

## A. FURTHER INFORMATION ABOUT OUR GROUP

### 1. Incorporation

Our Company was incorporated under the laws of the Cayman Islands on May 19, 2015 as an exempted company with limited liability. Upon our incorporation, our authorized share capital was US\$50,000 divided into 500,000,000 shares of a par value of US\$0.0001 each.

Our registered office address is at Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles is set out in Appendix III.

Our registered place of business in Hong Kong is at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 30, 2021 with the Registrar of Companies in Hong Kong. Ms. TSANG Wing Man has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

### 2. Changes in Share Capital of Our Company

As at the date of our incorporation, our authorized share capital was US\$50,000 divided into 500,000,000 shares of a par value of US\$0.0001 each. As of the Latest Practicable Date and immediately prior to the Global Offering (assuming neither the Over-allotment Option nor any outstanding 2017 Plan Option is exercised), the issued share capital of our Company was US\$75,310,5914 divided into 216,530,455 Ordinary Shares and 536,575,459 Preferred Shares. Immediately following the completion of the Global Offering (assuming neither the Over-allotment Option nor any outstanding 2017 Plan Option is exercised), the issued share capital of the Company will be US\$76,302,5314 divided into 763,025,314 Shares, all fully paid or credited as fully paid.

Save as disclosed in "History, Reorganization and Corporate Structure" in this prospectus, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

### 3. Changes in the Share Capital of Members of Our Group

A summary of the corporate information and the particulars of our major subsidiaries are set out in Note 1 to the Accountants' Report as set out in Appendix I.

The following sets out the changes in the registered capital of members of our Group within the two years immediately preceding the date of this prospectus:

#### *Sipai Healthcare Investment*

For the details of the changes in the share capital of Sipai Healthcare Investment, see "History, Reorganization and Corporation Structure—Corporate Development of Our Group" in this prospectus.

#### *Sipai Wisdom Pharmacy*

Sipai Wisdom Pharmacy (Guangzhou) Co., Ltd. (思派智慧大藥房 (廣州) 有限公司) ("Sipai Wisdom Pharmacy") is wholly-owned by Sipai Healthcare Investment and Sipai Healthcare Investment contributed the following capital injection to Sipai Wisdom Pharmacy within the two years immediately preceding the date of this prospectus:

<u>Date</u>	<u>November 2019</u>	<u>January 2021</u>	<u>September 2021</u>
<b>Registered capital after capital injection . . . . .</b>	RMB500 million	RMB1,000 million	RMB1,600 million

*Ningbo Sipai Kaiyuan*

In December 2020, Ningbo Sipai Kaiyuan Technology Co., Ltd. (寧波思派開源科技有限公司) (“**Ningbo Sipai Kaiyuan**”) passed a shareholder’s resolutions for the increase of registered capital from RMB1 million to RMB20 million contributed by Sipai Beijing Network.

In February 2021, Sipai Beijing Network transferred all its equity interest in Ningbo Sipai Kaiyuan, representing 100% equity interest of Ningbo Sipai Kaiyuan, to Ningbo Sipai Zhonghe for nil consideration.

*Ningbo Sipai Huiyuan*

In September 2021, Ningbo Sipai Huiyuan Health Technology Co., Ltd. (寧波思派慧源健康科技有限公司) (formerly known as 寧波思派慧源商務諮詢有限公司) (“**Ningbo Sipai Huiyuan**”) passed a shareholder’s resolutions for the increase of registered capital from RMB1 million to RMB20 million contributed by Sipai Wisdom Pharmacy.

*Guangzhou Sipai Pharmaceuticals*

In March 2020, Guangzhou Sipai Pharmaceuticals Chain Co., Ltd. (廣州市思派藥業連鎖有限公司) (“**Guangzhou Sipai Pharmaceuticals**”) passed a shareholder’s resolutions for the increase of registered capital from RMB2.5 million to RMB2,770,050 contributed by Shanghai Subo Optical Co., Ltd. (上海蘇博眼鏡有限公司) (“**Shanghai Subo**”).

In May 2020, Shanghai Subo transferred all its equity interest in Guangzhou Sipai Pharmaceuticals, representing 100% equity interest of Guangzhou Sipai Pharmaceuticals, to Sipai Wisdom Pharmacy for the consideration of RMB1,800,000.

In December 2021, Guangzhou Sipai Pharmaceuticals passed a shareholder’s resolutions for the increase of registered capital from RMB2,770,050 to RMB58 million contributed by Sipai Wisdom Pharmacy.

*Fuzhou Sipai Pharmacy*

In December 2021, Fuzhou Sipai Pharmacy Co., Ltd. (福州思派大藥房有限公司) (“**Fuzhou Sipai Pharmacy**”) passed a shareholder’s resolutions for the increase of registered capital from RMB1 million to RMB8 million contributed by Beijing Siweite.

*Shanghai Sipai Pharmacy*

In August 2020, Sipai Pharmacy (Shanghai) Co., Ltd. (思派大藥房(上海)有限公司) (“**Shanghai Sipai Pharmacy**”) passed a shareholder’s resolutions for the increase of registered capital from RMB0.3 million to RMB2 million contributed by Beijing Siweite.

*Guangzhou Sipai Healthcare Technology*

In September 2021, Sipai Healthcare Technology (Guangzhou) Co., Ltd. (思派健康技術(廣州)有限公司) (“**Guangzhou Sipai Healthcare Technology**”) passed a shareholder’s resolutions for the increase of registered capital from RMB110 million to RMB300 million contributed by Sipai Healthcare Investment.

***Guangzhou Siyan***

In March 2021, Siyan (Guangzhou) Medical Technology Co., Ltd. (思研(廣州)醫療科技有限公司) (“**Guangzhou Siyan**”) passed a shareholder’s resolutions for the increase of registered capital from RMB110 million to RMB200 million contributed by Sipai Healthcare Investment.

In September 2021, Guangzhou Siyan passed a shareholder’s resolutions for the increase of registered capital from RMB200 million to RMB400 million contributed by Sipai Healthcare Investment.

***Guangzhou Bixun***

In January 2021, Bixun (Guangzhou) Medical Technology Co., Ltd. (比遜(廣州)醫療科技有限公司) (“**Guangzhou Bixun**”) passed a shareholder’s resolutions for the increase of registered capital from RMB110 million to RMB200 million contributed by Guangzhou Siyan.

***Shanghai Bixun***

In March 2021, Bixun (Shanghai) Medical Technology Co., Ltd. (比遜(上海)醫療科技有限公司) (“**Shanghai Bixun**”) passed a shareholder’s resolutions for the increase of registered capital from RMB60 million to RMB100 million contributed by Guangzhou Bixun.

***Ningbo Bixun***

In November 2021, Ningbo Bixun Business Consulting Co. Ltd. (寧波比遜商務諮詢有限公司) (“**Ningbo Bixun**”) passed a shareholder’s resolutions for the increase of registered capital from RMB1 million to RMB20 million contributed by Guangzhou Bixun.

