
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mediwelcome Healthcare Management & Technology Inc., you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Mediwelcome Healthcare Management & Technology Inc. 麥迪衛康健康醫療管理科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2159)

**(1) MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF
100% ISSUED SHARE CAPITAL OF
MEDI AI TECHNOLOGY DEVELOPMENT LIMITED;
(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(3) NOTICE OF EGM**

Financial Adviser to the Company



INCUB Corporate Finance Limited

Placing Agent



**萬海證券(香港)有限公司
WANHAI SECURITIES (HK) LIMITED**

Wanhai Securities (HK) Limited

A letter from the Board is set out from pages 8 to 41 of this circular.

A notice convening the EGM of Mediwelcome Healthcare Management & Technology Inc. (the "Company") to be held at Area C, 3rd Floor, Building B2, Digital Technology Park, Nanshan District, Shenzhen, PRC at 4:30 p.m. on Thursday, 28 May 2026 is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not later than 48 hours (i.e. 4:30 p.m. on Tuesday, 26 May 2026) before the time appointed for the holding of the EGM or any adjournment or postponement thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment or postponement thereof (as the case may be) should you so desire and, in such event, the form of proxy shall be deemed to be revoked.

8 May 2026

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the 100% issued capital of the Target Company as contemplated under the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 30 March 2026 entered into between the Purchaser and the Vendors in relation to the Acquisition
“Acquisition Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Acquisition Agreement
“Announcements”	the announcements of the Company dated 30 March 2026 and 5 May 2026 in relation to, among other things, the Acquisition and the Placing
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Huanyu”	北京寰宇醫誠智能科技發展有限公司 (transliterated as Beijing Huanyu Yicheng AI Technology Development Co., Ltd) a company established in the PRC with limited liability
“Board”	the board of Directors
“business day(s)”	any day(s) except Saturday, Sunday or public holiday on which banks are open in Hong Kong to the general public for business
“BVI”	the British Virgin Islands
“Company”	Mediwelcome Healthcare Management & Technology Inc., a company incorporated in the Cayman Islands, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition in the sum of HK\$139,772,727
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company to be convened and held at Area C, 3rd Floor, Building B2, Digital Technology Park, Nanshan District, Shenzhen, PRC on Thursday, 28 May 2026 at 4:30 p.m. or any adjournment thereof (as the case may be), to consider and, if thought fit, approve the Acquisition, the Placing and the transactions contemplated thereunder
“Enlarged Group”	the Group as enlarged by the Acquisition upon Acquisition Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer
“Latest Practicable Date”	6 May 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	has the same meaning as ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 July 2026, being the long stop date for fulfillment of the conditions precedent under the Acquisition Agreement
“Mediwelcome Beijing”	Mediwelcome Beijing Healthcare Technology Co., Ltd.* (北京麥迪衛康醫療科技有限公司), a company established in the PRC with limited liability
“Mediwelcome HK”	Mediwelcome (HK) Investment Management Company Limited (麥迪衛康(香港)投資管理有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Purchaser

* for identification purpose only

DEFINITIONS

“Placee(s)”	any institutional, corporate, individual or other investor(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement)
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the terms and conditions of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement)
“Placing Agent”	Wanhai Securities (HK) Limited, being a corporation licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 30 March 2026 entered into between the Company and the Placing Agent in relation to the Placing (as amended and supplemented by the Supplemental Placing Agreement)
“Placing Completion”	the completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“Placing Completion Date”	the date of Placing Completion
“Placing Price”	HK\$1.50 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable) (as revised by the Supplemental Placing Agreement)
“Placing Share(s)”	a total of up to 65,000,000 new Shares to be placed pursuant to the Placing Agreement and to be issued under the Specific Mandate, each a “Placing Share”
“PRC” or “Chinese Mainland” or “Mainland China” or “China”	the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Promissory Note”	the promissory note to be issued by the Purchaser in favour of Vendor A to settle part of the Consideration under the Acquisition Agreement
“Purchaser”	Mediwelcome Investment Management Company Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“RSU Scheme”	the restricted share units adopted by the Company on 18 September 2019
“Sale Shares”	an aggregate of 10,628 ordinary shares in the Target Company, representing 100% of its issued and paid-up share capital, each a “Sale Share”
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM and to be granted to the Board for the allotment and issue of the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Substantial Shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Supplemental Placing Agreement”	the supplemental placing agreement dated 5 May 2026 entered into between the Company and the Placing Agent in relation to the Placing to amend and supplement the Placing Agreement
“Target Company”	MediAI Technology Development Limited, 香港寰宇醫誠智慧科技發展有限公司, a company incorporated in Hong Kong with limited liability, the issued shares of which are held by the Vendors
“Target Group”	the Target Company and its subsidiaries, namely Beijing Huanyu and Yuanyu Dingcheng
“Valuation Date”	18 March 2026, being the date of the assessed value of 100% equity interest in the Target Company
“Valuation Report”	the valuation report prepared by the Independent Valuer in relation to assessment of 100% equity interest in the Target Company on the Valuation Date for the purpose of the Acquisition
“Vendor A”	Mr. Mei Weiyi, an Independent Third Party

DEFINITIONS

“Vendor B”	Mr. Gao Chong, an Independent Third Party
“Vendor C”	Enlight Growth Partners, L.P., and its general partner are Independent Third Parties
“Vendors”	collectively Vendor A, Vendor B and Vendor C
“WFOE”	Beijing Medi Healthcare Management Consulting Co., Ltd.* (北京麥迪康健管理諮詢有限公司), a company established under the laws of the PRC with limited liability on 16 May 2019 and a wholly-owned subsidiary of Mediwelcome HK
“Yuanyu Dingcheng”	元宇鼎誠科技發展(北京)有限公司 (transliterated as Yuanyu Dingcheng Technology Development (Beijing) Co., Ltd) , a company established in the PRC with limited liabilities on 23 December 2021, being the principal operating subsidiary of the Target Group
“%”	per cent

For the purpose of illustration only, the amounts denominated in RMB have been translated into HK\$ at the exchange rate of HK\$1.00 to RMB0.88. Such translations should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.

* for identification purpose only

TECHNICAL GLOSSARY

“AI”	Artificial Intelligence, a branch of computer science that develops systems capable of performing tasks that typically require human intelligence, such as perception, learning, reasoning, and decision-making
“AIGC”	Artificial Intelligence Generated Content, the content (such as text, visual and audio) created automatically by artificial intelligence technologies without direct human creation
“blockchain”	a decentralized, distributed digital ledger that records transactions across many computers in a way that ensures the data cannot be altered retroactively without the consensus of the network
“CRO”	Contract Research Organization, an organization that provides support to the pharmaceutical, biotechnology and medical device industries in the form of research services outsourced on a contract basis
“fine-tuned”	the process of adapting a pre-trained foundation model to perform a specific task or specialize in a particular domain with higher accuracy and relevance
“hallucination”	the phenomenon where a LLM generates plausible-sounding but factually incorrect or fabricated information
“HITL”	Human-In-The-Loop is an architectural pattern in which human feedback is required to guide the decision-making of an LLM application and provide supervision. Within the realm of AI, HITL signifies the presence of human intervention at some stage in the AI workflow. This method assures precision, safety and accountability
“LLM”	Large Language Model, advanced AI models trained on massive amounts of text data to understand, generate and interact using human language. They are capable of performing a wide range of natural language processing tasks, such as text generation, translation, summarization and question answering
“PBFT”	Practical Byzantine Fault Tolerance, consensus algorithm designed for distributed systems that can reach agreement (consensus) even if some nodes (up to one-third) fail or act maliciously (byzantine faults)

TECHNICAL GLOSSARY

“Pharmacovigilance”	the science and activities relating to the detection, assessment, understanding and prevention of adverse effects or any other medicine related problem. Its core focus is on the monitoring, identification, assessment and control of adverse drug reactions and other harmful effects associated with medication use
“PMS”	Post-Market Surveillance, the monitoring of a medical device after it has been placed on the market by the manufacturer
“RAG”	Retrieval-Augmented Generation, an AI technique where an external data source is connected to a LLM to generate domain-specific or the most up-to-date responses in real time
“RWD”	Real-World Data, data relating to patient health status and/or the delivery of health care routinely collected from a variety of sources. Examples of RWD include data derived from electronic health records, medical claims data, data from product or disease registries, and data gathered from other sources (such as digital health technologies) that can inform on health status
“R&D”	research and development
“SLM”	Small Language Model, a streamlined, compact AI model designed for efficient natural language processing with lower computational resources, often capable of running on local devices
“Stroke”	a medical condition where poor blood flow to the brain causes cell death, resulting in a sudden loss of neurological function (e.g. inability to move or speak)
“VDF”	Verifiable Delay Function, a cryptographic primitive that requires a specified minimum number of sequential steps to compute, yet produces a unique output that can be efficiently and publicly verified. It ensures that a certain amount of time has elapsed without relying on trusted parties
“vector”	a multi-dimensional mathematical object with direction and magnitude, representing data features
“Vector Database”	an organized collection of vector embeddings that can be created, read, updated, and deleted at any point in time. Vector embeddings represent chunks of data, such as text or images, as numerical values

LETTER FROM THE BOARD



Mediwelcome Healthcare Management & Technology Inc. 麥迪衛康健康醫療管理科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2159)

Executive Directors:

Mr. Shi Wei (*Chairman*)
Mr. Yang Weimin (*Vice Chairman*)
Mr. Wang Liang (*Chief Executive Officer*)
Ms. Deng Chengying (*Chief Financial Officer*)

Non-executive Director:

Mr. Liu Xia

Independent Non-Executive Directors:

Mr. Song Ruilin
Mr. David Zheng Wang
Mr. Chen Huili

Registered Office:

Floor 4, Willow House
Cricket Square
Grand Cayman
KY1-9010
Cayman Islands

*Principal Place of Business
in Hong Kong:*

2408, 24F, World-Wide House
19 Des Voeux Road Central
Central, Hong Kong

8 May 2026

To the Shareholders

Dear Sir/Madam,

**(1) MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF
100% ISSUED SHARE CAPITAL OF
MEDI AI TECHNOLOGY DEVELOPMENT LIMITED;
AND
(2) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

I. INTRODUCTION

Reference is made to the Announcements. The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition and the Placing; and (ii) a notice convening the EGM.

On 30 March 2026 (after trading hours of the Stock Exchange), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendors entered into the Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell the 10,628 Sale Shares, representing the entire issued share capital of the Target Company, at the total Consideration of HK\$139,772,727, subject to the terms and conditions of the Acquisition Agreement. The Consideration shall be settled by cash and the issuance of Promissory Note at Acquisition Completion.

LETTER FROM THE BOARD

On 30 March 2026 and 5 May 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) with the Placing Agent in relation to the placing of up to 65,000,000 Placing Shares at the Placing Price of HK\$1.50 (as revised by the Supplemental Placing Agreement) per Placing Share, on a best effort basis, to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties. The Company intends that the net proceeds from the Placing will first be applied towards the cash payment of the Consideration. If there is any remaining balance, such amount will be applied towards supporting the innovative business of AI medical vertical model development of the Group and/or repayment of the Promissory Note, as may be determined by the Board.

II. THE ACQUISITION

1. The Acquisition Agreement

The principal terms of the Acquisition Agreement are set out below:

Date

30 March 2026 (after trading hours of the Stock Exchange)

Parties

- (i) the Purchaser as purchaser;
- (ii) Vendor A, Vendor B and Vendor C, together as the Vendors.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owners is an Independent Third Party as at the Latest Practicable Date.

Assets to be Acquired

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire, and the Vendors conditionally agreed to sell in aggregate of 10,628 Sale Shares, representing 100% equity interest in the Target Company, subject to the terms and conditions of the Acquisition Agreement. The 10,628 Sale Shares are being sold by Vendor A (9,246 Sale Shares), Vendor B (1,063 Sale Shares), and Vendor C (319 Sale Shares).

Consideration

The Consideration for the 10,628 Sale Shares was HK\$139,772,727 in total, in which HK\$121,602,273, HK\$13,977,273 and HK\$4,193,181 will be paid to Vendor A (by cash and by the issuance of Promissory Note), Vendor B (by cash) and Vendor C (by cash) respectively. The Consideration will be funded by the net proceeds from the Placing and the issuance of the Promissory Note. The Consideration was determined based on arm's length negotiations between the Purchaser and the Vendors with reference to the valuation of the 100% interest in the Target Company of approximately RMB132.95 million (equivalent to approximately HK\$151.08 million) as at 18 March 2026 conducted by the Independent Valuer. Details of the valuation are set out in the section headed "2. Basis of Determination of the Consideration" below.

LETTER FROM THE BOARD

Assuming that all the Placing Shares are fully placed, part of the net proceeds from the Placing of HK\$91.77 million will be used to settle cash portion of the Consideration for the Acquisition, with the remaining part of the Consideration of HK\$48.0 million to be settled by the issue of the Promissory Note.

