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# ClouDr Group Limited

## 智雲健康科技集團\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9955)**

### **DISCLOSEABLE TRANSACTIONS**

#### **(1) DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY; AND (2) GRANT OF REPURCHASE RIGHT**

### **INTRODUCTION**

The Board is pleased to announce that on January 12, 2024, the Company, the Target Company, Zhiyun Huiyi, Hangzhou Kangsheng, Wuhu Kangjian and the Investors entered into the Capital Increase Agreement, pursuant to which, among others, the Investors agreed to make capital contributions in the aggregate amount of RMB200,000,000 into the Target Company by way of cash contribution in return for approximately 4.26% equity interest in aggregate in the enlarged registered capital of the Target Company.

In connection with the Capital Increase, the Company, the Target Company, Zhiyun Huiyi, Hangzhou Kangsheng, Wuhu Kangjian and the Investors entered into the Shareholders' Agreement on January 12, 2024, which shall be effective on the Completion Date, to govern, among other matters, the affairs, business and management of the Target Company Group, and the relationship, the rights and obligations among the shareholders of the Target Company.

## THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out as follows:

**Date:** January 12, 2024

**Parties:**

- (1) the Company;
- (2) the Target Company;
- (3) Zhiyun Huiyi;
- (4) Hangzhou Kangsheng;
- (5) Wuhu Kangjian;
- (6) Industrial Fund;
- (7) Jinghu Zhenye; and
- (8) Wuhu Jingxin.

**Capital Increase:** The Investors agreed to inject an aggregate amount of RMB200,000,000 into the Target Company by way of cash contribution in return for an increase in the registered capital of the Target Company of approximately RMB549,828, representing approximately 4.26% equity interest in aggregate in the enlarged registered capital (i.e., RMB12,920,962) of the Target Company.

**Basis of consideration and payment terms:**

The consideration payable by the Investors in connection with the Capital Increase was determined by the parties after arm's length negotiation with reference to (i) the pre-investment valuation of 100% of the equity interest of the Target Company of approximately RMB4.5 billion as of May 31, 2023 (the "**Valuation Reference Date**") based on market approach, the details of which are set out in the section headed "Valuation of the Target Company" below; (ii) the historical financial position and track record of the Target Company Group (see the section headed "Financial Information" below), in particular the rapid growth of the Target Company Group during the years ended December 31, 2021 and December 31, 2022 and the five months ended May 31, 2023; (iii) the potential development and future prospects of the Target Company, taking into account, among others, the Target Company Group's business plans and strategies and trend in the chronic condition management industry in the PRC; (iv) the synergies that already exist and are anticipated to be enhanced among the Target Company Group, the rest of the Group and the Investors; and (v) the factors set out in the section headed "Reasons for and Benefits of Entering into the Capital Increase Agreement and the Shareholders' Agreement" below.

Each of Industrial Fund and Jinghu Zhenye shall pay its cash consideration of the Capital Increase within 15 working days (or such other time as agreed by the parties) after all of the conditions precedents set out in the Capital Increase Agreement have been satisfied or waived in writing in accordance with the terms of the Capital Increase Agreement. Wuhu Jingxin shall transfer its consideration in respect of the Capital Increase as deposit within 10 working days from the date of the Capital Increase Agreement, which shall be converted to contribution to the registered capital of the Target Company on the date of the completion of the Capital Increase by Industrial Fund.

**Completion:**

In respect of the Capital Increase by each Investor, completion shall take place upon completion of payment of the relevant cash consideration of the Capital Increase by that Investor to the Target Company (while the completion in respect of Wuhu Jingxin shall take place on the conversion of its deposit into registered capital of the Target Company as described above) and the satisfaction or waiver (as the case may be) of the conditions precedent to Completion.

The aforementioned completion by each Investor is not inter-conditional upon each other.