***Shaanxi New Territory Sipai Pharmacy***

In December 2021, Shaanxi New Territory Sipai Pharmacy Co. Ltd. (陝西新領地思派大藥房有限公司) (“**Shaanxi New Territory Sipai Pharmacy**”) passed a shareholder’s resolutions for the increase of registered capital from RMB1 million to RMB15 million contributed by Beijing Siweite.

***Xi’an Sipai Pharmacy***

In December 2021, Xi’an Sipai Pharmacy Co. Ltd. (西安思派大藥房有限公司) (“**Xi’an Sipai Pharmacy**”) passed a shareholder’s resolutions for the increase of registered capital from RMB1 million to RMB15 million contributed by Beijing Siweite.

***Ningbo Sipai Zhonghe***

In September 2021, Ningbo Sipai Zhonghe Health Technology Co. Ltd. (寧波思派眾合健康科技有限公司) (“**Ningbo Sipai Zhonghe**”) passed a shareholder’s resolutions for the increase of registered capital from RMB10 million to RMB200 million contributed by Sipai Healthcare Investment.

***Beijing Hengrenfukang***

In March 2020, Beijing Hengrenfukang Medical Co., Ltd. (北京恒仁福康醫藥有限公司) (“**Beijing Hengrenfukang**”) passed a shareholders’ resolutions for the increase of registered capital from RMB30,000 to RMB900,000 contributed by CAI Yixiao (蔡亦嘯), an Independent Third Party.

In April 2020, each of LI Aiming (李愛明) and CAI Yixiao transferred 1.67% and 98.33% equity interests in Beijing Hengrenkufang to Sipai Wisdom Pharmacy for a total consideration of RMB900,000.

#### *Dalian Sanheyuan Pharmacy*

In May 2020, Dalian Sanheyuan Pharmacy Co., Ltd. (大連三合緣藥房有限公司) (“**Dalian Sanheyuan Pharmacy**”) passed a shareholder’s resolutions for the increase of registered capital from RMB800,000 to RMB5 million contributed by Shenyang Sanheyuan Pharmacy Co., Ltd. (瀋陽三合緣藥房有限公司) (“**Shenyang Sanheyuan Pharmacy**”).

#### *Anshan Sanheyuan Pharmacy*

In April 2020, Anshan Sanheyuan Pharmacy Co., Ltd. (鞍山三合緣藥房有限公司) (“**Anshan Sanheyuan Pharmacy**”) passed a shareholder’s resolutions for the increase of registered capital from RMB800,000 to RMB2 million contributed by Shenyang Sanheyuan Pharmacy.

#### *Ningbo Haishu Benqitang*

In September 2021, Ningbo Haishu Benqitang Pharmaceuticals Retail Co., Ltd. (寧波市海曙本氣堂醫藥零售有限公司) (“**Ningbo Haishu Benqitang**”) passed a shareholder’s resolutions for the increase of registered capital from RMB100,000 to RMB1 million contributed by Beijing Siweite.

Save as disclosed above, there has been no alteration in the share capital of any member of our Group within the two years immediately preceding the date of this prospectus.

#### **4. Resolutions of Our Shareholders**

Pursuant to a general meeting of our Shareholders held on December 1, 2022, the following resolutions, among others, conditional upon the conditions of the Global Offering (as set out in this prospectus) being fulfilled, were passed by our Shareholders:

- (a) our Company approved and adopted the Memorandum and Articles of Association with effect upon Listing;
- (b) the Global Offering, the Listing and the Over-allotment Option were approved and our Directors were authorized to effect the same and to allot and issue new Shares pursuant to the Global Offering; and
- (c) a general unconditional mandate was granted to our Directors to, inter alia, allot, issue and deal with Shares, securities convertible into Shares (the “**Convertible Securities**”) or options, warrants or similar rights to subscribe for any Shares or such convertible securities (the “**Options and Warrants**”) and to make or grant offers, agreements or options which might require such Shares, the Convertible Securities or the Options and Warrants to be allotted and issued or dealt with at any time subject to the requirement that the aggregate nominal value of the Shares or the underlying Shares relating to the Convertible Securities or the Options and Warrants so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, shall not exceed the sum of 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option).

This mandate does not cover Shares to be allotted, issued or dealt with under a rights issue or scrip dividend scheme or similar arrangements or a specific authority granted by our Shareholders. Such mandate will remain in effect until:

- (i) the conclusion of our next annual general meeting;
  - (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Memorandum and Articles of Association; or
  - (iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,
- whichever is the earliest;
- (d) a general unconditional mandate was granted to our Directors to exercise all powers of our Company to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option).

This mandate only relates to repurchase made on the Stock Exchange or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Stock Exchange for this purpose) and which are in accordance with all applicable laws and regulations. Such mandate will remain in effect until:

- (i) the conclusion of our next annual general meeting;
  - (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws or the Memorandum and Articles of Association; or
  - (iii) it is varied or revoked by an ordinary resolution of our Shareholders at a general meeting,
- whichever is the earliest; and
- (e) the general unconditional mandate as mentioned in paragraph (d) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares purchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above (up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the Global Offering).

## **5. Explanatory Statement on Repurchase of Our Own Securities**

The following summarizes restrictions imposed by the Listing Rules on share repurchases by a company listed on the Stock Exchange and provides further information about the repurchase of our own securities.

### ***Shareholders' approval***

A listed company whose primary listing is on the Stock Exchange may only purchase its shares on the Stock Exchange, either directly or indirectly, if: (i) the shares proposed to be purchased are fully-paid up, and (ii) its shareholders have given a specific approval or general mandate by way of an ordinary resolution of shareholders.

***Size of mandate***

The exercise in full of the Repurchase Mandate, on the basis of 763,025,314 Shares in issue immediately following completion of the Global Offering (assuming neither the Over-allotment Option nor any outstanding 2017 Plan Option is exercised), could accordingly result in up to approximately 76,302,531 Shares being repurchased by our Company.

The total number of shares which a listed company may repurchase on the Stock Exchange may not exceed 10% of the number of issued shares as of the date of the shareholder approval.

***Reasons for repurchases***

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

***Source of funds***

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles and the applicable Laws of the Cayman Islands.

Our Company shall not purchase 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.

Any purchases by our Company may be made out of profits or out of an issue of new shares made for the purpose of the purchase or, if authorized by its Memorandum and Articles and subject to the Companies Ordinance, out of capital, and, in the case of any premium payable on the purchase out of profits or from sums standing to the credit of our share premium account or, if authorized by its Memorandum and Articles and subject to the Companies Ordinance, out of capital.

***Suspension of repurchase***

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

***Trading restrictions***

A listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

***Status of repurchased shares***

The listing of all repurchased shares (whether through the Stock Exchange or otherwise) shall be automatically canceled and the relevant documents of title must be canceled and destroyed as soon as reasonably practicable.

