
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2015, when we first commenced our operation and launched YSB App. Since then, we have been led by Mr. Buzhen Zhang, our founder, chairman of the Board and chief executive officer, to address the pain points faced by upstream and downstream participants in the outside-of-hospital pharmaceutical market. We received multiple series of equity financing to support our expanding business operations from 2015 to 2021. We were the largest digital pharmaceutical platform serving businesses outside of hospitals in China in terms of GMV in 2021, according to Frost & Sullivan. See “Directors and senior management” for Mr. Zhang’s biography.

KEY BUSINESS MILESTONES

The following table sets forth our key business development milestones:

<u>Year</u>	<u>Event</u>
2015	We launched YSB App and started operating Online Marketplace.
2016	We were granted a licence from the State Food and Drug Administration for a third-party trading service platform for Internet drugs. We were granted High and New-Technology Enterprise (HNTE) status in China for recognition as an innovative company by the PRC government.
2018	Our Company was incorporated in the Cayman Islands and we carried out the 2018 Internal Restructuring.
2019	Our annual total GMV achieved RMB10 billion for the first time. We started operating Self-operation Business.
2020	We started Targeted Product Launch Business. Our annual total GMV achieved approximately RMB20 billion.
2021	The buyers registered on our Online Marketplace reached 400,000. We introduced ClouDiagnos and wePharmacy.
2022	Our average number of MAB reached 300,000 in March 2022.

MAJOR SUBSIDIARIES

The principal business activities and date of establishment of each of our Major Subsidiaries are shown below:

<u>Name of company</u>	<u>Place of incorporation / establishment</u>	<u>Date of incorporation / establishment</u>	<u>Principal business activities</u>
Guangzhou Leyao Information Technology Co., Ltd. (廣州樂藥信息科技有限公司)	PRC	9 January 2019	Holding company of our Self-operation Business
Guangzhou Sudao Information Technology Co., Ltd. (廣州速道信息科技有限公司)	PRC	6 June 2012	Operating third party e-commerce platform, i.e., Online Marketplace

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MAJOR SHAREHOLDING CHANGES OF OUR COMPANY AND REORGANIZATION

Incorporation of our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 August 2018.

Pre-IPO Investments

From 2015 to 2021, we conducted several rounds of financing. See “—Pre-IPO Investments” for further information about the Pre-IPO Investments and “—Capitalisation” for the share capital of our Company as at the Latest Practicable Date and immediately after the Global Offering (subject to the Assumptions) showing the various rounds of investments and Shares held by each Shareholder before the Global Offering.

Entry into the Contractual Arrangements

In preparation for Listing and to ensure that the scope of entities and businesses within our variable interest entity structure would be kept to a minimum, we adjusted our corporate structure (including our VIE structure) and entered into the Contractual Arrangements. See “Contractual Arrangements” for further details.

Notable acquisitions and disposals during the Track Record Period

We had not conducted any major acquisition or disposal of note during the Track Record Period.

Other share capital changes of our Company

For changes in our Company’s share capital within the two years immediately before the date of this document, see “Statutory and general information—Further information about our Group—Changes in share capital of our Company”.

For details of outstanding options granted under our Company’s share incentive plans, see “Statutory and general information—Share Incentive Plans”.

For other changes to our Company’s share capital, including the Share Subdivision that will take effect upon Listing, see “Share Capital”.

PRE-IPO INVESTMENTS

Series Seed-Series C Financings

Between April 2015 and June 2018, prior to our Company’s incorporation, Guangzhou Sudaο, our predecessor and now one of our Onshore Holdcos, conducted multiple rounds of onshore financings. In December 2018, soon after our Company was incorporated, and in contemplation of listing our shares on an internationally recognised exchange, we internally restructured our then-group, following which certain then-shareholders of Guangzhou Sudaο became shareholders of our Company in exchange for Guangzhou Sudaο becoming a subsidiary of our Company (the “**2018 Internal Restructuring**”). Following this restructuring, the then-shareholders of Guangzhou Sudaο were allotted and issued shares in our Company on a proportionate basis to mirror their respective

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then-equity holding in Guangzhou Sudao. Accordingly, we issued Seed to Series C-2 Preferred Shares in our Company to those pre-IPO investors that had initially subscribed for equity interests of Guangzhou Sudao.

Series D Financing

On 4 December 2018, our Company entered into a share purchase agreement with the following Pre-IPO Investors, pursuant to which our Company issued, and the Pre-IPO Investors purchased, certain number of shares of our Company on 7 December 2018, as follows:

<u>Shareholders</u>	<u>Class of Shares</u>	<u>No. of Shares⁽¹⁾</u>	<u>Consideration</u>
Internet Fund V Pte. Ltd.	Series D	20,000,000	US\$80,000,000
H Capital V, L.P.	Series D	10,000,000	US\$40,000,000
DCM Investments (DE 5), L.L.C.	Series D	3,308,086	US\$13,232,344

Note:

(1) These Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.