**Conditions Precedents:**

The conditions precedents to Completion include, among others:

- (a) the representations and warranties of the Warrantors being true, accurate and complete and not misleading in all respects on each of the date of the Capital Increase Agreement and the Completion Date; the Warrantors having performed or complied with their respective undertakings, obligations and covenants under the Capital Increase Agreement on or before the Completion Date;
- (b) the relevant parties having validly executed the transaction documents in relation to the transactions contemplated under the Capital Increase Agreement including the Shareholders' Agreement and the amended articles of association of the Target Company;

- (c) the existing shareholders of the Target Company having (i) approved the Capital Increase and waived their respective pre-emptive rights in respect of the Capital Increase, (ii) approved the execution of the transaction documents in relation to the Capital Increase, and (iii) approved the adoption of the amended articles of association of the Target Company. The Company has also obtained the necessary board approval to execute the transaction documents in relation to the Capital Increase and the transactions contemplated thereunder in accordance with applicable listing rules and its internal governance policies;
- (d) the Investors having obtained the approvals of their competent authorities for the transactions contemplated under the Capital Increase; and
- (e) the specified key employees of the Target Company Group having executed labour contracts, non-compete agreements, non-disclosure agreements and intellectual property ownership agreements with the Target Company Group.

**Use of Proceeds:**

The proceeds from the Capital Increase shall be applied to the development of the Target Company's principal business and operation of business related to the Target Company's principal business, or any other purposes as agreed by the Investors.

The consideration to be paid by each of the Investors for the Capital Increase, and the shareholding structure of the Target Company immediately before and after the Completion of the Capital Increase is set out below:

	As at the date of this announcement		Immediately upon Completion of the Capital Increase		Approximate equity interest in the registered capital of the Target Company (as enlarged by the Capital Increase) (%)
	Registered capital of the Target Company (RMB)	Approximate equity interest in the registered capital of the Target Company (%)	Consideration to be paid by each of the Investors (RMB)	Registered capital of the Target Company (RMB)	
Zhiyun Huiyi	12,000,000	97.00	—	12,000,000	92.87
Wuhu Kangjian (i.e., the Employee Shareholding Platform)	371,134	3.00	—	371,134	2.87
Investors	—	—	200,000,000	549,828	4.26
Industrial Fund	—	—	154,000,000	423,368	3.28
Jinghu Zhenye	—	—	10,000,000	27,491	0.21
Wuhu Jingxin	—	—	36,000,000	98,969	0.77
<b>Total</b>	<b>12,371,134</b>	<b>100.00</b>	<b>200,000,000</b>	<b>12,920,962</b>	<b>100.00</b>

*Note:*

Immediately after the Completion of the Capital Increase, the amount of registered capital acquired by each of the Investors is rounded to the nearest one RMB, and the approximate percentages of the equity interest in the registered capital of the Target Company are rounded to the nearest two decimal places.

## Valuation of the Target Company

After considering the purpose and basis of the valuation, the availability and reliability of information for analysis, and the relative pros and cons of each approach relative to the nature and circumstances of the Target Company, the parties to the Capital Increase Agreement are of the view that the market approach is the most appropriate valuation approach for the valuation, as compared to income approach or cost approach, because: (i) income approach would be more dependent on long-term financial forecast which requires unobservable inputs and subjective assumption; (ii) cost approach does not directly incorporate information about the economic benefits contributed by the assets or business of the Target Company; and (iii) the market approach better reflects current market expectations for the relevant industry since the price multiples of comparable companies under the market approach are derived from market consensus and are likely to capture the potential future development of the Target Company Group and it also introduces objectivity in application as publicly available inputs are used.

In the valuation, the market value of the equity interests of the Target Company was developed through the research of comparable companies' benchmark multiples and proper selection of a suitable multiple. In order to reflect the latest operation status of the Target Company, it is considered that the suitable multiples in this valuation is the price-to-sales (P/S) ratio, which is derived by the market capitalization as of the Valuation Reference Date divided by revenue for last twelve months ("LTM"), as most of the companies engaged in healthcare digitalization business are either loss-making or with fluctuating earnings whilst their sales are steadily growing.

In determining the valuation of the Target Company, the following key assumptions were made:

- (1) the Target Company will continue its business activities into the foreseeable future;
- (2) the Target Company will continue to operate in its industry and will maintain or grow its market share;
- (3) there are no hidden or unexpected conditions associated with the Target Company that might adversely affect the reported value;
- (4) there are no material changes in the relevant existing laws, regulations, policies, local political, economic and social environment of such places where the parties to the transaction are located; and
- (5) there are no other force majeure factors and unforeseeable factors that have a significant adverse impact on the Target Company.