***Close associates and core connected persons***

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates have a present intention, in the event the Repurchase Mandate is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the Repurchase Mandate is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

***Takeover implications***

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

***General***

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange to will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

**B. FURTHER INFORMATION ABOUT OUR BUSINESS****1. Summary of Material Contracts**

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this prospectus that are or may be material:

- (a) the exclusive business cooperation agreement dated May 10, 2021 entered into between the WFOE and Onshore Holdco, pursuant to which the Onshore Holdco has engaged WFOE as the exclusive provider to provide the Onshore Holdco with comprehensive services and the Onshore Holdco shall pay services fees to WFOE;
- (b) the exclusive purchase option agreement dated May 10, 2021 entered into among the WFOE, Onshore Holdco and the Registered Shareholders, pursuant to which Onshore Holdco and the Registered Shareholders have granted WFOE or its designee an irrevocable and exclusive right to purchase at any time and to the extent permitted by the then applicable PRC laws (i) from each of the Registered Shareholders all or any part of their equity interests in Onshore Holdco and/or (ii) from Onshore Holdco all or any of its assets or interests in any of its assets at the nominal value or the lowest price permitted under the PRC laws;
- (c) the equity pledge agreement dated May 10, 2021 entered into among the WFOE, Onshore Holdco and the Registered Shareholders, pursuant to which the Registered Shareholders has pledged all of their respective equity interests in Onshore Holdco to WFOE as the first priority security to guarantee performance of their contractual obligations under the Contractual Arrangements and all liabilities, monetary debts or other payment obligations arising out of or in relation with the Contractual Arrangements;
- (d) the voting proxy agreement dated May 10, 2021 entered into among the WFOE, Onshore Holdco and the Registered Shareholders pursuant to which the Registered Shareholders have appointed WFOE and/or its designee as their exclusive agent and attorney to act on their behalf on all matters concerning Onshore Holdco and to exercise all of their rights as shareholders of Onshore Holdco;
- (e) the exclusive business cooperation agreement dated September 15, 2022 entered into between the WFOE and Beijing Sipai Brokerage, pursuant to which Beijing Sipai Brokerage has engaged WFOE as the exclusive provider to provide Beijing Sipai Brokerage with comprehensive services and Beijing Sipai Brokerage shall pay services fees to WFOE;
- (f) the exclusive purchase option agreement dated September 15, 2022 entered into among WFOE, Onshore Holdco and Beijing Sipai Brokerage, pursuant to which Beijing Sipai Brokerage and Onshore Holdco have granted WFOE or its designee an irrevocable and exclusive right to purchase at any time and to the extent permitted by the then applicable PRC laws (i) from Onshore Holdco all or any part of its equity interests in Beijing Sipai Brokerage and/or (ii) from Beijing Sipai Brokerage all or any of its assets or interests in any of its assets at the nominal value or the lowest price permitted under the PRC laws;
- (g) the equity pledge agreement dated September 15, 2022 among WFOE, Onshore Holdco and Beijing Sipai Brokerage, pursuant to which, the Onshore Holdco agrees to pledge all of its respective equity interests in Beijing Sipai Brokerage to WFOE as the first priority security to guarantee performance of its contractual obligations under the Contractual Arrangements and all liabilities, monetary debts or other payment obligations arising out of or in relation with the Contractual Arrangements;
- (h) the voting proxy agreement dated September 15, 2022 among WFOE, Onshore Holdco and Beijing Sipai Brokerage, pursuant to which Onshore Holdco has appointed WFOE and/or its



designee as its exclusive agent and attorney to act on its behalf on all matters concerning Beijing Sipai Brokerage and to exercise all of its rights as the shareholder of Beijing Sipai Brokerage; and
















- (i) the Hong Kong Underwriting Agreement.

## 2. Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

### *Trademarks Registered in the PRC*

As of the Latest Practicable Date, we had registered the following trademarks in China which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Class	Registration number	Expiry date
1.		Shanghai Bixun	42	30979700	March 13, 2029
2.		Shanghai Bixun	44	30982649	March 13, 2029
3.		Shanghai Bixun	42	30978352	March 13, 2029
4.		Shanghai Bixun	42	30979711	February 27, 2029
5.		Sipai Beijing Network	42	41403369	October 27, 2030
6.		Sipai Beijing Network	44	41391546	August 6, 2030
7.		Sipai Beijing Network	36	31071080	April 13, 2029
8.		Sipai Beijing Network	36	31085902	April 20, 2029
9.		Sipai Beijing Network	44	31089060	April 13, 2029
10.		Sipai Beijing Network	9, 16 35, 41, 42, 44	17044074	July 27, 2026
11.		Beijing Siweite	10	39711711	January 6, 2031
12.		Beijing Siweite	10	30151859	January 6, 2031
13.		Beijing Siweite	35	30142301	March 6, 2031
14.		Beijing Siweite	35	30309802	February 13, 2029
15.		Beijing Siweite	44	30309799	February 13, 2029

No.	Trademark	Registered owner	Class	Registration number	Expiry date
16.	<b>MEDOFFER<sub>®</sub></b>	Beijing Siweite	10	30301116	February 13, 2029
17.	<b>MEDOFFER<sub>®</sub></b>	Beijing Siweite	5	30297090	February 13, 2029

### *Trademarks Registered in Hong Kong*

As of the Latest Practicable Date, we had registered the following trademarks in Hong Kong which we consider to be or may be material to our business:

No.	Trademark	Registered owner	Class	Registration number	Expiry date
1.	<b>Medbanks</b>	Our Company	35, 36, 42, 44	305639040	May 26, 2031
2.	<b>MEDBANKS</b>	Our Company	35, 36, 42, 44	305639040	May 26, 2031
3.	<b>思派</b>	Our Company	35, 36, 42, 44	305639059	May 26, 2031

### *Software Copyrights*

As of the Latest Practicable Date, we had registered the following software copyrights which we consider to be or may be material to our business:

No.	Registration number	Software name	Owner	Date of initial publication	Date of registration
1.	2021SR0035565	Multi-Dimensional Simulation of Enterprise Side Health Insurance Premium Measurement System (多維模擬企業端健康保險保費測算系統)	Beijing Sipai Brokerage	October 13, 2020	January 7, 2021
2.	2020SR1692141	LBS-based Intelligent Oncology Drug Service System Software V1.4.1 (基於LBS 智能化腫瘤藥品服務系統軟件V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	November 30, 2020
3.	2021SR0035706	Enterprise HR-oriented Intelligent Health Insurance Procurement Platform V1.4.1 (面向企業HR的智能化健康險採買平台V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	January 7, 2021
4.	2020SR1692192	Physician-oriented Member Service Management System Software V1.4.1 (面向醫生端會員服務管理系統軟件V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	November 30, 2020
5.	2020SR1666408	Physician-oriented Mobile Patient Consultation and Management System Software V1.4.1 (面向醫生移動端患者諮詢問診管理系統軟件V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	November 27, 2020
6.	2020SR1692191	User Health Integrated Medical Management System Software V1.4.1 (用戶健康綜合醫療管理系統軟件V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	November 30, 2020
7.	2021SR0029360	Intelligent Health Insurance Order Management Platform V1.4.1 (智能化健康險訂單管理平台V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	January 7, 2021
8.	2021SR0041249	Intelligent Health Insurance Claims Service Platform V1.4.1 (智能化健康險理賠服務平台V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	January 8, 2021
9.	2021SR0048563	Intelligent Health Insurance Commodity Management Platform Software V1.4.1 (智能化健康險商品管理平台軟件V1.4.1)	Beijing Sipai Brokerage	October 13, 2020	January 11, 2021

***Patents***

As of the Latest Practicable Date, our Directors confirm that none of our patents was considered to be or may be material to our business.