Series E Financing

On 1 February 2021, our Company entered into a share purchase agreement with the following Pre-IPO Investor, pursuant to which our Company issued, and the Pre-IPO Investor purchased, certain number of shares of our Company on 1 February 2021, as follows:

<u>Shareholders</u>	<u>Class of Shares</u>	<u>No. of Shares⁽²⁾</u>	<u>Consideration</u>
Million Surplus Developments Limited	Series E ⁽¹⁾	17,357,824	US\$150,000,000

Note:

(1) Such 17,357,824 Series E Preferred Shares were re-designated and re-classified as Series E-1 Preferred Shares on 3 June 2021.

(2) These Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.

On 3 June 2021, our Company entered into a share purchase agreement with the following Pre-IPO Investor, pursuant to which our Company issued, and the Pre-IPO Investor purchased, certain number of shares or warrants for subscription of certain number of shares of our Company as follows:

<u>Shareholders</u>	<u>Class of Shares</u>	<u>No. of Shares⁽¹⁾</u>	<u>Consideration</u>
Baidu (Hong Kong) Limited	Series E-2	3,471,565	US\$30,000,000

Note:

(1) These Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.

<u>Warrant holders</u>	<u>Class of Shares</u>	<u>No. of Shares⁽³⁾</u>	<u>Consideration</u>
Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) ⁽¹⁾	Series E-2	3,471,565	US\$30,000,000
Genius II Found Limited ⁽²⁾	Series E-2	2,670,434	US\$23,076,923
廣州新星花城創業投資合夥企業(有限合夥) Guangzhou XinXing Huacheng Venture Capital Partnership (Limited Partnership) ⁽¹⁾	Series E-2	578,594	US\$ 5,000,000

Notes:

(1) These warrants were exercised in full and the corresponding number of Shares were issued in full on 15 April 2022. See sub-paragraph (b) below.

(2) These warrants were exercised by affiliates of Genius II Found Limited pursuant to an amended warrant and on 15 April 2022, we issued an aggregate of 2,336,419 Series E-2 Preferred Shares to Shanghai Jixu Information Technology Partnership (Limited Partnership) and Genius V Found Limited. No further Shares may be issued under the original and amended warrants. See sub-paragraph (a) below.

(3) These Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.

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In April 2022, we completed the following actions with respect to certain Pre-IPO Investors, following which, our Company had no outstanding warrants:

- (a) We entered into an amended warrant with Shanghai Jixu Information Technology Partnership (Limited Partnership) (上海績旭信息科技合夥企業(有限合夥)) and Genius V Found Limited to amend and restate the warrant dated 3 June 2021 originally entered into with Genius II Found Limited. Aside from the subscribing entities and the number of shares to be issued under the warrant, all other material terms of the amended warrant remained the same as the original warrant. On 15 April 2022, we issued 1,179,231 Series E-2 Preferred Shares to Shanghai Jixu Information Technology Partnership (Limited Partnership) (上海績旭信息科技合夥企業(有限合夥)) and 1,157,188 Series E-2 Preferred Shares to Genius V Found Limited pursuant to the amended warrant. For the avoidance of doubt, these Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.
- (b) On 15 April 2022, we issued 3,471,565 Series E-2 Preferred Shares to Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) and 578,594 Series E-2 Preferred Shares to Guangzhou Xinxing Huacheng Venture Capital Partnership (Limited Partnership) (廣州新星花城創業投資合夥企業(有限合夥)) (formerly known as 廣州新星創業投資合夥企業(有限合夥)) pursuant to their respective warrants dated 3 June 2021. For the avoidance of doubt, these Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.

Principal terms of the Pre-IPO Investments

The below table summarises the principal terms of the Pre-IPO Investments:

Series	Last completion date	Approximate amount raised	Approximate post-investment valuation ⁽¹⁾	Cost per share paid	Discount to the Offer Price ⁽²⁾
Series Seed ⁽³⁾	22 May 2015	RMB16.0 million	RMB100.0 million	RMB2.15	97.2%
Series A ⁽³⁾	12 September 2016	RMB55.0 million	RMB230.0 million	RMB3.76	95.1%
Series B ⁽³⁾	2 April 2018	RMB108.0 million	RMB588.0 million	RMB7.84	89.7%
Series C-1 ⁽³⁾	2 July 2018	RMB160.0 million	RMB1,385.0 million	RMB14.71 and RMB16.34 ⁽⁴⁾	80.7% and 78.6% ⁽⁴⁾
Series C-2 ⁽³⁾	14 September 2018	US\$40.8 million	US\$271.4 million	US\$2.71	74.7%
Series D	30 January 2019	US\$133.2 million	US\$533.2 million	US\$4.00	62.7%
Series E-1	5 February 2021	US\$150.0 million	US\$1,350.0 million	US\$8.64	19.4%
Series E-2	15 April 2022	US\$85.2 million	US\$1,435.2 million	US\$8.64	19.4%