The initial selection criteria of market comparable companies include:

- (1) the comparable companies are publicly listed in Hong Kong and/or Mainland China;
- (2) the comparable companies are mainly engaged in the healthcare sector, with specialization in healthcare digitalization and in the sale and marketing of medical products (with revenue contribution from the relevant business segment of 90% or more); and
- (3) P/S ratio as of the Valuation Reference Date of the comparable companies is available.

Based on the above mentioned selection criteria, an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis and six comparable companies were shortlisted based on the similarity of their business model, industry status, geographic coverage and customer base etc. with that of the Target Company Group. The details of these comparable companies are shown below:

<b>Company Name</b>	<b>Market Capitalization*</b> <i>(RMB million)</i>	<b>LTM Revenue**</b> <i>(RMB million)</i>	<b>P/S ratio</b>
Company A	4,719	805	5.9
Company B	18,260	6,160	3.0
Company C	2,643	4,329	0.6
Company D	30,394	110,860	0.3
Company E	52,201	231,265	0.2
Company F	26,972	9,150	2.9

*Notes:*

\* *Market capitalization as of the Valuation Reference Date*

\*\* *LTM Revenue = Revenue for the year ended December 31, 2022 except that for Company A which has financial end year as of March 31, the LTM revenue is the revenue for the financial year ended March 31, 2022.*

\*\*\* *for illustrative purpose, the exchange rate for HKD and RMB is 1HKD=0.9037RMB.*

The calculation of the market value of Target Company as of the Valuation Reference Date is as follows:

	<b>As of the Valuation Reference Date</b> <i>(RMB million)</i>
Average P/S ratio of selected market comparable companies	2.1
Revenue for the year ended December 31, 2022 of the Target Company	2,171
Valuation of the Target Company	4,559

## **THE SHAREHOLDERS' AGREEMENT**

Pursuant to the Shareholders' Agreement, the Investors are granted certain standard minority shareholder rights with respect to the Target Company, including, among others, pre-emptive right, right of first refusal, right of co-sale, information rights and repurchase right.

With respect to the repurchase right, the Shareholders' Agreement provide that, from the Completion Date and at any time on or after the occurrence of any of the Trigger Events (as defined below), each of the Investors shall have the right (the "**Repurchase Right**") to require the Target Company, the Company and Zhiyun Huiyi (jointly and severally) to pay the Repurchase Price (as defined below) to repurchase its respective equity interest in the Target Company within 90 days after receipt of the written notice from such Investor. The trigger events (the "**Trigger Events**") under the Shareholders' Agreement include:

- (a) information provided by the Target Company Group is false, misleading, incomplete or fraudulent which could cause a material adverse impact on the Target Company Group, and the Target Company Group has not carried out effective remedial measures within 30 days of the written notice by the Investors;
- (b) the Target Company fails to submit an application for a qualified IPO, or such application is not accepted, by December 31, 2027;
- (c) the Target Company fails to consummate a qualified IPO by December 31, 2028;
- (d) the auditors of Target Company issue an audit report with non-unqualified opinion;

- (e) any one or more of the Target Company, Zhiyun Huiyi and Wuhu Kangjian committing a material breach of its obligations in relation to the Capital Increase which has a material adverse impact on the Target Company Group or on the rights of the Investors under the transaction documents in respect of the Capital Increase, and such party fails to carry out effective remedial measures within 30 days at the request by the Investors or such breach cannot be remedied;
- (f) the Target Company or Zhiyun Huiyi violates the laws, regulations and rules and is as a result subject to administrative penalties, or under criminal liabilities and is unable to comply with the judgements or decisions of the court or arbitration center, which has caused a material adverse impact on the Target Company Group or has created a significant impediment to the consummation of a qualified IPO by the Target Group;
- (g) the actual results of the Target Company Group do not meet 90% of any of the performance targets set out in the Shareholders' Agreement;
- (h) any shareholder of the Target Company requests the Target Company or Zhiyun Huiyi to repurchase any or all of their equity interests in the Target Company (other than in accordance with any employee share incentive plan approved in accordance with the Shareholders' Agreement); and
- (i) Zhiyun Huiyi loses control in the Target Company.