***Domain Names***

As of the Latest Practicable Date, we owned the following domain name which we consider to be or may be material to our business:

<u>No.</u>	<u>Domain name</u>	<u>Registered owner</u>	<u>Registration date</u>	<u>Expiry date</u>
1.	medbankshealthtech.com	Sipai Healthcare Guangzhou	July 22, 2021	July 22, 2031
2.	medbanks.cn	Sipai Beijing Network	January 13, 2015	January 13, 2023

**C. FURTHER INFORMATION ABOUT OUR DIRECTORS****1. Particulars of Directors' Service Contracts and Appointment Letters**

Each of our executive Directors has entered into a service contract with our Company on December 1, 2022. Each service contract is for an initial term of three years commencing from the Listing Date. The service contracts may be renewed in accordance with our Articles and the applicable laws, rules and regulations.

Each of our non-executive Directors and our independent non-executive Directors has entered into a letter of appointment with our Company on December 1, 2022. Each letter of appointment is for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with our Memorandum and Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, 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).

**2. Remuneration of Directors**

For details of the remuneration of our Directors, see “Directors and Senior Management—Emolument of Directors and Senior Management” in this prospectus and Note 10 to Appendix I to this prospectus.

**3. Disclosure of Interests*****Interests and short positions of our Directors in the share capital of our Company or our associated corporations following completion of the Global Offering***

Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to the exercise of any outstanding 2017 Plan Options), the interests or short positions of our Directors and chief executives in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the

SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules, to be notified to our Company and the Stock Exchange are set out below:

### Interest in our Company

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Number of Shares held immediately following completion of the Global Offering</u>	<u>Approximate percentage of shareholding in total shares capital of our Company immediately following completion of the Global Offering</u>
Mr. Ma <sup>(1)(2)</sup>	Interest in controlled corporation; interest held jointly with another person	163,534,455	21.43%
Mr. Li <sup>(1)(2)</sup>	Interest in controlled corporation; interest held jointly with another person	163,534,455	21.43%

#### *Notes:*

- (1) On August 5, 2021, Mr. Ma, Mr. Li, Wise Approach, Creative Pioneer and Sail Far entered into a concert party agreement to confirm that they have acted in concert in the management, decision-making and all major decisions of our Group. As such, each of Mr. Ma, Mr. Li, Wise Approach, Creative Pioneer and Sail Far is deemed to be interested in the Shares each other is interested in.

Each of Wise Approach, Creative Pioneer and Sail Far was incorporated in the BVI as a limited company as an Employee Incentive Platform for our employees, and beneficially owns 40,410,926, 16,119,529 and 10,004,000 Ordinary Shares of our Company, respectively.

- (2) Lucky Seven beneficially owns 57,000,000 Shares of our Company and is a limited liability company incorporated in the BVI. As of the Latest Practicable Date, Lucky Seven was owned as to approximately 0.02% by Simul, a wholly-owned company incorporated in BVI of Mr. Ma, 21.93% by Salutem Holdings Limited and 78.05% by Hygeia, both of which are the holding companies pursuant to the family trust of Mr. Ma respectively. As such, under the SFO, each of Simul and Mr. Ma is deemed to be interested in the equity interest held by Lucky Seven.

Spire-succession beneficially owns 40,000,000 Shares of our Company and is a limited liability company incorporated in the BVI. As of the Latest Practicable Date, Spire-succession was owned as to approximately 0.0002% by Shining, a wholly-owned company incorporated in BVI of Mr. Li and 99.9998% by Sper-succession, a holding company pursuant to the family trust of Mr. Li, respectively. As such, under the SFO, each of Shining-succession and Mr. Li is deemed to be interested in the equity interest held by Spire-succession.

### ***Interests and short positions disclosable under Divisions 2 and 3 of Part XV of the SFO***

For information, so far as is known to our Directors or chief executive, of each person, other than our Director or chief executive, who immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Share Schemes) will have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any class of shares of our Company or any other member of our Group, see “Substantial shareholders”.

## **D. SHARE SCHEMES**

### **1. 2017 Plan**

We have adopted 2017 Plan. The 2017 Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of options by our Company after the Listing.

*(a) Purpose*

The purpose of 2017 Plan is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected employees, Directors, and consultants and to promote the success of our Company's business. The 2017 Plan permits the grant of options and share purchase rights as the Administrator may determine.

*(b) Administration*

Our chief executive officer shall be administering the 2017 Plan (the "**Administrator**").

Subject to the provisions of the 2017 Plan, the Administrator shall have the authority in its discretion:

- (i) to determine the value of the Shares (in the absence of an established market for the Shares);
- (ii) to select the 2017 Plan Participants (as defined below) to whom Awards (as defined below) may from time to time be granted hereunder;
- (iii) to determine the number of Shares to be covered by each Award granted hereunder;
- (iv) to approve the form(s) of agreement for use under the 2017 Plan;
- (v) to determine the terms and conditions of any Award granted hereunder including, but not limited to, the exercise price, the purchase price, the time or times when Options (as defined below) may be exercised (which may be based on performance criteria), the time or times when repurchase or redemption rights shall lapse, any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;
- (vi) to institute an exchange program (a program under which outstanding Awards are surrendered or canceled in exchange for Awards of the same type (which may have lower exercise prices or purchase prices and different terms), Awards of a different type, and/or cash, and/or the exercise price or purchase price of an outstanding Award is reduced. The terms and conditions of any exchange program will be determined by the Administrator in its sole discretion.);
- (vii) to prescribe, amend, and rescind rules and regulations relating to the 2017 Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable laws of jurisdictions other than the United States;
- (viii) to modify or amend each Award, including, without limitation, the discretionary authority to extend the post-termination exercisability of an Option longer than is otherwise provided for in an Award agreement or accelerate the vesting or exercisability of an Option or lapsing of a repurchase or redemption right or forfeiture provision to which Shares acquired pursuant to a Share Purchase Right or Shares subject to a Company repurchase or redemption right or forfeiture provision that are issued pursuant to an Option (the "**Restricted Shares**") may be subject;
- (ix) to construe and interpret the terms of the 2017 Plan and Awards granted pursuant to the 2017 Plan; and
- (x) to make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the 2017 Plan.

*(c) Participants*

The participants of 2017 Plan include employees, directors or consultants of our Group (the “**Service Providers**”). The Administrator may, from time to time, select from among all eligible individuals (the “**2017 Plan Participants**”) to whom awards in the form of options (“**Options**”), share purchase rights (“**Share Purchase Rights**”) (collectively “**Awards**”), will be granted and will determine the nature and amount of each option.