Notes:

- (1) On a fully-diluted basis, and calculated by multiplying the cost per share by the number of shares immediately prior to the completion of corresponding round of financing, plus the amount raised in the corresponding round of financing.
- (2) Calculated based on the mid-point of the indicative Offer Price range and eliminating the impact of the Share Subdivision.
- (3) Preferred Shares issued by our Company in exchange for, and in proportion to, the investors' interest in Guangzhou Sudao under the 2018 Internal Restructuring. See "—Series Seed-Series C financings" in this section for further details. For Series Seed to Series C financings, "last completion date" corresponds to the date that the investment was settled onshore, and "cost per share paid" equals to the investment amount raised from respective series of financing or investor divided by corresponding number of shares issued.
- (4) For Series C-1 financing, there are two different cost per share paid and discount to the Offer Price, as one of the Series C-1 Pre-IPO Investors, Shenzhenshi Gaojie Zhihui Equity Investment Fund Partnership (LLP), subscribed Series C-1 Preferred Shares at a 10% discount (i.e. RMB14.71 per Share).

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Basis of consideration	The consideration for the Pre-IPO Investments was determined based on arm's length negotiations between our Company and the respective rounds of Pre-IPO Investors after taking into account the timing of the investments and the status of our business development and operating entities at the time of entering into the transaction documents.
Use of Proceeds from the Pre-IPO Investments	The proceeds from the Pre-IPO Investments were used towards our business operations and in accordance with the business plan and budget approved by the Board. As of the Latest Practicable Date, we estimate that we had used over 90% of the funds raised from the Pre-IPO Investments.
Lock-up	The Pre-IPO Investors have entered into a lock-up agreement with us, the Sole Sponsor and the Sole Overall Coordinator pursuant to which they have agreed to lock-up their Shares from the date of this document for a period of 180 days thereafter except to the extent of any written consent from the Sole Sponsor and the Sole Overall Coordinator. See "Underwriting" for more information.
Strategic benefits of the pre-IPO investment	Many of our Pre-IPO Investors are sophisticated investors with a track record of investing in private and public companies with a focus in the business areas in which we operate. At the time of entering into the respective Pre-IPO Investments, our Directors were of the view that the respective investments would be beneficial to our Company for the primary reasons that: (i) the proceeds generated from those investments could be applied towards our Group's operations to further grow and develop our business, and thereby generate greater returns to our then-shareholders; (ii) our Company would benefit from guidance and insights contributed by the Pre-IPO Investors, particularly by those who have experience investing in companies operating in the same industries in which we operate and/or are experienced in guiding and growing pre-listing companies; and (iii) the investments represented positive market sentiment that would act as an endorsement of and confidence in our Group by those Pre-IPO Investors to the market, which would not only serve to validate our business to key stakeholders in our industry but would also enhance the reputation of our Company and would better position us for future fundraising opportunities.

Special rights of the Pre-IPO Investors

The Pre-IPO Investors have been granted certain special rights in relation to our Company, such as redemption rights, director appointment rights, information rights and pre-emptive rights. All divestment (including redemption) rights have been terminated before our Company's initial application for Listing; nevertheless, if the Listing is terminated before or not completed by 31 December 2023, the Company's listing process will end and the Pre-IPO Investors will be entitled to divestment rights on the same terms as their original divestment rights. The remaining special rights will terminate upon Listing in accordance with Guidance Letters HKEX-GL43-12 and HKEX-GL44-12.

Upon Listing, all Preferred Shares will automatically and immediately convert to ordinary Shares on a one-to-one basis, resulting in an issue of 491,225,068 additional ordinary Shares (being those converted from Preferred Shares). See "Share capital" for further details.

Public Float

Upon Listing, the Shares held by certain of our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders and their controllers are set out below:

- (a) MIYT Holdings Limited, which is controlled by MIYT Worldwide Limited, which in turn is wholly owned by a trust for the benefit of Mr. Buzhen Zhang, our Director.

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- (b) Million Surplus Developments Limited, which will be a substantial shareholder of our Company upon Listing. See “Substantial shareholders” for further information on the background of this Shareholder.
- (c) Internet Fund V Pte. Ltd., which will be a substantial shareholder of our Company upon Listing. See “Substantial shareholders” for further information on the background of this Shareholder.
- (d) Genius II Found Limited, Genius V Found Limited and Shanghai Jixu Information Technology Partnership (Limited Partnership) are part of the Green Pine Capital Partners group, which is a close associate of a director of our subsidiary.
- (e) Rizhao Changchunteng Innovation & Venture Capital Partnership (LLP) is a close associate of a director of our subsidiary, who is a limited partner (as to more than 30%) in the general partner that controls the shareholder.
- (f) High Mountain Capital Limited is a close associate of a director of our subsidiary, who wholly owns the shareholder.
- (g) Smart Venture Management Limited is a close associate of a director of our subsidiary, who wholly owns the shareholder.