In the event the Placing has not become unconditional or if the amount raised is not sufficient to pay all the cash portion of the Consideration, the Purchaser will negotiate with the Vendors to agree on an alternative settlement method, including issue of further notes or defer payment schedule, and shall not involve any issue of new Shares.

Promissory Note

The major terms of the Promissory Note are as follows:

Issuer:	The Purchaser
Noteholder:	Vendor A
Principal amount:	Being not less than HK\$48 million
Interest:	Nil
Maturity date:	The date falling twelve (12) months after the date of issue of the Promissory Note
Transferability:	The Promissory Note may be transferred or assigned in the denomination of HK\$1,000,000 each by the Vendor A to any persons (except for connected persons of the Company) provided that Vendor A shall serve a prior written notice to the Purchaser of not less than ten (10) Business Days.
Early redemption:	The Promissory Note may be repaid in whole or in part by Purchaser at its absolute discretion at any time prior to its maturity without penalty by Purchaser giving Vendor A not less than ten (10) Business Days' prior written notice specifying the amount to be so prepaid. Any partial repayment shall be in an amount of no less than HK\$1,000,000 and in integral multiples of HK\$1,000,000.

LETTER FROM THE BOARD

Conditions Precedent

Unless otherwise agreed by the Vendors and the Purchaser in writing, Acquisition Completion is conditional upon the following conditions precedent being satisfied on or before the Long Stop Date:

- 1) obtaining of the Shareholders' approval at the EGM approving the Acquisition;
- 2) the warranties under the Acquisition Agreement shall be true and accurate in all material respects and not misleading, as if they had been repeated at Acquisition Completion and at all times between the date of the Acquisition Agreement and Acquisition Completion;
- 3) each of the Vendors has fully performed all covenants and obligations required to be performed by it prior to Acquisition Completion under the Acquisition Agreement;
- 4) there is no occurrence of material adverse change since the date of the Acquisition Agreement;
- 5) no statute, regulation or decision has been proposed, enacted or made by any government or official body (whether in Hong Kong, Chinese Mainland or elsewhere) that is reasonably expected to prohibit, restrict, or materially delay the execution, delivery or performance of the Acquisition Agreement, the Acquisition Completion or the operations of the Target Group following Acquisition Completion;
- 6) the Purchaser has completed its due diligence on the Target Group, and the results are satisfactory to the Purchaser in all respects; and
- 7) obtaining of the Valuation Report confirming the valuation of the Target Company is not less than RMB125 million as at 18 March 2026.

The Purchaser may, in its sole discretion, waive any of the above conditions, in whole or in part; provided, however, that condition precedent 1 shall not be waived.

As at the Latest Practicable Date, none of the conditions precedent above has been fulfilled.

If any of the above conditions has not been fulfilled or waived on or before 31 July 2026 or such other date as agreed by the parties to the Acquisition Agreement in writing, the Acquisition Agreement shall terminate and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise apart from any antecedent breaches of any provisions thereof.

LETTER FROM THE BOARD

Acquisition Completion

Completion shall take place within 14 days of the date on which the last condition precedent in the Acquisition Agreement is satisfied or waived, or such other day as may be agreed in writing between the Purchaser and the Vendors.

Upon Acquisition Completion, the Purchaser will become the sole shareholder of the Target Company and thus the Company will have control over the Target Group.

2. Basis of Determination of the Consideration

The Consideration for the Acquisition was determined after arm's length negotiation among the parties with reference to the market value of 100% equity interest in the Target Company of approximately RMB132.95 million (equivalent to approximately HK\$151.08 million) as at the Valuation Date according to the valuation prepared by the Independent Valuer based on market approach. The Consideration for the Acquisition represents a discount of approximately 7.5% to the assessed value under the Valuation Report.

The Independent Valuer is a firm of professional valuers which has confirmed in the Valuation Report that to the best of their knowledge and belief, it is independent of the Company and the Target Company.

Please refer to Appendix V for more details on the Valuation Report.

3. Information on the Parties

Information of the Group

The Company is an investment holding company. The Group primarily provides (i) medical conference services, (ii) patient education and screening services, and (iii) marketing strategy and consulting services. In addition to providing integrated healthcare marketing solutions, the Group has also begun to offer CRO services and internet hospital services since late 2019.

Information of the Purchaser

The Purchaser is a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Information on the Vendors

Vendor A is Mr. Mei Weiyi, who is interested in 9,246 Sale Shares. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Vendor A is an Independent Third Party as at the Latest Practicable Date.

Vendor B is Mr. Gao Chong, who is interested in 1,063 Sale Shares. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Vendor B is an Independent Third Party as at the Latest Practicable Date.

LETTER FROM THE BOARD

Vendor C is Enlight Growth Partners, L.P., which is interested in 319 Sale Shares. It is a limited partnership set up in the Cayman Islands. The general partner of this partnership is EGP GP L.P.. Vendor C has a wide investor base with 36 limited partners. EGP Core Limited is the general partner of EGP GP L.P. and is ultimately owned by Chen JenRu and Chui Lin Perry. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Vendor C, its limited partners, its general partner and ultimate beneficial owners are Independent Third Parties as at the Latest Practicable Date.

Information on the Target Group

The Target Company is a company incorporated in Hong Kong with limited liability on 6 March 2025. It is an investment holding company and directly holds 100% equity interest in Beijing Huanyu, which in turn is interested in 67.01% equity interest in Yuanyu Dingcheng. As at the date of the Acquisition Agreement announcement, Mediwelcome Beijing, a consolidated affiliated entity of the Company also holds 0.68% equity interest in Yuanyu Dingcheng*. Apart from its 100% equity interest in Beijing Huanyu, the Target Company has not carried out any operations or held any other investments.

Beijing Huanyu is a company established in the PRC on 24 June 2025. It is an investment holding company. Apart from its 67.01% equity interest in Yuanyu Dingcheng, Beijing Huanyu has not carried out any operations or held any other investments.

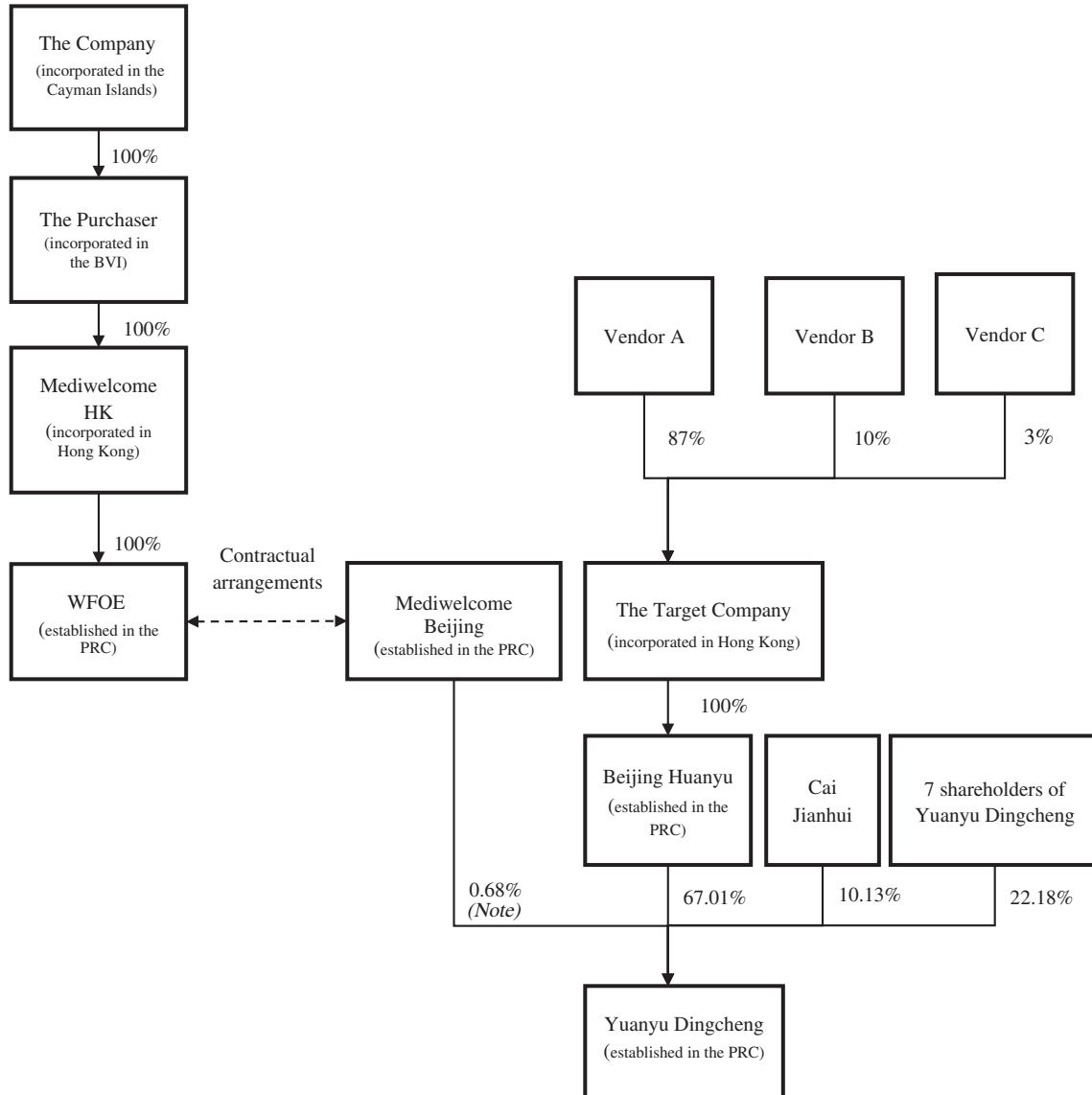
Yuanyu Dingcheng is a company established in the PRC on 23 December 2021. It has a registered share capital of RMB14,802,835 as at the date of the Acquisition Agreement. It is held as to 67.01% by Beijing Huanyu, 10.13% by Ms. Cai Jianhui (an employee of Yuanyu Dingcheng and an Independent Third Party), 0.68% by Mediwelcome Beijing* and the remaining interests of 22.18% are held by 7 individuals, who are Independent Third Parties, each of their interest ranged from 0.07% to 8.11%. Other than Beijing Huanyu and Ms. Cai Jianhui, no single shareholder holds more than 10% interests in Yuanyu Dingcheng.

Beijing Huanyu became the immediate holding company of Yuanyu Dingcheng on 2 September 2025 through the acquisition of interest from the then existing shareholders. Yuanyu Dingcheng is the major operating subsidiary of the Target Group.

* As at the Latest Practicable Date, the Company intends to transfer such 0.68% interest to WFOE and therefore such interest will no longer be held under contractual arrangement upon completion of change.

LETTER FROM THE BOARD

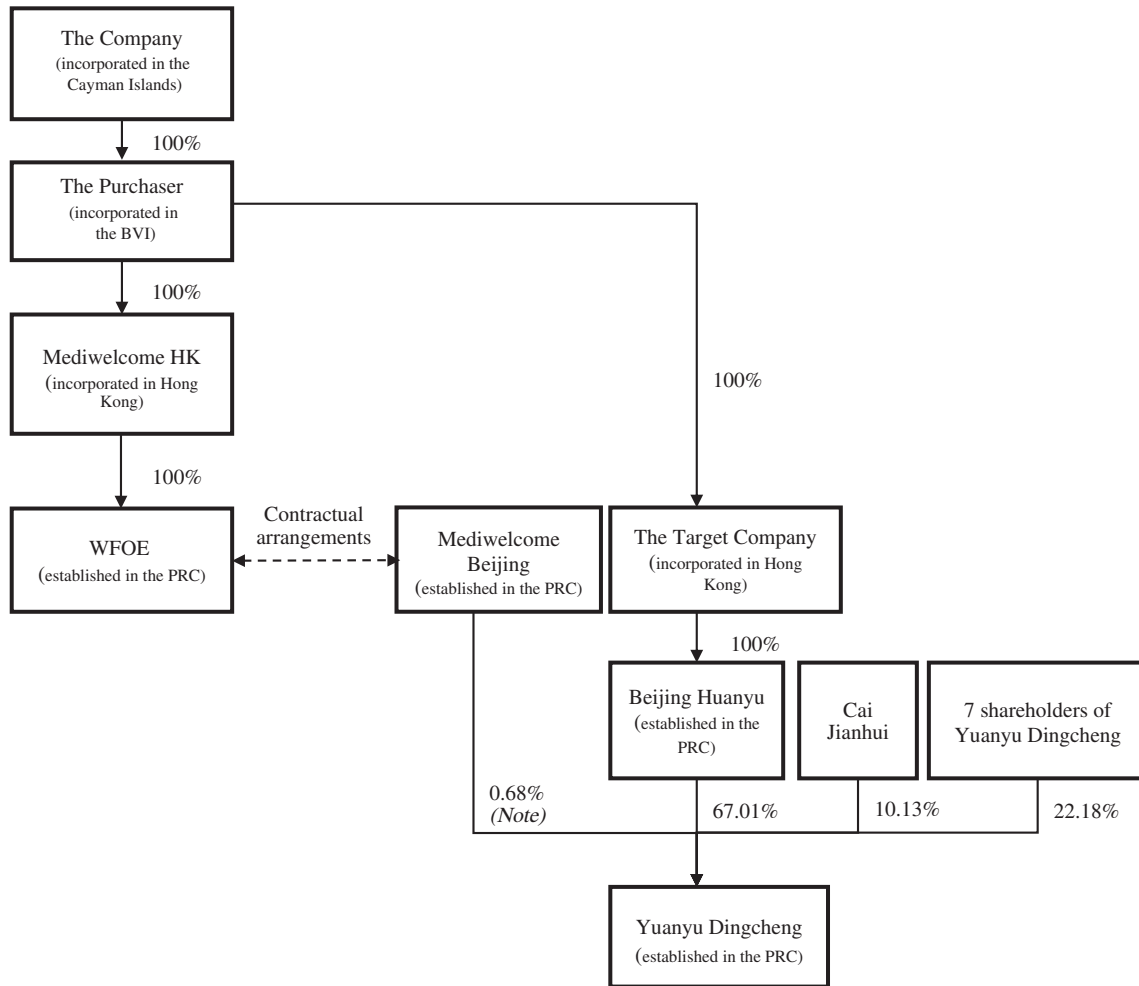
The shareholding structure of the Target Group as at the Latest Practicable Date



Note: As at the Latest Practicable Date, the Company intends to transfer such 0.68% interest to WFOE and therefore such interest will no longer be held under contractual arrangement upon completion of change.

