position in any of the shares, underlying shares, or debentures of our Company or any associated corporations within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are listed;
- (b) none of our Directors nor any of the experts listed under “— E. Other Information — 7. Qualification of Experts” in this Appendix has been interested in the promotion of, or has any direct or indirect interest 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;
- (c) 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 business of our Group; and
- (d) save in connection with the Underwriting Agreements, none of the parties listed under “— E. Other Information — 7. Qualification of Experts” in this Appendix has any shareholding in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

D. SHARE AWARD SCHEME

The following is a summary of the principal terms of the Share Award Scheme approved and adopted by our Company on June 25, 2024. The Share Award Scheme is funded by existing Shares which are held by Primecare Alpha and involves no issue of new Shares or granting of awards for any new securities of our Company after the Listing. Given the underlying Shares under the Share Award Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Share Award Scheme.

(a) Purpose

The purpose of the Share Award Scheme is to recognize and acknowledge the contributions that the eligible participants had or may have made to our Group. The Share Award Scheme will provide the eligible participants an opportunity to have a stake in our Company with the view to achieving the following objectives: (i) motivate the eligible participants to optimize their performance for the benefit of our Group; and (ii) attract and retain or otherwise maintain an on-going working relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) Eligible participants

Persons eligible to participate in the Share Award Scheme include any employee (whether full-time or part time), officer, director, contractor, advisor or consultant employed by any member of our Group as selected by our Board, any committee of our Board and/or other persons to whom our Board has delegated its authority, in their absolute discretion.

(c) Term

Unless terminated earlier in accordance with the rules of Share Award Scheme, the Share Award Scheme will be valid and effective for a period commencing from the date of adoption and expiring on the tenth anniversary thereof.

(d) Vesting schedule and conditions

There is no consideration payable by the grantee upon acceptance of the award for the grant. Subject to any applicable vesting period, any awards granted under the Share Award Scheme may be exercisable at any time prior to the expiry of 10 years from the acceptance date of the grant (the “**Acceptance Date**”). Some awards are vested upon acceptances, whereas others are subject to the following vesting period: (i) 34% of the total number of Shares under the awards granted to such grantee can be exercised from the date immediately after the first anniversary of the Acceptance Date; (ii) 33% of the total number of Shares under the awards granted to such grantee can be exercised from the date immediately after the second anniversary of the Acceptance Date; and (iii) 33% of the total number of Shares under the awards granted to such grantee can be exercised from the date immediately after the third anniversary of the Acceptance Date.

(e) Source of Award Shares

The awarded Shares under the Share Award Scheme will be granted from the Shares held by Primecare Alpha. Primecare Alpha shall abstain from voting on matters that require shareholders’ approval under the Listing Rules in respect of the unvested Shares subject to the Share Award Scheme.

(f) Exercise of award

The exercise price of Shares payable under an Award shall be such price as determined by our Board, any committee of our Board and/or other persons to whom our Board has delegated its authority and set forth in the offer letter made by our Company to the grantee.

Unless otherwise provided in the Share Award Scheme or otherwise determined by our Board, any committee of our Board and/or other persons to whom our Board has delegated its authority, vested awards may be exercised in whole or in part at any time by giving written notice of exercise to our Company specifying the number of Shares to be purchased, accompanied by payment in full of the aggregate exercise price of the Shares. Our Board, any committee of our Board and/or other persons to whom our Board has delegated its authority may provide that an Award shall only become exercisable following the Listing and any approval deemed necessary from the State Administration for Foreign Exchange of the PRC, or other regulatory entity.

(g) Maximum entitlement of each eligible participant and maximum number of Shares

The Share Award Scheme does not specify maximum entitlement of each eligible participant.

The maximum number of Shares in respect of which awards may be granted under the Share Award Scheme is 18,373,700 Shares immediately following completion of the Capitalization Issue, representing approximately 3.1% of the issued share capital of our Company immediately upon completion of the Capitalization Issue and the Global Offering (without taking into account any exercise of the Offer Size Adjustment Option or the Over-allotment Option).

(h) Awards granted and outstanding awards

As of the Latest Practicable Date, all the Shares in respect of which awards may be granted under the Share Award Scheme had been granted but none of which had been exercised.