Other than as described above, immediately following the Global Offering (subject to the Assumptions) and upon Listing, the remaining Pre-IPO Investors and Shareholders will collectively hold 271,163,704 Shares (representing 42.88% of the total issued share capital of our Company). To the best knowledge of our Company, these remaining Shareholders are not core connected persons of our Company and Shares held by them will count towards public float.

Information on our principal Pre-IPO Investors

Set out below is a description of our Pre-IPO Investors.

- (a) Million Surplus Developments Limited (百盈發展有限公司), a company incorporated under the Laws of British Virgin Islands, is wholly owned by Meta Group Limited (元知集團有限公司), a company incorporated under the Laws of Cayman Islands. Meta Group Limited is ultimately controlled by Chu Mang Yee (朱孟依). Chu Mang Yee is a controlling shareholder of Hopson Development Holdings Limited, a company listed on the Stock Exchange (stock code: 754) and in which our non-executive Director, Mr. Ziyang Zhu is the Vice President.
- (b) Internet Fund V Pte. Ltd. is a Singapore private limited company and investment company that focuses on investing in internet, technology and software companies. It is managed by Tiger Global Singapore Pte. Ltd., which is an affiliate of Tiger Global Management, LLC, a Delaware limited liability company. All such shares are controlled by Chase Coleman and Scott Shleifer. The registered address of Internet Fund V Pte. Ltd. is 8 Temasek Boulevard #32-02, Suntec Tower Three, Singapore 038988.
- (c) H Capital V, L.P. is a limited partnership incorporated under the Laws of Cayman Islands. H Capital V, L.P. is controlled by H Capital V GP, L.P., which is the general partner of H Capital V, L.P.. H Capital V GP, L.P. is controlled by H Capital V GP, Ltd., which is the general partner of H Capital V GP, L.P.. H Capital V GP, Ltd. is controlled by Xiaohong Chen, who is the director of H Capital V GP, Ltd.. H Capital V, L.P. focuses on investment.
- (d) Shanghai Fosun Pharmaceutical Development Co., Ltd. (上海復星醫藥產業發展有限公司), a company established under the Laws of PRC, is wholly owned by Shanghai Fosun

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- Pharmaceutical (Group) Co., Ltd. (上海復星醫藥(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 2196) and Shanghai Stock Exchange (stock code: 600196).
- (e) DCM Investments (DE 5), LLC is a limited liability company formed under the Laws of Delaware. DCM Investments (DE 5), LLC is ultimately controlled as to one-third or more by DCM International IX, Ltd., of which Mr. Frank Lin, our non-executive Director, is a director.
 - (f) Genius II Found Limited (under the Laws of British Virgin Islands), Genius V Found Limited (under the Laws of British Virgin Islands), and Shanghai Jixu Information Technology Partnership (Limited Partnership) (上海績旭信息科技合夥企業(有限合夥)) (a limited partnership established under PRC Laws) are part of the Green Pine Capital Partners group. Genius II Found Limited and Shanghai Jixu Information Technology Partnership (Limited Partnership) are ultimately controlled by Shenzhen Songhe International Capital Management Partnership (Limited Partnership) (深圳市松禾國際資本管理合夥企業(有限合夥)), the general partner of which is Fei Luo (羅飛).
 - (g) Rizhao Changchunteng Innovation & Venture Capital Partnership (LLP) (日照常春藤創新創業投資合夥企業(有限合夥)) is a limited partnership established under the Laws of PRC, whose general partner is Qingdao Changchunteng Tengxin Investment Centre (Limited Partnership) (青島常春藤藤新投資中心(有限合夥)). The general partner of Qingdao Changchunteng Tengxin Investment Centre (Limited Partnership) is Shanghai Ivy Investment Co., Ltd., which is ultimately controlled by Jiyi Weng (翁吉義).
 - (h) Ivy Pacific GX Limited (formerly known as Everpower Global Co., Ltd.) is a BVI business company incorporated under the Laws of British Virgin Islands, which is wholly owned by Xiuguo Qi (齊秀國).
 - (i) Shunwei Growth III Limited is a BVI business company incorporated in British Virgin Islands and is wholly owned by Shunwei China Internet Opportunity Fund II, L.P., which is ultimately controlled by Tuck Lye KOH.
 - (j) Baidu (Hong Kong) Limited is a private company incorporated under the Laws of Hong Kong. It is ultimately wholly owned by Baidu, Inc., a company listed on Nasdaq (stock symbol: BIDU) and the Stock Exchange (Stock Code: 9888), a leading AI company with a strong Internet foundation, which was incorporated under the laws of the Cayman Islands.
 - (k) Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) is a company limited by shares incorporated in the PRC and is owned as to 99.99% by Sunshine Insurance Group Company Limited. (陽光保險集團股份有限公司) (“**Sunshine Insurance**”). The Sunshine Insurance offers a range of insurance products including property insurance, life insurance.
 - (l) SIG Global China Fund I, LLLP (“**SIG Global**”) is a Delaware limited liability limited partnership. SIG Asia Investment, LLLP, a Delaware limited liability limited partnership, is the investment manager for SIG Global. Heights Capital Management, Inc., a Delaware Corporation, is the investment manager for SIG Asia Investment, LLLP. The only ultimate beneficial owner of SIG Global is a US citizen.
 - (m) Shenzhenshi Gaojie Zhihui Equity Investment Fund Partnership (Limited Partnership) (深圳市高捷智慧股權投資基金合夥企業(有限合夥)) (“**Gaojie**”) is a limited partnership established in the PRC. The general partner of Gaojie is Ningbo Meishan Free Trade Port Gaojie Huineng Investment Management Partnership (Limited Partnership), whose general partner is Wuxi Gaojie Enterprise Management Co., Ltd. (無錫高捷企業管理有限公司), which is wholly owned by Yushan Li (黎羽珊). Gaojie focuses on venture capital investment and management.