*(d) Maximum number of Ordinary Shares*

The maximum aggregate number of Shares that may be issued under the 2017 Plan shall be determined by meetings of Shareholders of the Company from time to time. The Shares may be authorized but unissued or reacquired Shares. The number of Shares that are subject to Awards outstanding under the Plan at any time shall not exceed the aggregate number of Shares that then remain available for issuance under the 2017 Plan. The Company, during the term of the 2017 Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of outstanding Awards granted under the 2017 Plan.

*(e) Grant of Awards*

The Administrator is authorized to grant Awards to the 2017 Plan Participants in accordance with the terms of the 2017 Plan. Awards granted will be evidenced by an award agreement in the form approved by the Administrator (the “**Award Agreement**”). The Award Agreement contains the terms established by the Administrator for that Award, as well as any other additional terms, provisions, or restrictions that the Administrator may impose on the Award.

*(f) Term of the 2017 Plan*

The 2017 Plan commenced on January 5, 2018 and shall continue in effect for a term of ten years. Termination of the 2017 Plan shall not affect the Administrator’s ability to exercise the powers granted to it hereunder with respect to Awards granted under the 2017 Plan prior to the date of such termination. No Shares shall be issued or sold under the 2017 Plan after the termination thereof, except upon exercise of an Award granted prior to the termination of the 2017 Plan.

*(g) Terms and Conditions*

Each grant of an Award under the 2017 Plan shall be evidenced by an Award Agreement between the Participant and our Company. Each Award shall be subject to all applicable terms and conditions of the 2017 Plan and may be subject to any other terms and conditions that are not inconsistent with the 2017 Plan and that the Administrator deems appropriate for inclusion in an Award Agreement. The provisions of the various Award Agreements entered into under the 2017 Plan need not be identical.

*(h) Options**(i) Exercise of Option*

Any Option granted under the 2017 Plan shall be exercisable according to the terms at such times and under such conditions as may be determined by the Administrator and as set forth in the Option Award Agreement; provided, however, that an Option shall not be exercised for a fraction of a Share.

An Option shall be deemed exercised when our Company receives (A) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, (B) full payment for the Shares with respect to which the Option is exercised, together with any applicable tax withholding, and (C) all representations, indemnifications, and documents requested by the Administrator, including, without limitation, any Shareholders Agreement. Full payment may consist of any consideration and method of payment authorized by the Administrator in accordance with and permitted by the Award Agreement.

Shares issued upon exercise of an Option shall be issued in the name of the 2017 Plan Participant or, if requested by the 2017 Plan Participant, in the name of the 2017 Plan Participant and his or her spouse. Our Company shall issue (or cause to be issued) certificates evidencing the issued Shares promptly after the Option is exercised. Notwithstanding the foregoing, the Administrator in its discretion may require our Company to retain possession of any certificate evidencing Shares acquired upon the exercise of an Option if those Shares remain subject to forfeiture, repurchase or redemption under the provisions of the Award Agreement, any Shareholders Agreement, or any other agreement between our Company and the 2017 Plan Participant, or if those Shares are collateral for a loan or obligation due to our Company.

Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the 2017 Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

*(ii) Exercise Price*

Each Award Agreement shall specify the Exercise Price. The Exercise Price of any Option shall be determined by the Administrator in its sole discretion.

*(iii) Termination of Service (Other than by Death or Cause)*

If a 2017 Plan Participant ceases to be a Service Provider for any reason other than because of death or Cause, following the termination of the 2017 Plan Participant's relationship as a Service Provider, the 2017 Plan Participant may exercise all or part of the 2017 Plan Participant's Option at any time before the expiration of the Option, but only to the extent that the Option was vested and exercisable as of the date of termination of the 2017 Plan Participant's relationship as a Service Provider (or became vested and exercisable as a result of the termination). Unless the Administrator provides otherwise in an Award Agreement, the balance of the Shares subject to the Option shall be forfeited on the date of termination of the 2017 Plan Participant's relationship as a Service Provider. In the event that the 2017 Plan Participant dies after the termination of the 2017 Plan Participant's relationship as a Service Provider but before the expiration of the 2017 Plan Participant's Option, all or part of the Option may be exercised (prior to expiration) by the executors or administrators of the 2017 Plan Participant's estate or by any person who has acquired the Option directly from the 2017 Plan Participant by beneficiary designation, bequest, or inheritance, but only to the extent that the Option was vested and exercisable as of the termination date of the 2017 Plan Participant's relationship as a Service Provider (or became vested and exercisable as a result of the termination). Any Shares subject to the portion of the Option that are vested as of the termination date of the 2017 Plan Participant's relationship as a Service Provider but that are not purchased prior to the expiration of the Option shall be forfeited immediately following the Option's expiration.

*(iv) Death of the 2017 Plan Participants*

If a 2017 Plan Participant dies while a Service Provider, all or part of the 2017 Plan Participant's Option may be exercised at any time before the expiration of the Option by the executors or administrators of the 2017 Plan Participant's estate or by any person who has acquired the Option directly from the 2017 Plan Participant by beneficiary designation, bequest, or inheritance, but only to the extent that the Option was vested and exercisable as of the date of the 2017 Plan Participant's death or had become vested and exercisable as a result of the death. The balance of the Shares subject to the Option shall be forfeited upon the 2017 Plan Participant's death. Any Shares subject to the portion of the Option that are vested as of the Participant's death but that are not purchased prior to the expiration of the Option shall be forfeited immediately following the Option's expiration.

*(v) For Cause*

In the event the 2017 Plan Participant ceases to be a Service Provider for Cause, any outstanding Option (including any vested portion thereof) held by the 2017 Plan Participant shall immediately terminate in its entirety upon the occurrence of any Cause and all of the Shares subject to the Option shall be forfeited immediately on such date of notification. If the 2017 Plan Participant's service is suspended pending an investigation of whether the 2017 Plan Participant will cease to be a Service Provider for Cause, all the 2017 Plan Participant's rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period.

***(i) Share Purchase Rights***

*(i) Type of Share Purchase Right*

Each Share Purchase Right may be designated as a Reg S Share Purchase Right or as a Share Purchase Right other than a Reg S Share Purchase Right. If the Award Agreement does not specify the type of Share Purchase Right, the Share Purchase Right will not be treated as a Reg S Share Purchase Right.

*(ii) Duration of Offers and Non-transferability of Share Purchase Rights*

Any Share Purchase Rights granted under the Plan shall automatically expire if not exercised by the Participant within 30 days (or such longer time as is specified in the Award Agreement) after the date of grant. Share Purchase Rights shall not be transferable and shall be exercisable only by the 2017 Plan Participant to whom the Share Purchase Right was granted.

*(iii) Purchase Price*

The Purchase Price shall be determined by the Administrator in its sole discretion.