LETTER FROM THE BOARD

The shareholding structure of the Target Group immediately upon Acquisition Completion



Note: As at the Latest Practicable Date, the Company intends to transfer such 0.68% interest to WFOE and therefore such interest will no longer be held under contractual arrangement upon completion of change.

LETTER FROM THE BOARD

Business of the Target Group

1. Business Overview

Yuanyu Dingcheng, the operating subsidiary of the Target Group, is an innovative technology enterprise specializing in the healthcare vertical field. It is dedicated to adopting a dual-engine approach of “artificial intelligence (AI) + blockchain” technology to address core challenges in the medical industry (including difficulties in unlocking data value, managing privacy and compliance risks and improving content-generation efficiency, such as articles and videos).

Since its establishment, Yuanyu Dingcheng has focused on the application of cutting-edge technologies in medical application scenarios. It has successfully established a complete technological system that integrates “proprietary deep learning models” with “collaborative annotations by specialist doctors”, thereby ensuring the authenticity, security and traceability of medical data and providing intelligent solutions for pharmaceutical research and development (R&D), post-marketing surveillance (PMS) and for professional training of doctors.

2. Core Technological Assets

The core competitiveness of Yuanyu Dingcheng is underpinned by its extensive expertise in two key technologies it has developed, namely (i) AI vertical model technology; and (ii) a blockchain-based data compliance foundation.

(i) AI Vertical Model Technology

Unlike general-purpose large language models (LLMs) on the market, which lack medical expertise and carry the risk of generating “hallucinations”, the AI vertical models developed by Yuanyu Dingcheng adopt small language models (SLMs). These specialized AI models are designed for fine-tuned training for specific disease domains.

Development logic: This SLM is trained using deep learning algorithms, incorporating doctors’ personal clinical experience, case studies and accumulated professional knowledge (all collected in compliance with legal requirements) with extensive and authoritative medical literature.

Technical strengths: Compared with general-purpose LLMs, SLMs are able to understand the terminology and underlying logic of a specific domain in a precise manner, thereby reducing the risk of semantic misinterpretation. As a result, they offer strong specialised expertise and high adaptability across different medical application scenarios.

LETTER FROM THE BOARD

(ii) Blockchain-based data compliance foundation

Yuanyu Dingcheng has established a decentralized data foundation built on blockchain and distributed ledger technology, providing rigorous compliance safeguards for the circulation of medical data. The data foundation employs the verifiable delay function (VDF)-Practical Byzantine Fault Tolerance (PBFT) consensus mechanism and asymmetric encryption algorithms to establish a three-tier technical system of “distributed architecture + multi-layer encryption + end-to-end on-chain recording”.

This data foundation has three core functions:

- (i) establishing data ownership: it creates decentralized digital identifiers (DIDs) for doctors and uses “digital fingerprints” to record evidence to ensure that the ownership of the knowledge and experience contributed by doctors is clearly established before they entered the AI models;
- (ii) protecting privacy: data is encrypted and compressed before being stored in an off-chain, compliant cloud storage space, with only authorized entities able to decrypt it by using a private key, thereby creating “usable but invisible” data; and
- (iii) providing a fully traceable records of data operations: all data operations (collection, annotation and use) generate tamper-proof timestamped records, which fully complies with the regulatory requirements for medical data under the Cybersecurity Law and Personal Information Protection Law of China.

3. *Products and Services Launched*

Yuanyu Dingcheng has successfully transformed the above two key technologies into its major products and services since 2024. Key achievements include:

(i) AI Vertical Model for Stroke

Yuanyu Dingcheng has successfully developed and launched a specialized AI vertical model for stroke (“**AI Vertical Model for Stroke**”). The Target Company has constructed vector knowledge bases for the medical vertical based on this AI vertical model. In AI, a vector is the basic unit used to represent data semantics. It consists of an ordered set of numbers used to describe the multi-dimensional characteristics of objects and can convert various types of data (such as text and images) into high-dimensional numerical values. A vector knowledge base is a database specifically designed to store and retrieve such “vector embeddings”. By calculating the similarity between vectors, it quickly identifies information with semantic or content-related associations, thereby supporting efficient data analysis and intelligent applications. By converting unstructured medical knowledge into high-dimensional vector representations, the vector database of Yuanyu Dingcheng enables precise semantic retrieval and matching (i.e. understanding the meanings, concepts and intents of language, rather than merely matching literal keywords). As the core foundation of the Retrieval-Augmented Generation (RAG) model, it effectively addresses the “hallucination” issue faced by general-purpose LLMs in the healthcare sector.

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Yuanyu Dingcheng has the following five core vector knowledge bases for the medical vertical:

- 1) **Logic Vector Database for Stroke Diagnosis and Treatment:** It provides a comprehensive framework covering key areas such as the etiological classification of stroke, clinical management workflows, rehabilitation plans and the management of complications and integrates the clinical decision-making logic of over 100 senior doctors and authoritative domestic and international clinical guidelines;
- 2) **Terminology Alignment Database for Stroke Specialties:** It accurately maps the correspondences between stroke-related medical terminology, industry abbreviations and synonyms, ensuring that AI models can achieve semantic alignment at the terminological level when processing specialized text;
- 3) **Attribute Vector Database for Stroke Drugs:** It contains high-precision coding for key pharmacological parameters of commonly used stroke medications, including indications, dosages, adverse reactions, drug interactions, contraindications and guidelines for specific patient populations;
- 4) **Feature Vector Database for Stroke Cases:** Feature vectors are extracted from a vast number of typical cases based on disease severity, disease type and patient characteristics (such as age and underlying medical history) and then classified, enabling the models to generate highly realistic, personalized simulated cases;
- 5) **Cognitive Vector Database for Stroke Training:** To address the training needs of junior specialists, essential specialty knowledge, key clinical skills and assessment criteria are translated into structured cognitive vectors, enabling the generation of standardized AI-driven training content.

The Group acquired the AI Vertical Model for Stroke in September 2024. Meanwhile, in addition to the AI Vertical Model for Stroke that has already been launched, it has, at the request of the Group, commenced to develop new disease-specific AI vertical models for conditions such as coronary heart disease and lung cancer.

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(ii) Pharmaceutical R&D Support and PMS Solutions

Leveraging on the powerful capacity to process unstructured data of AI vertical models, Yuanyu Dingcheng has successfully expanded its services to the upstream segment of the pharmaceutical industry chain, providing digital support for drug R&D and PMS to pharmaceutical companies and research institutions.

- 1) **Real World Data (RWD) insights:** unlike traditional clinical trials, this solution uses AI models to analyze large-scale datasets of doctor feedback and patient interactions. The models can assist in the monitoring of adverse drug reactions, observing patients' medication behaviors and assessing of their adherence. They can generate high-value drug safety insight reports, effectively support the pharmacovigilance of pharmaceutical companies.

- 2) **Path to compliance:** leveraging on blockchain technology, the solution establishes a dual data channel of "compliant data collection on doctors' end + voluntary reporting by patients". The AI models perform structured extraction and deep anonymization of the collected unstructured information (such as patients' subjective experiences with medication) to provide post-market evidence-based medical support to pharmaceutical companies in full compliance with data security and privacy regulations.

(iii) Medical Content Production and Training Systems

With the application of AI vertical models, Yuanyu Dingcheng is able to automatically generate standardized curricula, typical case analyses and patient education materials (including digital avatar videos, graphics and audio), tailored to meet the training needs of specialist doctors. This can significantly enhance both the efficiency and precision of medical content production.

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4. *Business Model and Revenue Structure*

The commercialization model of Yuanyu Dingcheng primarily targets enterprises and institutions, generating stable revenue through the licensing of professional model data and the provision of technical services. Its principal sources of revenue include:

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| (i) | Revenue from technical services: | It provides trading services for the digital assets of doctors, digital avatar technology services and AI engine licensing services to pharmaceutical and medical device companies and healthcare institutions and generates service fees through long-term framework agreements. |
| (ii) | Revenue from content services: | It provides professional video production, survey creation and content review services powered by AI models, which are billed on a per-project basis. |
| (iii) | Revenue from the development of customized models: | It provides the development of customized AI models, data annotation and training services for medical specialties (such as stroke). |
| (iv) | Revenue from channel partnerships: | It promotes patient education content and PMS services through the offline channels (such as pharmacies and online healthcare platforms) of its partners, with revenue shared based on content impressions or conversion rates. |

The AI Vertical Model for Stroke developed by Yuanyu Dingcheng has been integrated into the Group's digital healthcare services to support the Group's intelligent transformation since September 2024.

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Competitive Advantages

The primary potential competitors of Yuanyu Dingcheng include traditional healthcare internet companies, healthcare SaaS providers, digital healthcare product companies and healthcare software providers.

The AI vertical models of Yuanyu Dingcheng has been successfully commercialized and its innovation is at a leading position in the industry. It has gained recognition from numerous medical institutions and doctors. The competitive advantages of Yuanyu Dingcheng lie in its early strategic positioning in the fields of AI vertical models and blockchain technology, as well as its innovative business model. This has enabled the Target Company to assemble a seasoned team spanning both the medical and information technology sectors, comprising medical experts, specialists and professionals in AI, blockchain and big data. Meanwhile, Yuanyu Dingcheng has successfully utilized AI vertical model technology to develop a dedicated AI Vertical Model for Stroke, which demonstrates greater professional depth and disease-specific targeting compared to general-purpose AI healthcare platforms. Leveraging on the advantages of its early investment in AI vertical models, Yuanyu Dingcheng has compiled a medical knowledge graph related to disease-specific AI vertical models. This model can meet actual clinical needs more accurately and has gained high recognition within the industry, thereby accumulating a strong reputation and visibility in the market and establishing significant technological advantages and industry barriers. Furthermore, leveraging on blockchain technology, Yuanyu Dingcheng has established close partnerships with numerous specialists, enabling the sustainable accumulation of authentic and reliable medical data and industry knowledge to drive growth and enhance the company's value.

4. Future plan of the Target Group

Following the Acquisition, the Target Group's strategy will focus on consolidating its core business. The Target Group will leverage on its technological strengths and the Group's business network to align with the Group's future development blueprint, establishing a diversified and sustainable revenue structure to broaden revenue sources, mitigate risks and drive sustainable growth.

For the Group's development plan after completion, please refer to the section entitled "IV. FUTURE PLAN OF THE GROUP AFTER COMPLETION" in the following section.

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5. Financial information of the Target Group

The Target Company was established on 6 March 2025 while Beijing Huanyu was established on 24 June 2025. Beijing Huanyu became the immediate holding company of Yuanyu Dingcheng on 2 September 2025 through the acquisition of interest from the then existing shareholders. Set out below is the audited consolidated financial information of the Target Group for the period from 6 March 2025 (date of incorporation of the Target Company) to 31 December 2025 in accordance with HKFRS Accounting Standards, in which only the financial results of Yuanyu Dingcheng from 2 September 2025 (date of acquisition by Beijing Huanyu) to 31 December 2025 was consolidated.

	For the period from 6 March 2025 (date of incorporation of the Target Company) to 31 December 2025 (audited) RMB'000
Revenue	50,818
Loss before taxation	(5,217)
Loss after taxation	(3,091)

The revenue of Target Group for the period represents sales of AI proprietary models, provision of AI data services which consists of doctors' digital asset custodian services and AI data transformation services, and other services, contributed by Yuanyu Dingcheng since consolidation. The loss before taxation of the Target Group for the period were mainly attributable to (i) research and development expense; (ii) amortisation of intangible asset; (iii) one-off impairment losses on other receivables; and (iv) netting off with one-off gain on bargain purchase arising from acquisition of Yuanyu Dingcheng during the period. The loss after taxation of the Target Group for the period was due to deferred income tax.