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- (n) High Mountain Capital Limited is a BVI business company incorporated in the British Virgin Islands and wholly owned by Jiangwei Wang (汪薑維). Jiangwei Wang is one of the registered shareholders of Guangzhou Suda, see “Contractual Arrangements” for further details.
- (o) Smart Venture Management Limited is a BVI business company incorporated in the British Virgin Islands and wholly owned by Jiahao Shao (邵佳豪). Jiahao Shao is one of the registered shareholders of Guangzhou Suda, see “Contractual Arrangements” for further details.
- (p) Guangzhou Xinxing Huacheng Venture Capital Partnership (Limited Partnership) (廣州新星花城創業投資合夥企業(有限合夥)) is a limited partnership established in the PRC, the general partner of which is Guangzhou Emerging Industry Development Fund Management Co., Ltd. (廣州市新興產業發展基金管理有限公司). Guangzhou Emerging Industry Development Fund Management Co., Ltd. is wholly owned by Guangzhou Industrial Investment Fund Management Company Limited (廣州產業投資基金管理有限公司), which is wholly owned by Guangzhou City Construction Investment Group Company Limited (廣州市城市建設投資集團有限公司), which is part of the People’s Government of Guangzhou Municipality.
- (q) Yue Du is an Independent Third Party.

Other than those Shareholders identified in “—Pre-IPO Investments—Public float”, none of the other Pre-IPO Investors are connected persons of our Company.

Compliance with Interim Guidance

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange in relation to the Listing; and (ii) the special rights granted to the Pre-IPO Investors have terminated or will terminate before or upon the Listing, the Sole Sponsor has confirmed that the Pre-IPO Investments are in compliance with the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and last updated in March 2017 and the Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and last updated in March 2017.

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CAPITALISATION

The following table sets out our Company's shareholding structure as at the date of this document and immediately upon completion of the Global Offering (subject to the Assumptions, but before the Share Subdivision).

Name of Shareholders	2018 Internal Restructuring					Pre-IPO Investment		Global Offering	Shareholding Percentages			
	Founder Shares	Series Seed Preferred Shares ⁽²⁾	Series A Preferred Shares ⁽²⁾	Series B Preferred Shares ⁽²⁾	Series C-1 Preferred Shares ⁽²⁾	Series C-2 Preferred Shares ⁽²⁾	Series D Preferred Shares ⁽²⁾		Series E-1 Preferred Shares ⁽²⁾	Series E-2 Preferred Shares ⁽²⁾	Aggregate number of Shares as at the date of this document ⁽²⁾	Aggregate ownership percentage immediately upon completion of the Global Offering
Management												
MIYT Holdings Limited	31,329,046	—	—	—	—	—	—	—	—	31,329,046	20.33%	19.82%
Substantial shareholders (under the Listing Rules)												
Million Surplus Developments Limited (百盈發展有限公司)	—	100,005	492,259	191,252	—	2,343,306	—	17,357,824	—	20,484,646	13.29%	12.96%
Internet Fund V Pte. Ltd.	—	—	—	—	—	—	20,000,000	—	—	20,000,000	12.98%	12.65%
Other shareholders												
H Capital V, L.P. ⁽¹⁾	—	3,259,562	—	1,637,499	—	—	10,000,000	—	—	14,897,061	9.66%	9.42%
Shanghai Fosun Pharmaceutical Development Co., Ltd. (上海復星醫藥產業發展有限公司) ⁽¹⁾	—	—	9,352,948	4,482,492	—	—	—	—	—	13,835,440	8.98%	8.75%
DCM Investments (DE 5), LLC ⁽¹⁾	—	—	—	—	10,022,723	3,308,086	—	—	—	13,330,809	8.65%	8.43%
Genius II Found Limited	—	—	—	6,629,995	1,836,000	—	—	—	—	8,465,995	5.49%	5.36%
Genius V Found Limited	—	—	—	—	—	—	1,157,188	—	—	1,157,188	0.75%	0.73%
Shanghai Jixu Information Technology Partnership (Limited Partnership) 上海緝旭信息科技合夥企業(有限合伙)	—	—	—	—	—	—	—	1,179,231	—	1,179,231	0.77%	0.75%
Rizhao Changchunteng Innovation & Venture Capital Partnership (LLP) (日照常春藤創新業投資合夥企業(有限合伙))	—	2,328,260	2,727,386	—	—	—	—	—	—	5,055,646	3.28%	3.20%
Ivy Pacific GX Limited ⁽¹⁾	—	—	3,059,999	—	—	—	—	—	—	3,059,999	1.99%	1.94%
Shunwei Growth III Limited ⁽¹⁾	—	—	—	—	6,119,997	—	—	—	—	6,119,997	3.97%	3.87%
Baidu (Hong Kong) Limited (百度(香港)有限公司) ⁽¹⁾	—	—	—	—	—	—	—	3,471,565	—	3,471,565	2.25%	2.20%
Sunshine Life Insurance Corporation Limited (陽光人壽保險股份有限公司) ⁽¹⁾	—	—	—	—	—	—	—	3,471,565	—	3,471,565	2.25%	2.20%