***(j) Restrictions on Transfer of Shares***

Any Shares issued upon exercise of an Option or awarded or sold pursuant to Share Purchase Rights shall be subject to such forfeiture conditions, rights of repurchase or redemption, rights of first refusal, and other transfer restrictions as the Administrator may determine. The restrictions described in the preceding sentence shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

***(k) Non-transferability of Awards***

Unless otherwise determined by the Administrator and so provided in the applicable Award Agreement (or be amended to provide), no Award shall be sold, pledged, assigned, hypothecated, transferred, or



disposed of in any manner (whether by operation of law or otherwise) other than by will or applicable laws of descent and distribution or (except in the case of an Incentive Stock Option) pursuant to a domestic relations order, and shall not be subject to execution, attachment, or similar process, and each Award may be exercised, during the lifetime of the 2017 Plan Participant only by the Participant. In the event the Administrator in its sole discretion makes a Non-statutory Stock Option or Share Purchase Right transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate. Upon any attempt to pledge, assign, hypothecate, transfer, or otherwise dispose of any Award or of any right or privilege conferred by the 2017 Plan contrary to the provisions thereof, or upon the sale, levy or attachment or similar process upon the rights and privileges conferred by the 2017 Plan, such Award shall thereupon terminate and become null and void.

***(l) Adjustment of Shares***

In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of our Company, or other change in the corporate structure of our Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2017 Plan, may (in its sole discretion) adjust the number and class of Shares that may be delivered under the 2017 Plan and/or the number, class, and price of Shares covered by each outstanding Award.

***(m) Amendment***

The Administrator may at any time initiate the amend, alter, suspend, or terminate the 2017 Plan and such amend, alter, suspend, or terminate shall be subject to the Board's approval. The Administrator shall obtain approval of the Shareholders of any 2017 Plan amendment to the extent necessary or desirable to comply with applicable law. No amendment, alteration, suspension, or termination of the 2017 Plan shall materially and adversely impair the rights of any 2017 Plan Participant with respect to an outstanding Award, unless mutually agreed otherwise between the 2017 Plan Participant and the Administrator, which agreement must be in writing and signed by the 2017 Plan Participant and our Company.

**(n) Outstanding Options Granted**

As of the Latest Practicable Date, our Company had (i) issued most of the underlying Shares of the 2017 Plan Options to Creative Pioneer and Wise Approach, respectively, details of which are set out in “History, Reorganization and Corporate Structure—Reorganization—Offshore Reorganization—Issuance of Employee Incentive Shares” and (ii) granted outstanding 2017 Plan Options to 202 grantees to subscribe for an aggregate of 10,898,405 Shares, representing approximately 1.43% of the total number of Shares in issue immediately after completion of the Global Offering (assuming neither the Over-allotment Option nor any outstanding 2017 Plan Options are exercised). All the outstanding 2017 Plan Options were granted between January 31, 2018 and October 18, 2022 (both days inclusive) and the Company will not grant further 2017 Plan Options after the Listing. The exercise price of the outstanding 2017 Plan Options is between US\$0.018 and US\$0.330. The grantees were not required to pay any consideration for the grant of the outstanding 2017 Plan Options. The table below sets out the details of the outstanding 2017 Plan Options as of the Latest Practicable Date.

No.	Range of number of Shares underlying outstanding 2017 Plan Options	Total number of grantees	Total number of Shares underlying outstanding 2017 Plan Options	Exercise price (US\$)	Date of grant	Validity period	Approximate percentage of the total number of Shares in issue immediately after completion of the Global Offering <sup>(1)</sup>
1	1 – 29,999	87	1,539,228	0.018 – 0.33	May 15, 2018 – October 18, 2022	10 years	0.20%
2	30,000 – 59,999	76	4,125,483	0.018 – 0.33	January 31, 2018 – October 18, 2022	10 years	0.54%
3	60,000 – 89,999	15	1,177,906	0.018 – 0.09	May 15, 2018 – May 16, 2021	10 years	0.15%
4	90,000 – 119,999	12	1,369,459	0.018 – 0.22	January 31, 2018 – July 1, 2022	10 years	0.18%
5	120,000 or more	12	2,686,329	0.018 – 0.22	January 31, 2018 – July 1, 2022	10 years	0.35%
	<b>Total</b>	<b>202</b>	<b>10,898,405</b>				<b>1.43%</b>

Note:

(1) Assuming neither the Over-allotment Option nor any outstanding 2017 Plan Options are exercised.

The grantees of the outstanding 2017 Plan Options include current employees, former employees and external consultants of our Group. None of the grantees of the outstanding 2017 Plan Options are Directors, senior management or connected persons of our Company.

**(o) Potential Dilution Effect**

If all the outstanding 2017 Plan Options were exercised, there would be a dilution effect of approximately 1.41% on the earnings per Share and the shareholdings of our Shareholders immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

**2. RSU Scheme****(a) Purpose and Principal Terms**

The purpose of the RSU Scheme is to recognize and motivate the contributions the grantees under the RSU Scheme (the “**Grantee(s)**”), provide incentives for them to remain with our Company, and attract

suitable personnel for our further development. The RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of options by our Company to subscribe for new shares. The principal terms of the RSU Scheme are as follows:

- (i) **Administration:** The RSU Scheme shall be subject to the administration of a duly authorized administrator or such other committee or sub-committee as authorized by the Board (the “**Committee**”), unless the Board determines otherwise, the Committee refers to the chief executive officer of the Company. The Committee has the right to (i) interpret and construe the provisions of the RSU Scheme, (ii) determine the persons who will be granted Awards, the terms on which Awards are granted and the time when the RSU(s) so awarded may vest, (iii) make such appropriate and equitable adjustments to the terms of the Awards granted as it deems necessary, and (iv) appoint independent third party professionals and contractors to assist in the administration of the RSU Scheme, delegate such powers and/or functions, and make any other decisions or determination relating to the administration of the RSU Scheme as the Committee deems appropriate. All decisions made by the Committee is final and binding on all parties.
- (ii) **Award:** An award of Restricted Share Units (the “**RSU(s)**”) under the RSU Scheme (“**Award(s)**”) gives a Participant a conditional right upon the vesting of the Award to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting, as determined by the Committee in its absolute discretion, less any tax, fees, levies, stamp duty and other applicable charges. An award may include, if so specified by the Committee in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests.
- (iii) **Award Agreement:** Each Participant shall enter into an award agreement with the Company, evidencing the terms and conditions of an individual Award granted under the Scheme, and includes any documents attached to or incorporated into (the “**Award Agreement**”), pursuant to which the Participant shall pay the exercise price (if any) in connection with an Award granted to him/her in the manner as set out therein. The form(s) of the Award Agreement shall be approved from time to time by the Committee.
- (iv) **Scheme Limit:** Number of Shares that may be delivered under the RSU Scheme are 10,004,000 Shares, all of which have been issued to Sail Far, details of which are set out in “History, Reorganization and Corporate Structure—Reorganization—Offshore Reorganization - Issuance of Employee Incentive Shares”.
- (v) **Participants:** Participants of the RSU Scheme (the “**Participants**”) include the following:
  - the Employees or officers (including executive, non-executive and independent non-executive directors of the Group);
  - any person or entity (including but not limited to consultants engaged by the company services to the Group) that provides research, development, consultancy and other technical or operational or administrative support to the Group; and
  - any other persons including former employees who, in the sole opinion of the Remuneration Committee, have contributed or will contribute to the Company or any of its Subsidiaries.
- (vi) **Term:** The RSU Scheme shall be valid and effective for the period of ten years commencing on the adoption date of the RSU Scheme, after which period no further

Awards will be granted. In spite of this, the RSU Scheme in all other respects remain in full force and effect and Awards that are granted during the Term may continue to be exercisable in accordance with their terms of issue.