According to the audited financial information of the Target Group, the Target Group recorded net assets of approximately RMB106.22 million as at 31 December 2025.

Yuanyu Dingcheng is a company established in the PRC on 23 December 2021. Yuanyu Dingcheng is the major operating subsidiary of the Target Group.

According to the audited financial information of Yuanyu Dingcheng, the revenue of Yuanyu Dingcheng was approximately RMB2.59 million, RMB105.21 million and RMB176.69 million for the financial years ended 31 December 2023, 2024 and 2025 respectively. For the year ended 31 December 2023, Yuanyu Dingcheng was still in the early stage of development, thus it generated minimal level of revenue of approximately RMB2.59 million. Yuanyu Dingcheng started to generate revenues from its principal business since 2024, accordingly the revenue has significantly increased since 2024. The increase in revenue for the year ended 31 December 2024 was primarily driven by the sales of AI proprietary model for Stroke in 2024 and commencement of provision of AI data services. The increase in revenue for the year ended 31 December 2025 was mainly contributed by the increase in provision of AI data services.

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The loss before taxation of Yuanyu Dingcheng for the years ended 31 December 2023, 2024 and 2025 were approximately RMB0.25 million, RMB13.64 million and RMB7.23 million respectively.

As mentioned above, Yuanyu Dingcheng was still in the early stage of development for the year ended 31 December 2023. It incurred R&D expense of RMB2.50 million to support its development need and resulted in loss making position for the year. For the year ended 31 December 2024, it incurred more loss as compared to the financial year ended 2023, it was mainly due to the increase in R&D expense, from approximately RMB2.50 million for 2023 to RMB45.09 million for 2024.

The decrease in loss for the financial year ended 31 December 2025 was mainly contributed by the combined effect of (i) the increase in revenue and gross profit margin from approximately 33% for 2024 to approximately 42% for 2025; and (ii) the increase in R&D expense from approximately RMB45.09 million for 2024 to approximately RMB67.67 million for 2025.

Please refer to Appendix III to this circular for more elaboration of the performance of the Target Group.

6. Financial Effects of the Acquisition on the Group

Upon Acquisition Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results, and the assets and liabilities of the Target Group will be consolidated into the financial statements of the Enlarged Group.

Assets and liabilities

The audited consolidated total assets and total liabilities of the Group as at 31 December 2025, as extracted from the annual report of the Company for the financial year ended 31 December 2025 published on 22 April 2026, were approximately RMB190.49 million and approximately RMB85.11 million respectively. As set out in Appendix IV to this circular, assuming the Acquisition Completion had taken place on 31 December 2025, (i) the pro forma total assets and total liabilities of the Enlarged Group would have increased to approximately RMB394.26 million and approximately RMB153.34 million respectively; and (ii) the pro forma net assets of the Enlarged Group would have increased from approximately RMB105.38 million to approximately RMB240.93 million.

Earnings

Upon Acquisition Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Group will be consolidated into the financial statements of the Enlarged Group. It is expected that the Company will be able to record additional revenue stream from the Target Company upon Acquisition Completion.

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III. REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE PLACING

The Group is one of the leading providers of comprehensive medical marketing solutions for cardiovascular and cerebrovascular diseases in China. Through the provision of industry service, doctor-patient education services, marketing and strategic consulting services, internet hospital services and CRO services, it has built a highly integrated medical ecosystem. Leveraging on its profound expertise in specialized medical fields, the Group is committed to empowering the entire healthcare industry chain through a dual-engine approach of “specialized medical services + digital technology”.

The Group’s core competitive advantage lies in its deep-rooted channel partnerships and specialized vertical resources, which are rare in China’s healthcare industry. According to the latest statistics, the Group has partnered with over 3,000 tertiary hospitals across the country. The total number of partner hospitals exceeds 28,000, covering 31 provinces, autonomous regions and direct-administered municipalities. The Group has connected with over hundreds of thousands of registered specialists and, through long-term strategic partnerships with national-level academic societies, associations and foundations, has brought together many top industry experts, particularly in the field of cardiovascular and cerebrovascular diseases. The Group has been deeply involved in and has driven the standardized development and operation of many of China’s core specialty disease centers, assisting in the establishment and management of over 1,000 core specialty disease and health management centers, and possesses strong vertical service capabilities for specific diseases. The Group has a stable and high-quality customer base, serving over 300 pharmaceutical and medical device companies worldwide, including some of the top 10 pharmaceutical companies in the world. By providing strategic consulting and project implementation services to these industry leaders, the Group not only maintained a stable revenue stream but also established its brand influence in the high-end healthcare services market.

The Group has a solid business foundation and a comprehensive portfolio of digital products in the field of cardiovascular and cerebrovascular diseases in China. Prior to the Acquisition, the Group had already deployed and launched a range of digital healthcare services and academic promotion solutions, which laid a solid foundation for the seamless integration of AI technology into its operations. The Group has established the Giraffe Digital and Intelligent Integrated Platform (長頸鹿數智一體化平台), which serves as the Group’s core digital service platform. It has integrated features such as medical education, patient management and live streaming of academic conferences, and will serve as the primary vehicle for AI agents and digital asset trading in the future. The Group also owns the Yinchuan Mediwelcome Internet Hospital Platform (銀川麥迪衛康互聯網醫院平台), which holds the necessary qualifications to conduct online medical consultations and chronic disease management in compliance with regulations. It provides the essential licensing support and platform infrastructure for a closed-loop ecosystem of “AI + healthcare services”. In terms of research and data services, the Group has launched a range of businesses, including CRO services and clinical research data systems, and has accumulated extensive experience in data processing and compliant operations.

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These digital products, platforms and service matrices can unleash the extensive data assets accumulated on the platforms if they were empowered by the AI healthcare vertical models and blockchain technology. This will enable the Group's existing product system to transcend its original service boundaries, and deliver high-value, innovative services to customers. The Acquisition of Yuanyu Dingcheng represents a crucial step in the implementation of the Group's strategy to become a professional service provider of AI healthcare vertical models. In September 2024, the Group acquired the AI Vertical Model for Stroke developed by Yuanyu Dingcheng and integrated the model into the Group's Giraffe Digital and Intelligent Integrated Platform. With the integration of AI into the Group's Giraffe Digital and Intelligent Integrated Platform, the platform achieved revenue growth of approximately RMB217 million for the financial year ended 31 December 2025. This growth was driven by a broader customer base, further strengthening the momentum of the Group's overall revenue. By deeply integrating the Target Group's "core technological engine" with the Group's "channel network," the Acquisition are expected to generate significant synergies:

1. Building a "Full-Process Intelligent Closed-Loop" to Achieve Standardized and Intelligent Services

The Group's current business processes rely on manual execution. Upon completion of the Acquisition, the Group will leverage on the Target Group's AI and blockchain technologies to build a standardized "full-process intelligent closed-loop" business system. This system will fundamentally transform the entire process by which the Group serves pharmaceutical and medical device companies:

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| (i) | Automated needs analysis: | It will utilize AI-powered disease-specific models to structure customers' needs (such as academic promotion or post-marketing studies) and use historical data to automatically generate customized proposals, thereby enhancing the precision of business engagement. |
| (ii) | Intelligent content production: | Leveraging on the artificial intelligence-generated content (AIGC) and digital avatar technologies to generate compliant medical content (such as educational videos and illustrated guides) and research tools (such as digital questionnaires) automatically. This will significantly shorten preparation times and enable large-scale, personalized production of content. |
| (iii) | Precision in service delivery: | Through the hospital network, digital product portfolio, the Giraffe Digital and Intelligent Integrated Platform and the Internet Hospital Platform of the Group, it will deliver targeted professional content to specific doctors and patients, enabling the unified dispatching of online and offline resources. |

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- (iv) **Real-time data feedback:** It will use blockchain technology to automatically record business metrics (such as interaction feedback and medication behavior), with data encrypted and synchronized in real time to the backend, driving AI models to adjust strategies and continuously optimize service quality.

The establishment of this one-stop, closed-loop system will transform the Group's business model from "labor-driven" to "data- and algorithm-driven", significantly enhancing its operational efficiency and scalability.

2. Building a "digital trust" to gain a competitive edge through compliance

Against the backdrop of increasingly stringent regulations on medical data, compliance capabilities have become a prerequisite for serving the world's leading pharmaceutical companies. The Target Group's proprietary blockchain technology will enable the Group to establish a highly differentiated "digital trust" advantage:

- (i) **Evidence Retention and Audit Traceability:** Unlike general-purpose platforms that focus solely on process management, blockchain technology enables end-to-end evidence retention and audit traceability for the entire business operation process. All data operations (including collection, anonymization and transfer) are recorded on the blockchain and cannot be tampered with, thereby meeting the most stringent compliance and audit requirements of multinational pharmaceutical companies (MPCs).
- (ii) **Data Ownership Verification and Privacy-Preserving Computing:** Through decentralized identifiers (DIDs) and encryption technologies, the Group will be able to leverage on the value of data in compliance with laws and regulations while protecting the privacy of doctors and patients (ensuring data is "usable but invisible"). This will significantly mitigate legal risks associated with data usage and serve as a core competitive advantage in earning customer trust.

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3. Consolidating Resources across Dimensions to Extend High-Value Business Chains

The Acquisition will create a perfect complement between “cutting-edge technology” and “extensive distribution channels,” driving the Group’s business expansion into the high-value segment of the healthcare industry chain:

- (i) **Evolving from “Marketing” to “Research”:** Leveraging on the Group’s extensive medical data resources and the Target Group’s AI-driven data processing capabilities, the Group will not only be able to provide academic promotion services but will also be able to delve deeper into post-marketing surveillance (PMS) and real-world studies in the future, enabling the Group to evolve from “marketing” to “research.”
- (ii) **Empowering New Drug Research and Development (R&D):** By collecting and analyzing real-world clinical feedback data in compliance with regulations (such as adverse drug reaction monitoring and patient medication adherence analysis), the Group can provide foundational data analytics to support the new drug R&D decision-making of pharmaceutical companies. This will significantly enhance the Group’s strategic value to its customers and broaden its revenue streams.

4. Restructuring Productivity and Optimizing Cost Structures to Enhance Long-Term Profitability

The introduction of the Target Group’s AIGC technology will help the Group reduce marginal costs, optimize cost structures and improve production efficiency:

- (i) **Reducing marginal costs:** AI-powered digital avatar technology will replace traditional, costly on-site video production and manual editing processes, significantly lowering the marginal production costs of large-scale, customized medical education videos and patient education content.
- (ii) **Optimizing cost structures:** By re-application of the “AI + blockchain” technical foundation, the Group can expand services in new specialties (such as oncology and pulmonology) without incurring a linear increase in labor costs. This will optimize the overall cost structure and enhance the Group’s long-term profitability and risk resilience.

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The Target Group's blockchain foundation and the AI vertical model technology is capable of addressing the challenge encountered by the Group in advancing its medical digital transformation. Since 2024, the Group and the Target Group initiated a strategic and intensive collaboration for technology incubation. The Group has input its extensive data assets accumulated on the medical platforms to build up the AI model with the Target Group's technologies. During the period from 6 March 2025 (the date of the Target Company's incorporation) to 31 December 2025, the Target Group is highly engaged in the testing and refinement of the AI Vertical Model for Stroke for the Group, as such vast majority of the Target Group's revenue was derived from the Group during the period. Meanwhile, with the successful integration of the AI Vertical Model for Stroke into the Group's services, it had contributed to the Group's revenue growth in 2025. Furthermore, with the use of these technologies, it optimizes the cost structure of the Group's business and enhances the Group's competitiveness in capturing emerging opportunities in the AI era.

Accordingly, the Board considers that the Acquisition of controlling interest in the Target Group represents a strategic initiative to secure critical core technologies and resources of the Group. The Acquisition will effectively mitigate the potential risks associated with the outflow of such core technology to competitors and enable the Group to retain high-quality technological assets within the Group to strengthen its technical capabilities after Acquisition Completion. Having considered the benefit brought by the technologies to transform the Group's business to meet the market need, the Board believes that the Acquisition is in line with the Group's long-term development objectives and business strategy.

On the other hand, the Target Group has leveraged its success in developing the AI Vertical Model for Stroke to explore other AI models for different diseases. In late 2025, it secured new customer for the development of a Chinese medicine AI model. This has shown the Target Group is able to capitalize on its success to diversify its customer base to support its continued growth in future.

In light of the above, the Acquisition is expected to generate significant synergies by effectively integrating the core resources and strengths of both parties, thereby achieving mutual benefits and win-win outcome. The Group's extensive offline channels, strong specialty barrier and mature digital platforms perfectly complement the Target Group's AI technology. This will not only enable the Group to maintain its technological leadership in an evolving market but also create long-term, sustainable value for Shareholders through an enhanced business model.