The repurchase price (the “**Repurchase Price**”) shall be calculated in accordance with the following formula:

$$I \times (1 + R \times N) - A$$

of which:

- (a) “I” means the total consideration paid by a grantee of the Repurchase Right in the Capital Increase;
- (b) “R” means the simple interest rate for the Repurchase Right, being 6.5%;
- (c) “N” is a fraction, the numerator of which shall be the number of days between the Completion Date and the date on which the Target Company and/or the Company and/or Zhiyun Huiyi (as the case may be) pay the repurchase price to the Investor (the “**Repurchase Date**”), and the denominator of which shall be 365; and
- (d) “A” means the cumulative value of dividends or distribution received by each Investor as of the Repurchase Date.

## FINANCIAL INFORMATION

Set out below is the audited financial information of the Target Company for the years ended December 31, 2021 and December 31, 2022 and the five months ended May 31, 2023, respectively, extracted from the audited consolidated financial statements of the Target Company prepared in accordance with General Accepted Accounting Principles of the PRC (中國企業會計準則):

	<b>For the five months ended May 31, 2023</b>	<b>For the year ended December 31,</b>	
	<b>RMB'000</b>	<b>2022</b>	<b>2021</b>
	<b>(audited)</b>	<b>(audited)</b>	<b>(audited)</b>
Net profit (loss) before tax	18,971	19,166	(106,466)
Net profit (loss) after tax	17,637	17,555	(107,775)

The total asset value and net asset value of the Target Company based on the audited consolidated financial statements of the Target Company prepared in accordance with General Accepted Accounting Principles of the PRC as at May 31, 2023 are approximately RMB1,208.10 million and approximately RMB847.01 million, respectively.

## FINANCIAL EFFECT OF THE DEEMED DISPOSAL ON THE GROUP

Immediately after the Completion, the Company's interest in the Target Company will be diluted from 97.00% to approximately 92.87%. As such, the Capital Increase will constitute a deemed disposal of the Group's interests in the Target Company under Chapter 14 of the Listing Rules. The Target Company will continue to be a subsidiary of the Company, and the financial results of the Target Company Group will continue to be consolidated in the consolidated financial statements of the Company immediately after the Completion.

There is no expected gain or loss resulting from the Deemed Disposal. As the Capital Increase will not result in loss of the Group's control over the Target Company Group, any deemed disposal as a result of the Capital Increase will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss by the Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT AND THE SHAREHOLDERS' AGREEMENT**

The Company believes that the entering into of the Capital Increase Agreement and the Shareholders' Agreement for the Capital Increase is beneficial to the future growth and success of the Target Company Group and would deliver benefits to the Group by (i) allowing the Company an opportunity to acquire the fair value of its investment in the Target Company, (ii) enabling the Group to generate an additional source of funds (including capital expenditure and operating expense) required for subsequent development of the Target Company Group, and (iii) diversifying the Target Company's corporate profile, thereby enhancing its reputation and increasing its ability to attract future investors and strategic partners who can produce synergy for the Target Company.

The Board (including the independent non-executive Directors) considers that the terms of the Capital Increase Agreement and the Shareholders' Agreement are negotiated on arm's length basis and on normal commercial terms, which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Group**

The Company and its subsidiaries are principally engaged in providing supplies and software as a service ("SaaS") to hospitals and pharmacies, digital marketing services to pharmaceutical companies, and online consultation and prescriptions to patients, all centered around chronic condition management.

The Target Company is a limited liability company established in the PRC on May 12, 2023. It is principally engaged in the provision of supplies and SaaS services, digital marketing services to pharmaceutical companies, sale and marketing of products, and other businesses related to chronic condition management.

Hangzhou Kangsheng is a limited liability company established in the PRC on December 9, 2014 and is a direct wholly-owned subsidiary of the Target Company. It is principally engaged in the provision of SaaS services, digital marketing services, sale and marketing of products.

Zhiyun Huiyi is a limited liability company established in the PRC on December 20, 2020 and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in the provision of SaaS services, digital marketing services, sale and marketing of products.

Wuhu Kangjian is a limited partnership established on July 7, 2023. It is an employee shareholding platform set up for holding the interest in the Target Company only with no business operation (i.e., the Employee Shareholding Platform). As at the date of this announcement, the ultimate beneficial owners of Wuhu Kangjian are Mr. Kuang Ming and other employees of the Group.