- (vii) **Trustee:** the Committee may appoint independent trustee to assist in the administration and vesting of the Awards and has appointed Lightstone Trust (Hong Kong) Limited, trustee service provider and an Independent Third Party, to administer the granting and vesting of the RSU(s).

**(b) Restrictions on Grant**

No Grant shall be made to, nor shall any Grant be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules (where applicable) or by any other applicable rules, regulations or law.

A Grant must not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board of the Company (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Award may be granted. Such period will cover any period of delay in the publication of a results announcement.

The Committee may not grant any Awards to any Participants in any of the following circumstances:

- (i) the requisite approvals for that Grant from any applicable regulatory authorities have not been obtained;
- (ii) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of the Awards or in respect the RSU Scheme, unless the Committee determines otherwise;
- (iii) the Grant would result in a breach by the Company, the Subsidiaries or any of the directors of any applicable securities laws, rules or regulations; or
- (iv) where such Grant would result in a breach of the limits of the RSU Scheme.

**(c) Grant to Directors**

Where any Award is proposed to be granted to a director of any members of the Group, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

***(d) Grant to Connected Persons***

Any grant to any director, chief executive officer or substantial shareholder of any member of the Group, or any of their respective associates (as defined in the Listing Rules), shall be subject to the prior approval of the independent non-executive directors (excluding the independent non-executive director who is the proposed grantee of the Awards in question) and shall otherwise be subject to compliance with the requirements of the Listing Rules. Notwithstanding the foregoing, any grant of an Award to a director pursuant to Rule 14A.73(6) of the Listing Rules will be exempted from reporting, announcement and independent Shareholders' approval requirements if the Award forms part of the relevant director's remuneration under his/her service contract.

***(e) Grant to PRC resident***

If the Grantee is a PRC resident, he or she shall not be entitled to exercise any Award until:

- (i) to the extent applicable, any restriction or condition imposed by the relevant PRC laws, regulations and notices in relation to the subscription of or dealing in shares of overseas listed companies by PRC residents or any law, regulation or notice with similar effects have been abolished or removed or ceased to be applicable to the Participant or the Participant has obtained approval, exemption or waiver from the relevant PRC regulatory authorities for the subscription of and dealing in the Shares; and
- (ii) he or she has given a representation to the Company to the effect that he or she has satisfied all the relevant laws, regulations and notices in exercising the Award.

***(f) Rights Attached to Awards***

The RSU(s) do not carry any right of a Shareholder. No Participant shall enjoy any of the rights of a Shareholder unless and until such Shares underlying the Award are actually transferred to the Grantee upon the vesting of the RSU(s). Unless otherwise specified by the Committee in its entire discretion in the Award Agreement, Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying an Award.

***(g) Awards to be Personal to the Grantee***

Unless otherwise approved by the Company in writing (to the extent permitted by law), an unvested RSU shall be personal to the Grantee and shall not be assignable or transferable by the Grantee provided that following the Grantee's death, unvested RSU(s) may be transferred by will or by the laws of testacy and distribution. The terms of the Scheme and the Award Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Grantee.

***(h) Vesting***

Subject to the terms of the RSU Scheme and the specific terms and conditions applicable to each Award, the RSU(s) granted in an Award shall be subject to a vesting period (if any) and/or the satisfaction of performance and/or other conditions (if any) to be determined by the Committee in its

absolute discretion. If such conditions are not satisfied, the vesting date of the RSU(s) shall be postponed for one year. If the vesting terms and conditions of the postponed RSU(s) are not satisfied at the postponed vesting date, the RSU(s) shall automatically lapse.

The Award Agreement addresses (a) the extent to which the vesting period and conditions have been fulfilled or waived, and (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) or the amount of cash the Grantee will receive.

For the purposes of vesting of the RSU(s), the Committee may release the RSU(s) to the selected Participants by transferring the number of underlying Shares in respect of the RSU(s) to the selected Participants in such manner as determined by it from time to time. The Committee shall inform the Trustee the number of underlying Shares in respect of the RSU(s) being transferred and released to the selected Participant in the manner as determined by the Committee.

If the vesting conditions are not satisfied and no waiver of such condition is granted, the RSU(s) shall be canceled according to conditions as determined by the Committee in its absolute discretion.

In the event that the Grantee fails to execute/ deliver the required documents in accordance with the terms of the RSU Scheme, the vested RSU(s) will lapse.

Notwithstanding the foregoing, if any relevant parties of the RSU Scheme would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable laws, regulations or rules within the period specified above, the date on which the relevant Shares shall be transferred (as the case may be) to the Grantee shall occur as soon as possible after the date when such dealing is permitted by the Listing Rules or by any other applicable laws, regulations or rules.

***(i) Rights on a Takeover***

In the event a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the vesting date of any RSU(s), the Committee shall, prior to the offer becoming or being declared unconditional, determine at its absolute discretion whether such RSU shall vest and the period within which such RSU shall vest. If the Committee determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

***(j) Rights on a Scheme of Arrangement***

In the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of shareholders at the requisite meetings prior to the vesting of any RSU(s), the Committee shall, prior to such meetings, determine at its absolute discretion whether such RSU(s) shall vest and the period within such RSU(s) shall vest. If the Committee determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

***(k) Rights on a Voluntary Winding-up***

In the event a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the

Company prior to the vesting date of any RSU(s), the Committee shall determine at its discretion whether such RSU(s) shall vest, and the period when such RSU(s) shall vest and in the latter case, the unvested RSU(s) must be vested and effected by no later than two Business Days before the day of the proposed shareholders' meeting. If the Committee determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

***(l) Rights on a Compromise or Arrangement***

In the event of a compromise or arrangement, other than a scheme of arrangement contemplated above, between the Company and its members and/or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Committee shall determine at its discretion whether such RSU(s) shall vest, and the period when such RSU(s) shall vest. If the Committee determines that such RSU(s) shall vest, it shall notify the Grantee that the RSU(s) shall vest and the period within which such RSU(s) shall vest.

***(m) Lapse and Cancellation of RSU***

Unless the Committee determines otherwise in its absolute discretion, an unvested RSU shall be lapsed and canceled automatically upon the earliest of:

- (i) the date of the termination of Grantee's employment or service by the Company or any of its Subsidiaries for cause;
- (ii) the date of the termination of Grantee's employment or service with the Company or the Subsidiaries is terminated for any reason other than for cause (including by reason of resignation, retirement, death, disability or nonrenewal of the employment or service agreement upon its expiration for any reason other than for cause);
- (iii) the date on which the offer (or, as the case may be, revised offer) made in connection with a general or voluntary offer closes;
- (iv) the record date for determining entitlements under the scheme of arrangement referred above closes;
- (v) the date of the commencement of the winding-up of the Company;
- (vi) the date on which the Grantee commits a breach of paragraph (g) above; or
- (vii) the date on which it is no longer possible to satisfy any outstanding conditions to vesting.