Considering the benefits mentioned above, the Board is of the view that the transactions contemplated under the Acquisition Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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IV. FUTURE PLAN OF THE GROUP AFTER COMPLETION

Upon completion of the Acquisition, the Group will no longer confine itself to providing healthcare marketing services. Instead, it will focus its efforts on building a new business ecosystem centered around AI vertical models. The Group has established a clear innovative model, focusing on a business upgrade from “content production” to “asset trading”.

1. Strategic Expansion: Building a Service Matrix of Multidisciplinary AI Vertical Models

Since Yuanyu Dingcheng has successfully launched the AI Vertical Model for Stoke, the Group will leverage on its existing specialist doctor resources and hospital network to rapidly replicate and extend AI model technology to other high-incidence, high-demand specialty domains. In terms of horizontal expansion, it intends to prioritize cardiovascular diseases (which encompass numerous conditions) and initiate the development of AI vertical models for various chronic diseases such as oncology and respiratory conditions, as well as the obesity and weight loss sector. In terms of vertical deepening, Yuanyu Dingcheng will leverage on data from the specialized disease centers managed by the Group to train more sophisticated specialty models, forming an AI service matrix of “one model for each specialty”. This will comprehensively cover the entire lifecycle from pre-hospital screening to in-hospital diagnostic assistance to post-discharge rehabilitation management.

2. Core Innovation Model: “Specialist Doctors + AI Vertical Model Agents”

Upon completion of the Acquisition, the Group will redefine the way medical services are delivered by establishing a dual-engine model of “specialist doctors + AI vertical model agents”. This is not a mere replacement, but rather a means to maximize the value of medical expertise through “human-in-the-loop” (HITL).

- (i) **Operational Mechanism: Standardized HITL Workflow:** The Group will establish a rigorous closed-loop system for HITL content production. By using AI models, initial drafts can be rapidly generated, which will then undergo multiple rounds of review and precise annotation through a tiered doctor collaboration mechanism. This model can effectively combine the academic authority of senior experts with the efficient content generation capabilities of AI, ensuring that every piece of output undergoes rigorous medical validation and copyright verification, thereby achieving a standardized transformation from “unstructured data” to “high-quality medical copyright assets”.

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(ii) The model of “specialist doctors + AI vertical model agents” can be applied in two main scenarios:

- (a) **For doctors:** The Group will use AI vertical models to build a comprehensive system for professional development, academic exchange and clinical skill enhancement. This system will offer a wide range of applications, including in-depth interpretation of authoritative clinical guidelines, intelligent mining of medical research data and automated generation of literature reviews, AI-assisted analysis and teaching for complex and challenging cases as well as simulation training in virtual clinical scenarios;
- (b) **For patients:** The Group will leverage on its AI technology to transform patient service processes, with applications covering a wide range of scenarios, including AI-based screening and risk assessment for high-risk populations in the pre-hospital setting, the dynamic generation and tracking of personalized patient education and rehabilitation plans, intelligent monitoring of medication adherence and adverse reactions as well as targeted interventions for lifestyle factors (diet/exercise).

3. Closed-Loop Business Ecosystem: Trading System for Medical Copyright Digital Assets

Unlike general-purpose large model training, which is conducted solely for the purpose of “training models”, the Group’s data annotation and production are designed to generate high-quality medical content and establish medical copyright content for specific diseases. Upon completion of the Acquisition, the Group will leverage on blockchain technology to build a “Trading Platform for Medical Copyright Digital Assets”. This platform will operate on a pay-per-use and revenue-sharing model, enabling commercial monetization in the following four core areas:

(i) *Empowering Healthcare Institutions: Targeted Patient Education and Management*

Healthcare institutions can procure digital asset services from the Group. The system will automatically deliver customized AI-powered educational content based on patients’ electronic health records and utilize licensed digital assets to provide targeted interventions. This will improve patient medication adherence and rehabilitation outcomes while reducing the labor costs in healthcare staff.

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(ii) Empowering Pharmacy Chains: Smart Upgrades for Retail Outlets

Physical pharmacies can purchase or license the Group's health education videos and customized promotional posters via "smart screens." This can enhance the pharmacies' professional brand image and retail experience and increase customer interaction and engagement, thereby directly driving sales growth for related pharmaceutical and medical device products.

(iii) Empowering Leading Universities, Research Institutions and AI Large Model Companies

As a provider of high-quality vertical-domain data, the Group will offer expert-annotated and verified medical data for commercial transactions. This data can support the training and fine-tuning of general-purpose large language models for the healthcare vertical. It can also facilitate product development and validation, effectively addressing the critical issue of slow building of clinical experience in traditional medical education. By providing highly realistic AI simulation data, the Group will significantly accelerate the development of medical students into qualified clinicians and assist in the R&D and optimization of clinical diagnostic decision-making systems.

(iv) Empowering Non-Governmental Organizations (NGOs), Pharmaceutical Companies and Digital Health Innovation Companies

NGOs, pharmaceutical companies and digital health innovation companies can leverage on this medical copyrighted content on specific diseases to significantly reduce content production and R&D costs while gaining professional medical support in compliance with regulations, including: (i) utilizing AI models to assist in drug R&D and clinical trial design; (ii) utilizing the Application Programming Interfaces (APIs) of AI chatbots for the development of health consultation apps; (iii) using licensed AI content in doctor training and academic seminars to promote academic training and exchange; and (iv) using licensed AI content to support patient care and outreach initiatives.

4. Platform for Implementation: the Giraffe Digital and Intelligent Integrated Platform

The innovative model mentioned above will be fully implemented on the Group's upgraded Giraffe Digital and Intelligent Integrated Platform. The platform will integrate an "AI Vertical Model Production Factory", a "Doctor Crowdsourcing Community" and a "Digital Asset Trading Platform" into a single entity, serving as a central hub connecting doctors, hospitals, pharmaceutical companies and patients and drive the Group's transformative development from a "service provider" to a "platform-based tech company".

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V. THE PLACING

1. The Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement)

The principal terms and conditions of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) are as follows:

Date

30 March 2026 (after trading hours of the Stock Exchange) and 5 May 2026 (after trading hours of the Stock Exchange)

Parties

- (1) The Company as issuer; and
- (2) The Placing Agent as placing agent.

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement), the Placing Agent will receive a placing commission of 2.6% of the aggregate amount of the Placing Price multiplied by the actual number of the Placing Shares placed by the Placing Agent. The Placing Agent may deduct the full amount of such placing commission from the amount of any placing moneys paid by the Placees.

The placing commission was negotiated on arm's length basis between the Company and the Placing Agent, and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Number of the Placing Shares

The Placing Agent has conditionally agreed to place up to 65,000,000 Placing Shares at the Placing Price of HK\$1.50 (as revised by the Supplemental Placing Agreement) per Placing Share, on a best effort basis, to Placees who and whose ultimate beneficial owners shall be Independent Third Parties, subject to the terms and conditions set out in the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement).

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Assuming all 65,000,000 Placing Shares are successfully placed, the Placing Shares represent: (a) approximately 23.21% of the total existing issued Shares as at the Latest Practicable Date; and (b) approximately 18.84% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the Latest Practicable Date to the Placing Completion Date other than the issue by the Company of the Placing Shares).

Ranking of the Placing Shares

The Placing Shares will rank *pari passu* in all respects among themselves and with the other existing Shares upon issuance.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and whose respective ultimate beneficial owners are Independent Third Parties.

Placing Price

The Placing Price is HK\$1.50 (as revised by the Supplemental Placing Agreement) per Placing Share and represents:

- (i) a discount of approximately 1.32% to the closing price of HK\$1.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 0.67% over the closing price of HK\$1.49 per Share as quoted on the Stock Exchange on the date of the Supplemental Placing Agreement;
- (iii) a premium of approximately 1.49% over average closing price of HK\$1.478 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior the date of the Supplemental Placing Agreement;
- (iv) no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of the theoretical diluted price of approximately HK\$1.492 per Share as compared to the benchmarked price of approximately HK\$1.49 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of the announcement relating to the Supplemental Placing Agreement of HK\$1.49 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Supplemental Placing Agreement of HK\$1.478 per Share); and

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- (v) a premium of approximately 250.47% over the Group's audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.428 per Share as at 31 December 2025 (based on a total of 280,000,000 Shares in issue, the Group's audited consolidated net asset value attributable to the Shareholders of approximately RMB105,379,000 as at 31 December 2025 and the exchange rate of HK\$1.00 to RMB0.88).

Assuming that all Placing Shares are successfully placed, the net Placing Price (after deducting the placing commission and other related costs and expenses) is approximately HK\$1.42 per Placing Share. Based on the nominal value of HK\$0.00001 per Share, the aggregate nominal value of the Placing Shares is HK\$650.

The Placing Price (as revised by the Supplemental Placing Agreement) was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to the prevailing market price of the Shares which declined from HK\$2 per Share on the date of the Placing Agreement to HK\$1.49 per Share on the date of the Supplemental Placing Agreement, with the lowest of HK\$1.45 per Share on 20 April 2026 and 22 April 2026 and an average of approximately HK\$1.56 per Share.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) the Shareholders having approved at the EGM the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and the transactions contemplated thereunder (including the grant of the specific mandate);
- (b) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing approval not subsequently being revoked prior to the Placing Completion);
- (c) all necessary consents and approvals (i.e. respective board approvals for the entering into of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement)) to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and the transactions contemplated thereunder having been obtained; and
- (d) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) not having been terminated in accordance with the terms of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement).

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None of the above conditions can be waived by the Company or the Placing Agent. If any of the conditions precedent above is not fulfilled on or before 31 July 2026 (or such other date the Company and the Placing Agent may agree in writing), the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) shall lapse and become null and void and the Company and the Placing Agent shall be released from all obligations thereunder, save the liabilities for any antecedent breaches thereof.

As at the Latest Practicable Date, none of the conditions precedent above has been fulfilled.

Application for Listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and the permission to deal in, the Placing Shares.

Placing Completion

Completion shall take place within 14 days (as amended and supplemented by the Supplemental Placing Agreement) after the fulfillment of all the conditions precedent set out in the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) (or such other date and place as the Company and the Placing Agent may agree in writing).

Termination

The Placing Agent may, by giving a written notice to the Company, at any time prior to the Placing Completion Date, provided that such notice is received prior to 8:00 a.m. (Hong Kong Time) on the Placing Completion Date if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement)) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or

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- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and prior to the Placing Completion Date which if had occurred or arisen before the date of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement); or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement, the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) prior to such termination.

2. Specific Mandate to issue the Placing Shares

The Placing Shares will be issued under the Specific Mandate to be obtained at the EGM and therefore the Placing will be subject to Shareholders' approval.

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3. Use of Proceeds from the Placing

Assuming all 65,000,000 Placing Shares are successfully placed, the gross proceeds from the Placing will be HK\$97.50 million, and the net proceeds from the Placing (after deduction of the placing commission and other related costs and expenses) are estimated to be approximately HK\$92.34 million, representing a net issue price of approximately HK\$1.42 per Placing Share. The Company intends that the net proceeds from the Placing will first be applied towards the cash payment of the Consideration in the amount of HK\$91.77 million and the remaining balance of HK\$0.57 million will be applied to support the innovative business of AI medical vertical model development of the Group, such as for the payment of staff related cost, and/or repayment of the Promissory Note, as may be determined by the Board. In the event of an undersubscription of the Placing, the proceeds will be fully allocated towards the cash payment of the Consideration.

In the event that the Acquisition Completion does not take place, all of the net proceeds from the Placing will be allocated to the business development of existing businesses of the Company, with 70% for payment of R&D expenses of AI medical vertical models for digital marketing and sales solutions services and the remaining 30% for payment of market promotion expenses for the business in medical conference services, marketing strategy and consulting services. It is currently expected that approximately 30% of the proceeds will be utilized in 2026 and approximately 70% of the proceeds will be utilized in 2027.

The Directors are of the view that the Placing represents a timely and strategic initiative to fund the Acquisition without depleting its existing cash reserves, which had been earmarked for other business operations. In addition, the Directors consider that it is in line with the interest of the Company to broaden the Shareholder base and the capital base of the Company.

The Board has evaluated various fundraising alternatives to secure the necessary capital for the Acquisition. After careful consideration, the Board is of the view that issuing new Shares under a specific mandate represents the most suitable and efficient method.

The Board considered that debt financing would likely involve lengthy due diligence and uncertain negotiations with banks and would impose interest burden on the Group. This timeframe and uncertainty are less beneficial for a timely execution of the Acquisition.

Regarding other equity-based methods, such as a rights issue or open offer, although these fundraising methods could provide Shareholders with pro rata entitlements, the Board noted these would involve substantially more time and cost to complete compared to the Placing. A rights issue or open offer requires more complex procedures, including the dispatch of a prospectus and designated periods for acceptance and payment. As a result, these exercises would be time-consuming to complete, and the amount of funds to be raised would also be subject to uncertainty regarding the level of acceptance. In contrast, the Placing is expected to have a shorter lead time due to simpler documentation and procedural requirements.