## The Investors

Industrial Fund is a limited liability company established in the PRC on June 16, 2017. It is principally engaged in investment business. As at the date of this announcement, it is owned as to approximately 97.125% by Wuhu Construction Investment Co., Ltd.\* (蕪湖市建設投資有限公司, “**Wuhu Construction Investment**”) and as to approximately 2.875% by Wuhu Entrepreneurial (Venture) Investment Guidance Fund\* (蕪湖市創業(風險)投資引導基金). The ultimate beneficial owners of Wuhu Construction Investment are the State-owned Assets Supervision and Administration Commission of Wuhu Municipal People’s Government\* (蕪湖市人民政府國有資產監督委員會) and Anhui Provincial Department of Finance\* (安徽省財政廳).

Jinghu Zhenye is a limited liability company established in the PRC on June 30, 2023. It is principally engaged in investment business. As at the date of this announcement, it is owned as to 50% by each of Jinghu District Bureau of Finance (蕪湖市鏡湖區財政局) and Wuhu Jinghu Construction Investment Co., Ltd.\* (蕪湖市鏡湖建設投資有限公司) (which is in turn ultimately beneficially owned by the State-owned Assets Supervision and Administration Committee of the People’s Government of Jinghu District of Wuhu Municipality\* (蕪湖市鏡湖區人民政府國有資產監督委員會)).

Wuhu Jingxin is a limited partnership established on May 8, 2023. It is principally engaged in investment business. As at the date of this announcement, Wuhu Jingxin is held by its general partner, Jingxinhe (Beijing) Private Equity Fund Management Co., Ltd.\* (京新合(北京)私募基金管理有限公司, “**Jingxinhe**”) as to approximately 1%, and by its limited partners, namely Anhui Cultural and Digital Creative Industry Investment Fund\* (安徽文化和數字創意產業投資基金) as to approximately 30%, 91health Shanghai Limited\* (上海運臻網絡科技有限公司, a wholly-owned subsidiary of the Company) as to approximately 20%, Wuhu Jiuchuang Investment Fund Co., Ltd.\* (蕪湖市鳩創投資基金有限公司) as to approximately 19%, Beijing Zhinuo Chuangying Enterprise Management Service Center (北京智諾創贏企業管理服務中心) as to approximately 15%, and Liu Jiayu (劉加玉) as to approximately 15%. Jingxinhe is ultimately controlled by Sun Zuxing. The ultimate beneficial owners of Anhui Cultural and Digital Creative Industry Investment Fund\* include the State-owned Assets Supervision and Administration Commission of Wuhu Municipal People’s Government\* (蕪湖市人民政府國有資產監督委員會), Anhui Provincial Department of Finance (安徽省財政廳), Anhui Provincial People’s Government\* (安徽省人民政府) and Hefei Municipal Bureau of Finance\* (合肥市財政局).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save as disclosed above, each of the Investors (namely, Industrial Fund, Jinghu Zhenye and Wuhu Jingxin) and their respective ultimate beneficial owner(s) is a third party independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

Immediately after the Completion, the Company's interest in the Target Company will be diluted from approximately 97.00% to approximately 92.87%. As such, the Capital Increase will constitute a deemed disposal of the Company under Rule 14.29 of the Listing Rules.

As one or more of the relevant applicable percentage ratios (as defined under the Listing Rules) of the Deemed Disposal is more than 5% but all of such ratios are less than 25%, the Deemed Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and will be subject to reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules.

Since the exercise of the Repurchase Right is not at the discretion of the Target Company, the Company or Zhiyun Huiyi, according to Rule 14.74(1) of the Listing Rules, on the grant of the Repurchase Right, the transactions will be classified as if the Repurchase Right had been exercised. Since one or more of the applicable percentage ratios for the grant of the Repurchase Right are more than 5% but less than 25%, the grant of the Repurchase Right to the Investors under the Shareholders' Agreement constitutes a discloseable transaction of the Company, which is subject to reporting and announcement requirements, but exempt from shareholders' approval requirements, under Chapter 14 of the Listing Rules. The Company will comply with Rule 14.74(2) of the Listing Rules upon exercise of the Repurchase Right, if any.

**Shareholders and potential investors of the Company should be aware that there is no assurance that Completion will proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.**

The Company will make further announcement(s) in relation to the Completion as and when appropriate.

## DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise.

<b>“associate(s)”</b>	has the same meaning as ascribed to it under the Listing Rules
<b>“Board”</b>	board of Directors
<b>“Capital Increase”</b>	the injection of an aggregate amount of RMB200,000,000 into the Target Company by way of cash contribution by the Investors pursuant to the Capital Increase Agreement in return for approximately 4.26% equity interest in aggregate in the enlarged registered capital of the Target Company
<b>“Capital Increase Agreement”</b>	the capital increase agreement dated January 12, 2024 entered into among the Company, the Target Company, Zhiyun Huiyi, Hangzhou Kangsheng, Wuhu Kangjian and the Investors in relation to the Capital Increase
<b>“Company”</b>	ClouDr Group Limited, an exempted company with limited liability incorporated in the Cayman Islands on August 24, 2015, and, where the context requires, its subsidiaries and consolidated affiliated entities from time to time
<b>“Completion”</b>	the completion of the Capital Increase, that is the completion of payment of the cash consideration of the Capital Increase by all the Investors to the Target Company
<b>“Completion Date”</b>	the day on which the Completion shall take place
<b>“connected person(s)”</b>	has the same meaning as ascribed to it under the Listing Rules
<b>“Deemed Disposal”</b>	the deemed disposal of the Company’s interest in the Target Company resulting from the dilution of the Company’s interest in the Target Company from approximately 97.00% to approximately 92.87% as a result of the Capital Increase
<b>“Director(s)”</b>	the director(s) of the Company

<b>“Group”</b>	the Company, its subsidiaries and the consolidated affiliated entities from time to time
<b>“Hangzhou Kangsheng”</b>	Hangzhou Kangsheng Health Management Consulting Co., Ltd.* (杭州康晟健康管理諮詢有限公司), a direct wholly-owned subsidiary of the Target Company
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Industrial Fund”</b>	Wuhu Industrial Investment Fund Co., Ltd.* (蕪湖產業投資基金有限公司), a limited liability company established in the PRC
<b>“Investors”</b>	Industrial Fund, Jinghu Zhenye and Wuhu Jingxin (and <b>“Investor”</b> shall mean any one of the Investors)
<b>“Jinghu Zhenye”</b>	Wuhu Jinghu Zhenye Investment Fund Co., Ltd.* (蕪湖市鏡湖振業投資基金有限公司), a limited liability company established in the PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“PRC”</b>	People’s Republic of China
<b>“Repurchase Right”</b>	has the meaning ascribed to such term in the section headed “The Shareholders’ Agreement” of this announcement
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Shareholder(s)”</b>	holder(s) of the Shares
<b>“Shareholders’ Agreement”</b>	the shareholders’ agreement entered into among the Company, the Target Company, Zhiyun Huiyi, Hangzhou Kangsheng, Wuhu Kangjian and the Investors on January 12, 2024 which will take effect on the Completion Date
<b>“Share(s)”</b>	the ordinary share(s) in the share capital of the Company, currently of a nominal value of US\$0.0001 each

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Anhui Zhiyi Huiyun Technology Co., Ltd.* (安徽智醫慧雲科技有限公司), an indirect non-wholly owned subsidiary of the Company
“Target Company Group”	all subsidiaries, branches and any other entities directly or indirectly controlled by the Target Company (including but not limited to Hangzhou Kangsheng)
“US\$”	U.S. dollars, the lawful currency of the United States of America
“Warrantor(s)”	the Target Company Group, the Company, Zhiyun Huiyi and Wuhu Kangjian
“Wuhu Jingxin”	Wuhu Jingxin Digital Creative Industry Investment Fund Partnership (Limited Partnership)* (蕪湖京新數字創意產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“Wuhu Kangjian” or the “Employee Shareholding Platform”	Wuhu Kangjian Enterprise Management Consulting Partnership (Limited Partnership)* (蕪湖康健企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC
“Zhiyun Huiyi”	Hangzhou Zhiyun Huiyi Technology Co., Ltd.* (杭州智雲匯醫科技有限公司)

By Order of the Board  
**ClouDr Group Limited**  
**Kuang Ming**  
*Chairman, Executive Director and  
Chief Executive Officer*

Hong Kong, January 12, 2024

*As at the date of this announcement, the Board comprises Mr. Kuang Ming as the executive Director, Mr. Lee Kar Chung Felix as the non-executive Director, and Dr. Hong Weili, Mr. Zhang Saiyin and Mr. Ang Khai Meng as the independent non-executive Directors.*

\* For identification purpose only