The Committee shall have the right to determine what constitutes cause, whether the Grantee's employment has been terminated for cause, the effective date of such termination and whether someone is a Competitor, and such determination by the Committee shall be final and conclusive.

Unless the Committee determines otherwise in its absolute discretion, the Grantee or his/her legal personal representative is entitled to exercise vested RSU(s) by serving the application for exercising unvested RSU(s) within one month following the occurrence of the termination of Grantee's employment or service with the Company or the Subsidiaries which is terminated for any reason other than for cause (including by reason of resignation, retirement, death, Disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for cause).

Unless the Committee determines otherwise in its absolute discretion and subject to the applicable laws, the vested RSU(s) prior to being exercised and the underlying shares or proceeds obtained by the Grantee from exercising the vested RSU(s) less the exercise price (if any) of the Grantee's RSU(s)

shall be returned by the Grantee to the Company per the Committee's request following the occurrence of one of more of the following events:

- (i) the Grantee's employment is terminated by the Company or any of its Subsidiaries for cause;
- (ii) or the Grantee either: (a) becomes an officer, director, employee, consultant, adviser, partner of or stockholder or other proprietor owning more than 5% interest in any Competitor; or (b) knowingly performs any act that may confer a competitive benefit or advantage upon any Competitor,

at any time before or within 12 months after the Grantee's employment is terminated by the Company or any of its Subsidiaries for any reason.

***(n) Further Restrictions on RSU***

The Grantee shall not be entitled to sell, transfer or deal with the Shares underlying the RSU(s) granted pursuant to the RSU Scheme upon the occurrence of one or more of the following events:

- (i) the Grantee's employment is terminated by the Company or any of its Subsidiaries for cause; or
- (ii) the Grantee either: (a) becomes an officer, director, employee, consultant, adviser, partner of or stockholder or other proprietor owning more than 5% interest in any Competitor; or (b) knowingly performs any act that may confer a competitive benefit or advantage upon any Competitor,

at any time before or within 12 months after the Grantee's employment is terminated by the Company or any of its Subsidiaries for any reason.

If the Grantee sells, transfers or deals with the Shares in breach of the above, the Grantee shall pay the Company the proceeds or consideration obtained (less the exercise price (if any) of the Grantee RSU(s)) as a result of such breach upon demand by the Company.

The Committee may at any time cancel any unvested RSU granted to a Grantee subject to consent by the Grantee. Where the Company cancels unvested RSU(s) and makes a grant of new RSU(s) to the same Grantee, such Grant may only be made with available RSU(s) to the extent not yet granted (excluding the canceled RSU(s)).

Notwithstanding the aforesaid in this paragraph, in each case, the Committee may in its absolute discretion decide that any RSU(s) shall not be canceled or determine subject to such conditions or limitations as the Committee may decide.

***(o) Reorganization of Capital Structure***

In the event of an alteration in the capital structure of the Company, by way of capitalization of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, reduction of the share capital, amongst others, of the Company, whilst any RSU(s) has not vested, such corresponding alterations (if any) shall be made to the number or nominal amount of Shares subject to the RSU(s) so far as unvested as the Auditors or an approved independent financial adviser shall certify in writing, either generally or as regard any particular Grantee, to have in their opinion, fairly and reasonably satisfied the requirement that such adjustments give a Participant the same proportion



(or rights in respect of the same proportion) of the share capital of the Company as that to which that Grantee was previously entitled, but that no such adjustments be made to the extent that a Share would be issued at less than its nominal value.

However, in the case of any capitalization issue or share sub-division to be implemented by the Company as required for the purpose of the Global Offering, no such certification by the Auditors or a financial advisor shall be required.

***(p) Amendment of the RSU Scheme***

Save for any material amendments to the RSU Scheme, the Scheme may be altered in any respect by a resolution of the Committee. The Committee's determination as to whether any proposed alteration to the terms and conditions of the RSU Scheme is material shall be conclusive, provided in each case that such decision is made in accordance with the Articles of the Company and any applicable laws.

***(q) Termination of the RSU Scheme***

The Board of the Company or the Committee may at any time terminate the operation of the RSU Scheme and in such event no further RSU(s) will be offered but in all other respects the provisions of this Scheme shall remain in full force and effect in respect of RSU(s) which are granted during the life of this Scheme and which remain unvested immediately prior to the termination of the operation of the RSU Scheme.

***(r) General***

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares underlying any Awards which may be granted pursuant to the RSU Scheme. As of the Latest Practicable Date, all of the RSU under the RSU Scheme, representing a total of 10,004,000 underlying Shares, had been granted but not vested to Mr. ZHOU Teng to reward his significant contribution, as the chief strategy officer of our Group, to the business development and equity financing of our Company in the past few years.

**F. OTHER INFORMATION**

**1. Estate Duty**

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

**2. Litigation**

Save as disclosed in this prospectus, no litigation, arbitration or claim is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

**3. Joint Sponsors**

Each of Morgan Stanley Asia Limited and Haitong International Capital Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate of US\$1 million for acting as the sponsors for the Listing.

#### 4. Consent of Experts

This prospectus contains statements made by the following experts:

<u>Name</u>	<u>Qualification</u>
Morgan Stanley Asia Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) of the regulated activities as defined under the SFO
Haitong International Capital Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities under the SFO
Jingtian & Gongcheng	PRC Legal Adviser
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Campbells	Cayman Islands legal advisors
China Insights Consultancy Limited	Industry consultant

Save as disclosed in “Underwriting—Hong Kong Underwriters’ interests in our Company” in this prospectus, as of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above has given and has not withdrawn its written consent to the issue of this prospectus with copies of its reports, letters, opinions or summaries of opinions (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

#### 5. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

#### 6. Bilingual Document

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

#### 7. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

#### 8. Disclaimers

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
- (i) there are no commissions for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company; and

- (ii) there are no commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in “—F. Other information—4. Consent of Experts” in this section received any such payment or benefit.
- (b) Save as disclosed in this prospectus:
- (i) there are no founder, management or deferred shares in our Company or any member of our Group;
  - (ii) we do not have any promoter and no cash, securities or other benefit has been paid, allotted or given within the two years immediately preceding the date of this prospectus, or are proposed to be paid, allotted or given to any promoters;
  - (iii) none of the Directors or the experts named in “—F. Other information—4. Consent of Experts” in this section above has any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
  - (iv) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;
  - (v) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;
  - (vi) there are no outstanding convertible debt securities or debentures of our Company or any member of our Group;
  - (vii) there are no other stock exchange on which any part of the equity or debt securities of our Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought;
  - (viii) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option;
  - (ix) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus; and
  - (x) there are no contracts or arrangements subsisting at the date of this prospectus in which a Director is materially interested or which is significant in relation to the business of our Group.