In light of the above, the Directors consider that the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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4. Effects on Shareholding Structure of the Company

Assuming all the Placing Shares are fully placed and there are no other changes in the share capital of the Company from the Latest Practicable Date up to the date of issue of the Placing Shares, to the best knowledge and belief of the Directors and based on the disclosure of interest filed by the Substantial Shareholders, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon the Placing Completion:

Shareholders	As at the Latest Practicable Date		Immediately upon Placing Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Ji Ze Investment Management Company Limited ^(Note 1)	40,651,000	14.52%	40,651,000	11.78%
Shun Jia Investment Management Company Limited ^(Note 2)	25,415,000	9.08%	25,415,000	7.37%
Tai Zhi Feng Investment Management Company Limited ^(Note 3)	12,038,000	4.30%	12,038,000	3.49%
He Hui Wan Yi Investment Management Company Limited ^(Note 4)	25,415,000	9.08%	25,415,000	7.37%
Sub-total ^(Note 5)	103,519,000	36.98%	103,519,000	30.01%
Mr. Shi Wei ^(Note 1)	1,950,000	0.69%	1,950,000	0.56%
Mr. Wang Liang ^(Note 3)	1,800,000	0.64%	1,800,000	0.52%
Sub-total ^(Note 5)	107,269,000	38.31%	107,269,000	31.09%
Deep Blue Fund SPC – Apollo SP ^(Note 6)	40,480,000	14.46%	40,480,000	11.73%
Public Shareholders				
Placees	–	–	65,000,000	18.84%
Other public Shareholders	132,251,000	47.23%	132,251,000	38.34%
	<u>280,000,000</u>	<u>100.00%</u>	<u>345,000,000</u>	<u>100.00%</u>

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Notes:

1. Ji Ze Investment Management Company Limited is wholly-owned by Mr. Shi Wei.
2. Shun Jia Investment Management Company Limited is wholly-owned by Mr. Yang Weimin.
3. Tai Zhi Feng Investment Management Company Limited, is wholly-owned by Mr. Wang Liang.
4. He Hui Wan Yi Investment Management Company Limited is wholly-owned by Ms. Zhang Yitao.
5. The Company's ultimate controlling shareholders, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang, are parties acting in concert. On 13 October 2019, they entered into written agreement to, among others, confirm their acting-in-concert arrangement. By virtue of the SFO, each controlling shareholder is deemed to be interested in the Shares beneficially owned by other controlling shareholders including the controlling shareholders' interest set out in notes 1 to 4 above.
6. Deep Blue Fund SPC – Apollo SP, is a segregated portfolio of Deep Blue Fund SPC. Deep Blue Fund SPC is a segregated portfolio company incorporated in the Cayman Islands operating as a private investment fund. Hong Kong International Capital Management Limited, a corporation licensed under the SFO permitted to engage in Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, is appointed as the investment manager of Deep Blue Fund SPC – Apollo SP. Hong Kong International Capital Management Limited is wholly owned by Hong Kong Financial Services Holding Limited.

5. Equity Fund Raising Activities in the Past Twelve Months

The Company has conducted the following equity fund raising activities during the twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activities	Net proceeds raised (Approximately)	Intended use of net proceeds	Actual use of net proceeds
13 June 2025 and 8 July 2025	Placing a total of 40,000,000 new Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 26 June 2024 (the "2024 AGM") to allot, issue and deal with up to 20% of the then issued Shares as at the date of the 2024 AGM	HK\$15.52 million	For general working capital to support innovative business of AI medical vertical model development	approximately HK\$4.24 million has been applied as intended and the remaining will be utilised as intended

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Date of announcement	Fund raising activities	Net proceeds raised (Approximately)	Intended use of net proceeds	Actual use of net proceeds
14 July 2025 and 28 July 2025	Placing a total of 40,000,000 new Shares under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting of the Company held on 25 June 2025 (the “2025 AGM”) to allot, issue and deal with up to 20% of the then issued Shares as at the date of the 2025 AGM	HK\$21.34 million	For general working capital to support innovative business of AI medical vertical model development	Not yet utilized and will be utilised as intended

Save as disclosed above, the Company had not conducted any other equity fund raising activities during the twelve months immediately preceding the Latest Practicable Date.

VI. LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is greater than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

VII. CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining Shareholders’ entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 21 May 2026. The record date of the attending and voting at the EGM is Thursday, 28 May 2026.

VIII. EGM

A notice convening the EGM to be held at 4:30 p.m. on Thursday, 28 May 2026, at Area C, 3rd Floor, Building B2, Digital Technology Park, Nanshan District, Shenzhen, PRC is set out on pages EGM-1 to EGM-3 of this circular for the Shareholders to consider and, if thought fit, to approve the Acquisition, the Placing and the transactions contemplated thereunder by way of ordinary resolutions. The resolutions approving the Acquisition, the Placing and the transactions contemplated thereunder will be conducted by way of a poll at the EGM.

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To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder or any of his/her/its close associate(s) (as defined in the Listing Rules) has a material interest in the Acquisition and/or the Placing. Thus, no Shareholder is required to abstain from voting at the EGM to approve the Acquisition, the Placing and the transactions contemplated thereunder.

A form of proxy for use by Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours (i.e. 4:30 p.m. on 26 May 2026) before the time appointed for the holding of the EGM or any adjournment or postponement thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment or postponement thereof (as the case may be) should you so desire and, in such event, the form of proxy shall be deemed to be revoked.

Pursuant to the Listing Rules and the memorandum and articles of association of the Company, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting decides to allow a resolution to be voted by a show of hands pursuant to the Listing Rules. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under the Listing Rules.

IX. RECOMMENDATION

The Directors consider that the Acquisition and the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and, accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the EGM and as set out in the notice of EGM.

Shareholders and potential investors should note that each of the Acquisition and the Placing is subject to conditions which may or may not be fulfilled or waived (as applicable). Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

Yours faithfully,
By Order of the Board
Mediwelcome Healthcare Management & Technology Inc.
Shi Wei
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the three financial years ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mediwelcome.com):

- (a) Annual report of the Company for the year ended 31 December 2025 published on 22 April 2026

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200734.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200735_c.pdf

Please refer to pages 75 to 162 of the above annual report.

- (b) Annual report of the Company for the year ended 31 December 2024 published on 25 April 2025

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042500996.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0425/2025042500997_c.pdf

Please refer to pages 72 to 152 of the above annual report.

- (c) Annual report of the Company for the year ended 31 December 2023 published on 25 April 2024

English:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042500750.pdf>

Chinese:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042500751_c.pdf

Please refer to pages 73 to 158 of the above annual report.

Each of the said consolidated financial statements of the Group is incorporated by reference to this circular and forms part of this circular.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2026, being the latest practicable date for ascertaining certain information relating to the indebtedness statement prior to the printing of this circular, the indebtedness of the Enlarged Group was as follows:

	<i>RMB'000</i>
Current	
Bank borrowings (<i>Note i</i>)	46,618
Lease liabilities (<i>Note ii</i>)	4,276
Non-current	
Lease liabilities (<i>Note ii</i>)	<u>1,564</u>
Total	<u><u>52,458</u></u>

Notes:

- i. Bank borrowings included approximately RMB27,019,000 which were unsecured and guaranteed by the Directors; while borrowings amounting of approximately RMB19,599,000 were unsecured and unguaranteed.
- ii. The lease liabilities were unsecured and unguaranteed.

Contingent liabilities

Except as disclosed in the above, the Enlarged Group did not have any outstanding loan, capital issued or agreed to be issued, bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, debentures, mortgages, charges, other recognised lease liabilities, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities as of the Latest Practicable Date.

3. WORKING CAPITAL SUFFICIENCY

After due and careful consideration, the Directors are of the opinion that, in the absence of unforeseen circumstances and taking into account the effects of the Acquisition, the Placing and the Enlarged Group's internal resources, the Enlarged Group will have sufficient working capital to satisfy its present requirements for at least twelve months from the date of the circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

In 2025, the Chinese economy continued to demonstrate remarkable resilience amid a complex and volatile external environment. The healthcare industry is undergoing a profound transformation from rapid growth to high-quality development. As industry-related norms and standards are constantly being improved, unprecedented demands are being placed on the professionalism, precision, and innovation of healthcare services. In the face of this trend, the Company has steadfastly pushed forward the strategic upgrade from digitalisation to intelligentisation, maintaining steady business operations in a challenging market environment.

In the process of applying cutting-edge technologies to empower healthcare services, the Group has gained a keen insight into two major pain points faced by the industry: on one hand, there is a general lack of professional depth in the large generative models commonly used in the current market when dealing with complex healthcare verticals; on the other hand, in the high-value application of healthcare data, privacy protection, data authentication and data security constitute extremely high barriers to industry compliance.

Based on this, the Group fully upgraded its technology exploration and strategic focus to "AI Agents" in 2025. The Group is actively exploring and applying AI disease-specific mini-models and blockchain technologies in the healthcare vertical, aiming to break the limitations of general models and data silos through the underlying architecture of "AI mini-models + blockchain", so as to utilise the value of data in a legal and compliant manner, and to build up a strong moat of "digital trust". During the year ended 31 December 2025, the Group's AI agent technology achieved initial validation and milestones in medical knowledge and doctor-patient interactions in certain specialty areas, which laid a solid cognitive and technological foundation for the Group's transformation from a "healthcare market solution provider" to an intelligent technology-driven platform.

In 2025, the various main businesses of the Company have also achieved steady development with the empowerment of the Group's underlying technologies. By integrating intelligent technology into the business landscape, the "Giraffe Digital and Intelligent Integrated Platform" not only enhances service response speed to NGOs, medical institutions and pharmaceutical clients, but also provides a more convenient and professional intelligent service experience for doctors and patients, further consolidating its market position in the field of academic promotion and digitalisation services.

As of 31 December 2025, the number of registered doctor users on the Group's overall platform had exceeded 817,728. The number of online education events continued to rise, with 100,586 online doctor education events, 30,273 online patient education events, 89,809 online live broadcasts, 156,250 videos, and 21,447,746 views in total.

As of 31 December 2025, the number of registered doctor users of the Group’s internet hospital platform reached 57,987, representing an increase of 7.5% as compared with 31 December 2024; the number of patient users reached 359,202, representing an increase of 12.0% as compared to 31 December 2024; and the number of online consultations reached 512,439, representing an increase of 19.4% as compared to 31 December 2024. These results demonstrate the Group’s proactive efforts in continuing to expand in the internet healthcare sector and the remarkable results it has achieved.

Plans for the Group’s development in 2026

1. Focusing on AI mini-model empowerment to comprehensively expand business coverage

The Group will continue to deepen its AI disease-specific mini-model technology with strong specialty expertise and high scenario adaptability, and comprehensively expand its business layout of smart healthcare and digitalisation services in the healthcare market. The Group will strive to enter into in-depth cooperation with more customers to further expand its business scale. At the same time, by leveraging this technology to break down information barriers and promote interconnection and interoperability among doctors, patients, medical institutions and pharmaceutical companies, the Group will not only provide more accurate and intelligent medical market solutions for the industry, but are also committed to promoting the standardisation and normalisation of medical science education and home health management to patients.

Relying on the Group’s core digital service carrier, the “Giraffe Digital and Intelligent Integrated Platform”, the Group will further integrate the functions of doctor education, patient management and live streaming of academic conferences, making it a key hub for carrying AI agents and digital asset trading in the future; the platform will be progressively upgraded to integrate the core modules of “AI mini-models”, “doctor co-creation ecosystems” and “digital asset trading”. Meanwhile, with the accumulation of medical data resources and the continuous enhancement of AI structured processing capabilities, the Group’s business landscape will break through the boundaries of traditional academic promotion and gradually penetrate into high-value areas such as Post-market Surveillance (PMS) and Real World Study (RWS). By exploring the mode of collecting and analysing real clinical feedback data (e.g. adverse drug reaction monitoring and patient adherence analysis) in a compliant manner, the Group expects to be able to provide solid underlying data support to pharmaceutical companies in their new drug research and development decisions in the future, and to realise the strategic upgrade from “marketing” to “medical research”, thereby further broadening the Group’s diversified sources of income.

2. Strengthening the “AI+Blockchain” foundation and exploring the construction of a full process intelligent closed loop

In terms of building the technological foundation, the Group is currently at the stage of active experimentation and exploration, and plans to gradually introduce and integrate “AI mini-model + blockchain” technology. The Group is exploring the establishment of an innovative business closed loop covering “automated needs analysis, intelligent content production, precise service execution and real-time data feedback”, with a view to empowering medical institutions, pharmacy chains, scientific research institutes, digital health innovation enterprises and other healthcare industry stakeholders in the future; breaking down the original service boundaries by rapidly expanding the mature AI mini-model technology from areas of strength such as cardiovascular and cerebrovascular diseases (e.g.

stroke) to specialties with broader populations and high incidence rates such as oncology, respiratory diseases, and weight loss, so as to build a whole life-cycle service system from prehospital screening, in-hospital diagnostic and treatment assistance, to post-hospital rehabilitation and management.