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Name of Shareholders	2018 Internal Restructuring						Pre-IPO Investment		Global Offering	Shareholding Percentages			
	Founder Shares	Series Seed Preferred Shares ⁽²⁾	Series A Preferred Shares ⁽²⁾	Series B Preferred Shares ⁽²⁾	Series C-1 Preferred Shares ⁽²⁾	Series C-2 Preferred Shares ⁽²⁾	Series D Preferred Shares ⁽²⁾	Series E-1 Preferred Shares ⁽²⁾	Series E-2 Preferred Shares ⁽²⁾	Aggregate number of Shares as at the date of this document ⁽²⁾	Aggregate ownership percentage upon completion of the Global Offering		
SIG Global China Fund I, LLLP ⁽¹⁾	—	—	—	—	—	2,668,056	—	—	—	2,668,056	1.73%	1.69%	
Shenzhen Shi Gaojie Zhihui Equity Investment Fund Partnership (LLP) (深圳市高捷智慧股權投資基金合夥企業(有限合夥)) ⁽¹⁾	—	—	—	2,039,997	—	—	—	—	—	2,039,997	1.32%	1.29%	
High Mountain Capital Limited	—	1,396,957	—	637,499	—	—	—	—	—	2,034,456	1.32%	1.29%	
Smart Venture Management Limited	—	—	399,127	191,252	—	—	—	—	—	590,379	0.38%	0.37%	
Guangzhou Xinxing Huacheng Venture Capital Partnership (Limited Partnership) 廣州新星花城創業投資合夥企業(有限合夥) ⁽¹⁾	—	—	—	—	—	—	—	578,594	—	578,594	0.38%	0.37%	
Yue DU ⁽¹⁾	—	365,643	—	—	—	—	—	—	—	365,643	0.24%	0.23%	
Shareholders after the date of this document	—	—	—	—	—	—	—	—	3,952,200 ⁽³⁾	—	—	2.50%	
Total	31,329,046	7,450,427	16,031,719	13,769,989	9,995,994	15,034,085	33,308,086	17,357,824	9,858,143	3,952,200⁽³⁾	154,135,313	100.0%	100.0%

Note:

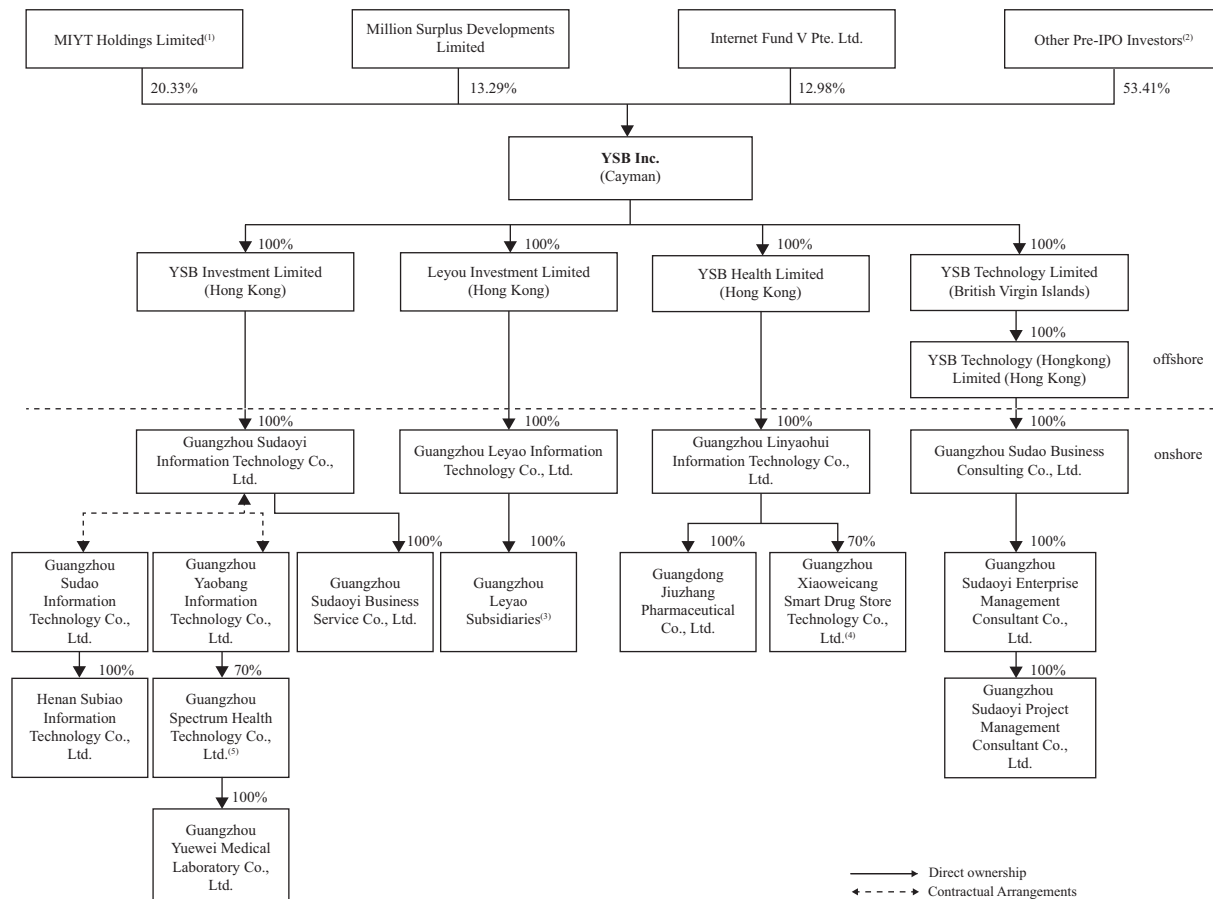
- (1) Shares of these shareholders will contribute towards public float.
- (2) These Share numbers are before the Share Subdivision and represent a Share of par value US\$0.00001 each.
- (3) These Share numbers reflect the Global Offering size before the Share Subdivision and represent a Share of par value US\$0.00001 each. After the Share Subdivision, these figures will become 15,808,800 shares of par value US\$0.0000025 each.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate structure as of the date of this document

The following chart is a simplified depiction of the shareholding and beneficial ownership structure of our Group as of the date of this document:



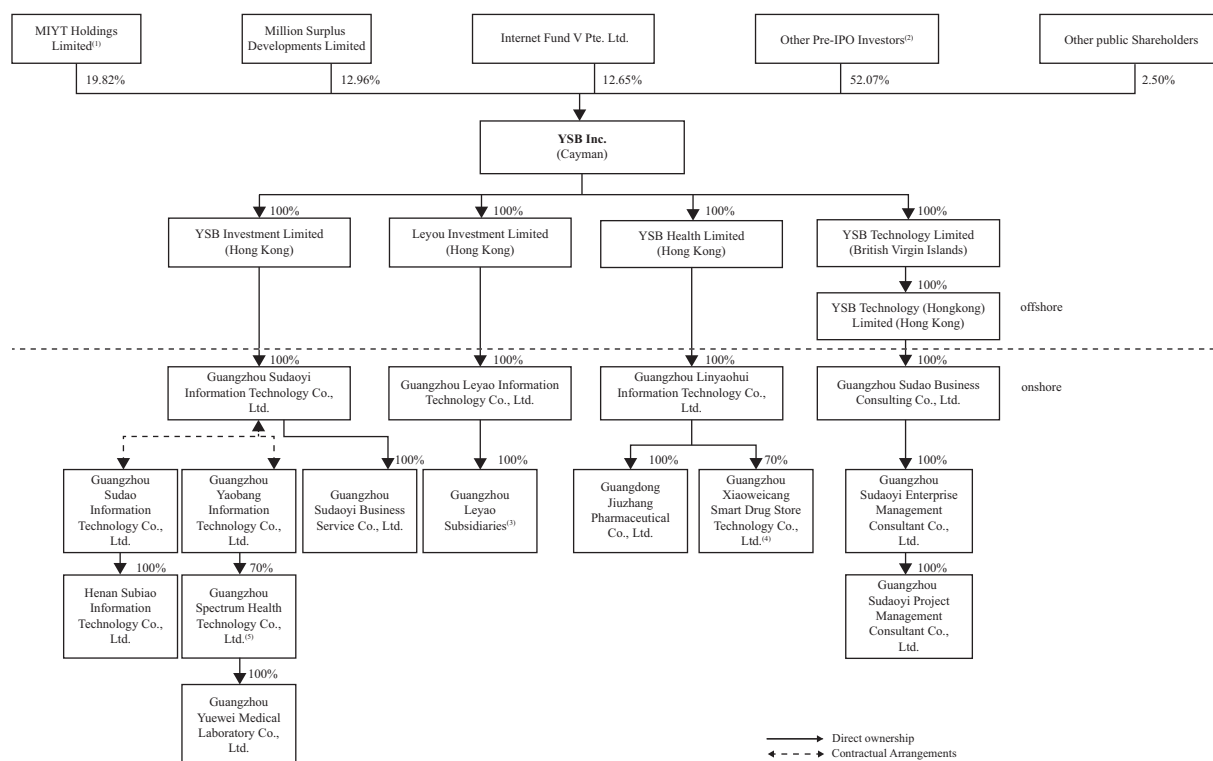
Notes:

- (1) MIYT Holdings Limited is controlled by MIYT Worldwide Limited, which in turn is wholly owned by a trust for the benefit of Mr. Buzhen Zhang, our Director.
- (2) See “—Capitalisation” and “—Pre-IPO Investments—Information on our principal Pre-IPO Investors” for more information about other Pre-IPO Investors and their respective shareholding.
- (3) These Guangzhou Leyao Subsidiaries are wholly owned by our Group.
- (4) The remaining shareholders of Guangzhou Xiaoweicang Smart Drug Store Technology Co., Ltd. are Luoyan Ran (冉羅燕) (as to 15%) and Guangzhou Xiaohuicang Enterprise Management Partnership (Limited Partnership) (廣州小慧倉企業管理合夥企業(有限合夥)) (as to 15%). Luoyan Ran is an Independent Third Party. Guangzhou Xiaohuicang Enterprise Management Partnership (Limited Partnership) is an employee shareholding platform that holds shares in Guangzhou Xiaoweicang Smart Drug Store Technology Co., Ltd. for the benefit of participants of this company’s share incentive programmes; the general partner of this employee shareholding platform is Wenhai Lu, who is an Independent Third Party.
- (5) The remaining shareholders of Guangzhou Spectrum Health Technology Co., Ltd. are Guangzhou Spectrum Enterprise Management Partnership (Limited Partnership) (廣州光譜企業管理合夥企業(有限合夥)) (as to 25%) and Yan Zhou (周嚴) (as to 5%). Yan Zhou is an Independent Third Party. Guangzhou Spectrum Enterprise Management Partnership (Limited Partnership) is an employee shareholding platform that holds shares in Guangzhou Spectrum Health Technology Co., Ltd. for the benefit of participants of this company’s share incentive programmes; the general partner of this employee shareholding platform is Wenhai Lu, who is an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately following the Global Offering

The following chart is a simplified depiction of the shareholding and beneficial ownership structure of our Group immediately following the Global Offering (subject to the Assumptions):



Notes (1) to (5): Please refer to the details contained in the preceding page.

SAFE REGISTRATION

Pursuant to the Circular on Foreign Exchange Administration of Overseas Investments and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (“SAFE Circular 37”), promulgated by SAFE and which became effective on 14 July 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (“Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the Circular on Further Simplifying and Improving the Policies for Foreign Exchange Administration for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (“SAFE Circular 13”), promulgated by SAFE and which became effective on 1 June 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As advised by our PRC Legal Adviser, Mr. Buzhen Zhang completed the required registration with the SAFE on 30 September 2018.

M&A RULES

Under the M&A Rules issued on 8 August 2006, which became effective on 8 September 2006 and was amended in June 2009, a foreign investor is required to obtain necessary approvals when it:

- (a) acquires the equity of a domestic non-foreign invested enterprise thereby converting the domestic enterprise into a foreign-invested enterprise;
- (b) subscribes for the increased capital of a domestic non-foreign invested enterprise so as to convert the domestic enterprise into a foreign-invested enterprise;
- (c) establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise; or
- (d) purchases the assets of a domestic enterprise and injects those assets to establish a foreign invested enterprise.

Our PRC Legal Adviser is of the opinion that prior CSRC approval for the Global Offering is not required because we did not acquire any equity interests or assets of a PRC domestic company owned by our controlling shareholders or beneficial owners who are PRC companies or individuals, as defined under the M&A Rules. However, as there has been no official interpretation or clarification of CSRC approval requirement under the M&A Rules, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including CSRC, would reach the same conclusion as our PRC Legal Adviser. Considering the uncertainties that exist with respect to issuance of new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules, the opinion of our PRC Legal Adviser as summarised above, is subject to change.

For further information about the risks associated with the CSRC approval, see “Risk factors—Risks related to doing business in China—We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raisings activities”.