The table below sets out the details of awards granted to all eligible participants under the Share Award Scheme (assuming completion of the Capitalization Issue):

Name	Number of Shares under the awards granted ⁽¹⁾	Date of grant	Award period	Approximate percentage of issued Shares immediately after completion of the Capitalization Issue and the Global Offering ⁽²⁾
<i>Five highest paid individuals during the Track Record Period (in aggregate)</i>				
Five participants	13,580,605	May 29, 2025	Ten years from the Acceptance Date	2.3%
<i>Other grantees (in aggregate)</i>				
162 participants	4,793,095	May 29, 2025	Ten years from the Acceptance Date	0.8%

Notes:

- (1) The awards were granted to the participants at nil consideration, and the exercise price of the awards granted is US\$0.0001 per Share.
- (2) The above table assumes that the awards granted under the Share Award Scheme are not exercised. The underlying Shares in respect of the awards granted may be vested in the participants in accordance with the vesting schedule as disclosed in sub-paragraph (d) above.
- (3) Assuming that neither the Offer Size Adjustment Option nor the Over-allotment Option is exercised.

E. OTHER INFORMATION**1. Tax and Other Indemnities**

Our Directors have been advised that currently no material liability for estate duty is likely to fall upon our Company in the PRC.

2. Litigation

Save as disclosed in this prospectus, as of the Latest Practicable Date, we were not aware of any material legal proceedings, claims or disputes currently existing or pending against us, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against us that may have a material adverse effect on our business, financial position, or results of operations.

3. Joint Sponsors

The Joint Sponsors have applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option).

The total sponsor fees payable to the Joint Sponsors in connection with the Listing is US\$0.8 million.

4. Preliminary Expenses

The preliminary expenses incurred and paid by our Company relating to the incorporation of our Company was approximately RMB19,000.

5. Promoters

Our Company has no promoter for the purpose of the Listing Rules.

6. Taxation of Holders of Shares

(a) *Hong Kong*

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) *Cayman Islands*

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of Shares except those which hold interests in land in the Cayman Islands.

(c) *Consultation with Professional Advisers*

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasized that none of our Company, our Directors and any of the other Relevant Persons will accept responsibility for any tax effect on, or liabilities of, holder of Shares resulting from their holding or disposal of or dealing in the Shares or exercise of any rights attaching to them.

7. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
UBS Securities Hong Kong Limited . . .	Licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Name	Qualifications
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Commerce & Finance Law Offices	Legal advisers to the Company as to PRC law
DeHeng Law Offices	Legal advisers to the Company as to PRC law
Conyers Dill & Pearman	Legal advisers to the Company as to Cayman Islands law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

8. Consents of Experts

Each of the experts named in “— E. Other Information — 7. Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its names included in this prospectus in the form and context in which it is respectively included.

9. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provision) Ordinance insofar as applicable.

10. Miscellaneous

- (a) Except as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or of any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (iii) no commissions, discounts, brokerages, or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (iv) no commission has been paid or is payable for subscribing, agreeing to subscribe, procuring or agreeing to procure subscription for any shares in our Company or any of our subsidiaries.
- (b) Our Directors confirm that:
- (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) all necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement;
 - (iii) our Company has no outstanding convertible debt securities or debentures; and
 - (iv) there is no arrangement under which future dividends are waived or agreed to be waived.

11. Bilingual Document

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) the written consents referred to under “E. Other Information — 8. Consents of Experts” in Appendix IV to this prospectus; and
- (b) a copy of each of the material contracts referred to in “B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV to this prospectus.

DOCUMENTS ON DISPLAY

The following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.saintbella.com) up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and the Articles;
- (b) the Accountants’ Report prepared by Ernst & Young, the text of which is set out in Appendix I to this prospectus;
- (c) the report on the unaudited pro forma financial information of our Group prepared by Ernst & Young, the texts of which is set out in Appendix II to this prospectus;
- (d) the audited consolidated financial statements of our Company for the years ended December 31, 2022, 2023, and 2024;
- (e) the letter of advice prepared by Conyers Dill & Pearman, our legal adviser as to Cayman Islands law, in relation to certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;
- (f) the legal opinions prepared by Commerce & Finance Law Offices, our legal adviser as to PRC law, in relation to certain aspects of our Group and our property interests in Mainland China;
- (g) the legal opinion prepared by DeHeng Law Offices, our legal adviser as to PRC law, in relation to certain aspects of the business operation of our Group in Mainland China;

- (h) the Cayman Companies Act;
- (i) the Frost & Sullivan Report;
- (j) the written consents referred to in “Statutory and General Information — E. Other Information — 8. Consents of Experts” in Appendix IV to this prospectus; and
- (k) the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV to this prospectus.

SAINT BELLA

SAINT BELLA Inc.