Leveraging on the “AI+Blockchain” foundation, the Group’s data annotation and content production are centered on generating high-quality medical content focused on specific diseases and is committed to forming more valuable medical copyright resources. In the future, the Group plans to rely on blockchain and other technologies to explore the construction of a secure and transparent “medical copyright digital asset trading ecosystem”. Through this innovative business closed loop, the Group expects to establish a reliable mechanism for the authentication of rights and transfer of value regarding the circulation and application of high-value medical content, thereby continuously creating new business models and growth opportunities for the medical industry.

3. Embracing cutting-edge intelligent technologies to comprehensively enhance internal operational and production efficiencies

The Group will embrace cutting-edge intelligent technologies to comprehensively deepen its internal intelligent transformation. Through the introduction of more AI agent tools and business assistance systems, the Group will thoroughly restructure existing workflows. On one hand, this will optimise its workforce structure to reduce labour costs and management burdens; on the other hand, it will enable the core business teams to devote more time and efforts to high-value healthcare market solutions. This reshaping of internal productivity will not only significantly shorten the project delivery cycle, but also provide the Group with a more agile response capability to meet market demands with a better cost structure and higher execution efficiency.

As set out in the Letter from the Board, the Acquisition of 100% interest in MediAI Technology Development Limited will supplement and bring synergies to the Group by effectively integrating the core resources and strengths of both parties, further solidifying its position in the market and driving significant long-term success.

Looking ahead to 2026, the Enlarged Group will seize the opportunities presented by the era of the intelligent transformation in healthcare and continue to broaden its business boundaries and optimise the internal efficiencies through the dual-wheel drive of “medical professional services + digital technology” with technological innovation as the engine. The Enlarged Group will strive to further evolve from being a solution provider in the healthcare market to becoming a professional service provider of medical AI mini models with deep competitive barriers, creating long-term and sustainable incremental value for the industry and shareholders.

For the Group’s development plan after completion of the Acquisition, please refer to the section entitled “IV. FUTURE PLAN OF THE GROUP AFTER COMPLETION” in the Letter from the Board.

The following is the text of a report received from the independent reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this circular.



ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF MEDIAI TECHNOLOGY DEVELOPMENT LIMITED AND ITS SUBSIDIARIES

TO THE DIRECTORS OF MEDIWELCOME HEALTHCARE MANAGEMENT & TECHNOLOGY INC.

Introduction

We report on the historical consolidated financial information of MediAI Technology Development Limited (the "**Target Company**") and its subsidiaries (collectively referred to as the "**Target Group**") set out on pages II-3 to II-8, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for the period from 6 March 2025 (date of incorporation) to 31 December 2025 (the "**Relevant Period**"), and the statement of financial position of the Target Company as at 31 December 2025, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-9 to II-37 forms an integral part of this report, which has been prepared for inclusion in the circular of Mediwelcome Healthcare Management & Technology Inc. (the "**Company**") dated 8 May 2026 (the "**Circular**") in connection with the proposed acquisition of the 100% issued share capital of the Target Company as at completion.

Directors' responsibility for the Historical Financial Information

The sole director of the Target Company (the "**Target Director**") is responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the Target Director determines is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of the Company are responsible for the contents of this Circular in which the Historical Financial Information of the Target Group is included, and such information is prepared based on accounting policies materially consistent with those of the Company.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**the HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Target Director, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Target Group as at 31 December 2025 and of its financial performance and its cash flows for the Relevant Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-3 have been made.

Dividends

We refer to Note 10 to the Historical Financial Information which states that no dividends have been declared or paid by the Target Company in respect of the Relevant Period.

No historical financial statements for the Target Company

As at the date of this report, no statutory financial statements have been prepared for the Target Company since its date of incorporation.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants Hong Kong
8 May 2026

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP**Preparation of Historical Financial Information of the Target Group**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Target Group for the Relevant Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with HKFRS Accounting Standards issued by the HKICPA and were audited by us, certified public accountants registered in Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
Revenue	5	50,818
Cost of sales		<u>(33,915)</u>
Gross profit		16,903
Other income	6	15
Gain on bargain purchase	20	5,932
Selling expenses		(367)
Administrative expenses		(11,316)
Research and development expenses		(6,290)
Finance cost	7	(39)
Provision for impairment losses on other receivables	14	<u>(10,055)</u>
Loss before taxation		(5,217)
Income tax credit	9	<u>2,126</u>
Loss and total comprehensive expense for the period	8	<u><u>(3,091)</u></u>
Profit (loss) and total comprehensive income (expense) for the period attributable to:		
Owners of the Company		5,376
Non-controlling interests	21	<u>(8,467)</u>
		<u><u>(3,091)</u></u>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	31 December 2025 RMB'000
Non-current assets		
Equipment	<i>12</i>	28
Intangible asset	<i>13</i>	142,819
		<u>142,847</u>
Current assets		
Other receivables and prepayments	<i>14</i>	6,824
Bank balances and cash	<i>15</i>	5,844
		<u>12,668</u>
Total assets		<u>155,515</u>
Current liabilities		
Other payables and accruals	<i>16</i>	1,876
Contract liabilities	<i>17</i>	12,561
Income tax payable		94
		<u>14,531</u>
Net current liabilities		<u>(1,863)</u>
Total assets less current liabilities		<u>140,984</u>
Non-current liability		
Deferred tax liability	<i>18</i>	34,760
Net assets		<u>106,224</u>
Equity		
Equity attributable to owners of the Company		
Share capital	<i>19</i>	10
Reserves		49,411
		<u>49,421</u>
Non-controlling interests	<i>21</i>	56,803
		<u>106,224</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-	Total
	Share	Capital	Retained	Sub-total	controlling	
	capital	reserve	profits		interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At date of incorporation	–	–	–	–	–	–
Shares issued and allotted	10	9,989	–	9,999	–	9,999
Acquisition of a subsidiary (Note 20)	–	–	–	–	99,850	99,850
Capital injection to a subsidiary by non-controlling shareholders (Note 20)	–	–	–	–	1,300	1,300
Deemed acquisition of a subsidiary (Note 20)	–	34,046	–	34,046	(35,880)	(1,834)
Profit (loss) and total comprehensive income (expense) for the period	–	–	5,376	5,376	(8,467)	(3,091)
At 31 December 2025	10	44,035	5,376	49,421	56,803	106,224

The above consolidated statement of changes in equity should be read in conjunction with the accompanying note.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Note</i>	From 6 March 2025 (date of incorporation) to 31 December 2025
		<i>RMB'000</i>
Operating activities		(5,217)
Loss before taxation		
Adjustments for:		
Depreciation for equipment	<i>12</i>	2
Amortisation of intangible asset	<i>13</i>	10,202
Gain on bargain purchase	<i>20</i>	(5,932)
Finance cost	<i>7</i>	39
Impairment loss on other receivables	<i>14</i>	10,055
Operating cash flows before movements in working capital		9,149
Decrease in trade receivables		1,276
Decrease in other receivable, deposits and prepayments		13,269
Decrease in trade payables		(18,268)
Decrease in other payables and accruals		(500)
Decrease in contract liabilities		(4,373)
Net cash from operating activities		<u>553</u>
Investing activities		
Purchase of equipment	<i>12</i>	(23)
Net cash arisen from deemed acquisition of a subsidiary	<i>20</i>	(1,834)
Acquisition of a subsidiary	<i>20</i>	88
Net cash used in investing activities		<u>(1,769)</u>
Financing activities		
Shares issued and allotted		9,999
Repayment of bank borrowing		(4,000)
Advance from an independent third party		1,100
Interest paid		(39)
Net cash from financing activities		<u>7,060</u>
Net increase in cash and cash equivalents and cash and cash equivalents at the end of the period		<u>5,844</u>
Cash and cash equivalents representing bank and cash balances		<u><u>5,844</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION OF THE TARGET COMPANY

Information about the statement of financial position of the Target Company at the end of the reporting period is as follows:

	31 December 2025 <i>RMB'000</i>
Non-current asset	
Investment in a subsidiary	—
Current assets	
Other receivable	20
Amount due from a subsidiary	10,000
	10,020
Total assets	10,020
Current liability	
Accrual	10
Net current assets and net assets	10,010
Equity	
Share capital	10
Reserve	10,000
	10,010

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

MediAI Technology Development Limited (the “**Target Company**” or “**MediAI**”) was incorporated in Hong Kong on 6 March 2025 as a limited company. The registered office and principal place of operation of the Target Company is located at suites 3701-3710, 37/F, Jardine House, 1 Connaught Place, Central, Hong Kong.

The Target Company is an investment holding company and its subsidiaries (collectively referred to as the “**Target Group**”) are principally engaged in provision of artificial intelligence (“**AI**”) clinical intelligence and blockchain digital infrastructure services, including development and sales of proprietary AI models to global pharmaceutical and medical device companies.

The ultimate controlling shareholder of the Target Company is Mei Wei Yi.

Particulars of the Target Company’s subsidiaries as at the date of this report are as follows:

Company Name	Place of incorporation/ registration and place of operation	Nominal value of issued ordinary share/ registered capital	Percentage of equity attributable to the		Principal activities
			Target Company Direct	Indirect	
北京寰宇醫誠智能科技發展有限公司 (Beijing Huanyu YiCheng AI Technology Development (Beijing) Co., Ltd (“ Beijing Huanyu ”) ^{*&**} (Note a)	The People’s Republic of China (the “ PRC ”)	Registered capital: RMB10,000,000	100%	–	Investment holding
元宇鼎誠科技發展 (北京) 有限公司 (Yuanyu Dingcheng Technology Development (Beijing) Co., Limited (“ Yuanyu Dingcheng ”) ^{**} (Note b)	The PRC	Registered capital: RMB14,802,835	–	67.01%	Provision of AI clinical intelligence and blockchain digital infrastructure services, including development and sales of proprietary AI models

* The subsidiary was registered as wholly-foreign-owned enterprise under the law of People Republic of China (the “**PRC**”).

** The English names of the Target Company’s subsidiaries which were registered in the Mainland China represent the translated names of these companies as no English name have been registered.

- (a) No audited financial statements have been prepared for the entity as the entity was incorporated on 24 June 2025.
- (b) The statutory financial statements of the entity for the year ended 31 December 2024 were prepared under China Accounting Standards (the “**CAS**”) and were audited by Beijing Tongjiu Zhiheng Certified Public Accountants (General Partnership), certified public accountants registered in PRC. No statutory financial statements have been prepared for the entity for the years ended 31 December 2023 and 2025.

The Historical Financial Information are presented in thousands of units of Renminbi (RMB’000), unless otherwise stated, which is also the functional currency of the Target Company.

2. BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”) and accounting principles generally accepted in Hong Kong.

As at 31 December 2025, the Target Group had net current liabilities of approximately RMB1,863,000 which included contract liabilities of approximately RMB12,561,000. Based on the cashflow forecast prepared by the sole director of the Target Company, the sole director of the Target Company believes that the Target Group has sufficient cash flows generated from operations to meet its liabilities as and when they fall due. Therefore, the Historical Financial Information are prepared using the going concern basis of accounting.

The management of the Target Group has prepared a cash flow forecast covering a period up to 31 December 2026 which demonstrates that the Target Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 31 December 2025. Accordingly, the sole director of the Target Company considers that it is appropriate to prepare the Historical Financial Information using the going concern basis of accounting.

All HKFRS Accounting Standards effective for the accounting period commencing from 6 March 2025 (the date of incorporation), together with the relevant transitional provisions, have been consistently applied by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Period.

The Historical Financial Information has been prepared under the historical cost convention.

New and amendments to HKFRS Accounting Standards in issued but not yet effective

As at the date of this report, the following new and amendments to HKFRS Accounting Standards have been issued which are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or before 1 January 2026

³ Effective for annual periods beginning on or before 1 January 2027

Except for the new HKFRS Accounting Standard mentioned below, the sole director of the Target Company anticipates that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statements of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provision. The application of the new standards is not expected to have significant impact on the financial performance and positions of the Target Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit and loss and other comprehensive income. The Target Group is in the process of assessing the detailed impact of HKFRS 18 on the Target Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The Historical Financial Information has been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this Historical Financial Information is determined on such a basis, except for leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability. The principal accounting policies adopted are set out below.

Basis of consideration

The consolidated financial statements incorporate the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. A subsidiary is an entity, is directly or indirectly, controlled by the Target Company. Control is achieved when the Target Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Company the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Target Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether or not the Target Group's voting rights in an investee are sufficient to give it power, including:

- (a) the size of the Target Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (b) potential voting rights held by the Target Group, other vote holders or other parties;
- (c) rights arising from other contractual arrangements; and
- (d) any additional facts and circumstances that indicate that the Target Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Target Group obtains control over the subsidiary and ceases when the Target Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Target Group gains control until the date when the Target Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Target Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributable to the owners of the Target Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring in line with the Target Group's accounting policies.

All intragroup assets and liabilities, equity, income, expense and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Target Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Target Group's interests in existing subsidiaries

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Target Group's relevant components of equity and the non-controlling interests are adjusted to reflect changes in their relative interests in subsidiaries, including re-attribution of relevant reserves between the Target Group and the non-controlling interests according to the Target Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributable to owners of the Target Company.

The results of subsidiaries are included in the Target Company's profit or loss to the extent of dividends received and receivable. The Target Company's investments in subsidiaries are stated at cost less any impairment losses.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effect or delay in the ability to continue producing outputs.

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date at fair value which is the sum of the acquisition date fair values of assets transferred by the Target Group, liabilities assumed by the Target Group to the former owners of the acquiree and the equity interests issued by the Target Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK (IFRIC) Int 21 *Levies*, in which the Target Group applies HKAS 37 or HK (IFRIC) – Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Target Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. All other components of non-controlling interests are measured at fair value.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date, and is included as part of the consideration transferred in a business combination. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

If the business combination is achieved in stages, the Target Group's previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Intangible asset acquired in a business combination

Intangible asset acquired in a business combination is recognised separately from goodwill and are initially recognised at its fair value at the acquisition date (which is regarded as its cost).

Subsequent to initial recognition, intangible asset acquired in a business combination with finite useful life is reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible asset that is acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss and other comprehensive income to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset or cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

Revenue from contracts with customers

The Target Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Group’s performance as the Target Group performs;
- the Target Group’s performance creates or enhances an asset that the customer controls as the Target Group performs; or
- the Target Group’s performance does not create an asset with an alternative use to the Target Group and the Target Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A receivable represents the Target Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Group’s obligation to transfer goods or services to a customer for which the Target Group has received consideration (or an amount of consideration is due) from the customer.

Revenue is recognised either at a point in time or over time, when (or as) the Target Group satisfies performance obligations by transferring the promised goods or services to its customers.

The services provided by the Target Group are disclosed as below:

Revenue from sales of AI proprietary models

The Target Group develops and sells of AI proprietary model. Revenue is recognised when control over the AI proprietary model has been transferred to the customer. Control is considered to be transferred upon completion of development and customer acceptance, at which point the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the AI proprietary models. The AI proprietary models have generally no alternative use for the Target Group due to contractual restrictions. However, an enforceable right to payment for performance completed to date prior to completion and transfer of control. Therefore, revenue is recognised at a point in time when completion of development, customer acceptance and delivery of the proprietary AI model and source code, at which point the customer obtains control of the model.

Payment is generally due upon completion and transfer of control of the proprietary AI model. The credit period granted to customers is typically within 30 days from the date of invoice. As the period between transfer of control and payment is 12 months or less, the Target Group applies the practical expedient under paragraph 63 of HKFRS 15 and does not adjust the transaction price for the effects of a significant financing component.

No contract assets are recognised in respect of sales of proprietary AI model as no enforceable right to payment arises prior to completion and transfer of control.

Revenue generated from provision of AI data services

The Target Group provides doctors’ digital asset custodian service and AI data transformation services (including online AI video generation and review and AI survey generation and review) to the customers. The Target Group agrees to the sales price for each service with the customers in advance and bills the customers based on the nature and scope of service rendered and completed.

Revenue arisen from doctors' digital asset custodian services charged at a fixed service fee for over a year and are recognised on a systematic basis over the service period, reflecting continuous provision of services and accrued on a monthly basis and are recognised over time as services are rendered.

AI data transformation services (including online AI video generation and review and AI survey generation and review) are generally recognised at the point in time when the data processing activities completed and related result are accepted by customers when the customers obtain the benefit of the completed output.

Revenue generated from other services

Other services includes AI platform development services consists of customised system development with intellectual property rights transfer and subsequent management and maintenance services within the contractual period, are recognised either a point in time or over time over time-spread of the service period depend on the contract term.

AI platform development and the relevant transfer of intellectual property rights constitute a single performance obligation, as they are highly interdependent and not separately identifiable. Revenue is recognised at a point in time when completion of the system and customer acceptance, and control of the intellectual property right is transferred to the customers, as the Target Group does not have enforceable right to payment for work performed to date under HKFRS 15. Management and maintenance services considered as distinct performance obligation, and are recognised over time on a straight-line basis as customers simultaneously receives and consumes the benefits throughout the contractual period.

Leases

The Target Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Lease* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As lessee

Short-term leases

The Target Group applies the short-term lease recognition exemption to leases of offices and staff dormitory that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as an expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Taxation

Income tax expense represents the sum of current and deferred income tax expense. The tax currently payable is based on taxable profit for the period. Taxable profit differs from "loss before taxation" because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investment in subsidiaries, except when the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it; the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Employee benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Target Group pays contributions into a separate entity. The Target Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current period. Contributions to defined contribution plans, including the employee pension schemes established by municipal government in the PRC are expensed as incurred. Contributions are reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions, where applicable.

The obligations are presented as current liabilities in the consolidated statements of financial position if the Target Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Provisions

Provisions are recognised when the Target Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Target Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability, other than that assumed in a business combination, is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Target Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including other receivables and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Target Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Target Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Group has reasonable and supportable information that demonstrates otherwise.

The Target Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Group, in full (without taking into account any collaterals held by the Target Group).

Irrespective of the above, the Target Group considers that default has occurred when a financial asset is more than 90 days past due unless the Target Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Target Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Target Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of other receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Target Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Target Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities represented other payables and accruals are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCE OF ESTIMATION UNCERTAINTY

In the application of the Target Group's accounting policies, which are described in Note 3, the sole director of the Target Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the sole director of the Target Company has made in the process of applying the Target Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

a. Consolidation of entities in which the Group holds less than a majority of effective equity interest

The Target Group determines whether an equity investment should be accounted for as a subsidiary and has developed criteria in making that judgement. A subsidiary is an entity controlled by the Target Company. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee). Judgement is made on an individual basis to determine the extent of power the Target Group held over the investee.

The Target Group considers that it controls Yuanyu Dingcheng since the date of acquisition on 2 September 2025 even though it owns less than 50% of the effective equity interest as it has a majority voting right, i.e. 2 out of 3, in the board of directors of Yuanyu Dingcheng through entering acting in concert arrangement with the shareholder of Yuanyu Dingcheng.

Details of the Acquisition transaction are disclosed in Note 20.

b. Research and development expenses

Development expenses incurred on the Target Group's internally generated-intangible assets are recognised as intangible assets under HKAS 38 *Intangible Assets* only when the Target Group can demonstrate (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (ii) the Target Group's intention to complete and the Target Group's ability to use or sell the asset; (iii) how the asset will generate future economic benefits; (iv) the availability of resources to complete the pipeline; and (v) the ability to measure reliably the expenditure during the development. Research and development expenses which do not meet these criteria are expensed when incurred. The management of the Target Group assesses the progress of each of the research and development projects and determine whether the criteria are met the definition of intangible asset under HKAS 38. During the period from 6 March 2025 (date of incorporation) to 31 December 2025, all research and development costs are expensed when incurred.

c. Deferred tax assets

Deferred tax assets are recognised for temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The deductible temporary difference was approximately RMB18,880,000 has been recognised at 31 December 2025. Significant management estimation and judgement were involved to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Further details are contained in Note 18 to the consolidated financial statements.

(ii) Sources of estimation uncertainty

The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Provision for impairment of other receivables within the scope of ECL under HKFRS 9

The Target Group uses 12m ECL model to assess impairment for the other receivables. The application of ECL model requires significant judgements and estimates, and requires consideration for all reasonable and supportive information, including forward-looking information. When making these judgments and estimates, the Target Group assessed whether there is significant increase in credit risk since initial recognition for other receivables individually based on historical repayment record combined with forward-looking information such as economic policies, macroeconomic indicators, industrial risks and other factors.

The evaluation requires judgment in selecting relevant forward-looking variables, determining appropriate weightings to different economic scenarios and assessing the potential impact on counterparties' ability to settle outstanding balances.

Given the limited observable market data for certain counterparties, management applies judgment in determining whether changes in credit risk are significant enough to trigger lifetime ECL recognition.

As at 31 December 2025, the net carrying amount of other receivables was approximately RMB6,824,000 (net of loss allowance of approximately RMB10,055,000).

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Target Group's other receivables are disclosed in Notes 14 and 22 respectively.

b. Impairment of intangible asset

The Target Group assesses whether there are any indicators of impairment for intangible asset with finite useful live at the end of the reporting period. Intangible asset is tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value in use. The calculation of value in use requires the Target Group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value.

The carrying amount of intangible asset as at 31 December 2025 was approximately RMB142,819,000. No impairment loss was recognised in the Target Group's consolidated statement of profit or loss and other comprehensive income during the period from 6 March 2025 to 31 December 2025.

c. Useful life of intangible asset

The Target Group's management determines the estimated useful life of intangible asset with reference to the estimated periods the Target Group intends to derive future economic benefits from the use of this asset. Management will assess the estimated useful life, or it will write-off or write-down technically obsolete or non-strategic asset that has been abandoned or sold. Periodic review could result in a change in useful life and therefore amortisation expense in future periods.

d. Valuation of purchase price allocation for acquisition of a subsidiary

The acquisition of Yuanyu Dingcheng, a company established in the PRC was accounted for as a business combination, which required the Target Group to allocate the purchase price to the assets acquired, liabilities assumed, and identified intangible assets (if any), based on their estimated fair values at the date of acquisition. The purchase price allocation process involved significant management judgment and estimation, particularly in determining the fair values of intangible assets (if any) and other non-current items for which observable market data may not be readily available. These estimates are inherently uncertain and subject to change as additional information becomes available. In aggregate, the fair value of total identifiable net assets of Yuanyu Dingcheng amounted to approximately RMB106,207,000 and was recognised in the consolidated statement of financial position as at the acquisition date.

The outcome of the purchase price allocation has a direct impact on future financial statements, as the values assigned to the assets and liabilities and the deferred tax recognised thereon will be realised in subsequent financial periods. As such, the purchase price allocation represents a key source of estimation uncertainty with ongoing implications for the Target Group's financial performance and position. Details are disclosed in Note 20 to the consolidated financial statements.

5. REVENUE AND SEGMENT INFORMATION

The Target Group's primarily business is as below:

- Sales of AI proprietary models
- Provision of AI data services consists of doctors' digital asset custodian services and AI data transformation services
- Other services

For management purposes, the Target Group is organised into one operating segment based on industry practice. The sole director of the Target Company monitors the results of the Target Group as a whole for the purpose of making decisions about resource allocation and performance assessment. No further analysis about the operating segment thereof is presented.

Geographical information

i. Revenue from external customers

All of the revenues are derived from external customers located in the PRC.

ii. Non-current assets

As at 31 December 2025, all of the non-current assets, excluding deferred tax assets, of the Target Group was located in the PRC.

iii. *Information about major customers*

During the period from 6 March 2025 (date of incorporation) to 31 December 2025, gross revenue (before net of sales related tax) in aggregate approximately RMB45,609,000 was derived from top five customers, and approximately RMB20,658,000 was derived from the largest customer.

iv. An analysis of revenue is as follows:

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
Revenue from contract with customers within the scope of HKFRS 15	
Sales of AI proprietary models	4,906
AI data services	45,588
Others	358
	<hr/>
Revenue from customers	50,852
	<hr/>
Less: sales related tax	(34)
	<hr/>
	50,818
	<hr/>
Disaggregation of revenue from contracts with customer by timing of revenue recognition	
Point in time	40,227
Overtime	10,625
	<hr/>
	50,852
	<hr/> <hr/>

Transaction price allocated to the remaining performance obligation for contracts with customers

All of the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are within 1 year.

6. **OTHER INCOME**

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
Other income	
Others	15
	<hr/> <hr/>

7. FINANCE COST

From 6 March
2025 (date of
incorporation) to
31 December 2025
RMB'000

Bank interest expense	39
	39

8. LOSS FOR THE PERIOD

a. Loss for the period is arrived after charging:

From 6 March
2025 (date of
incorporation) to
31 December 2025
RMB'000

Staff costs (including director's emoluments as stated in below Note (b))	
Salaries, wages and other benefits	1,121
Defined contribution benefits	157
Less: included in research and development expenses	(588)
Included in selling and administrative expenses	690
Research and development cost recognised as cost of services (other than staff costs as stated above)	5,702
Auditor's remuneration	–
Depreciation of equipment	2
Amortisation of intangible asset	10,202
Short-term lease payments	38

b. Director's remuneration

From 6 March 2025 (date of incorporation) to 31 December 2025

	Salary, allowances and benefits in kind <i>RMB'000</i>	Retirement benefits scheme contributions <i>RMB'000</i>	Other social security costs and other employee benefits <i>RMB'000</i>	Total <i>RMB'000</i>
Mei Weiyi	–	–	–	–

c. Five highest paid individuals

All of the five individuals with the highest emoluments in The Target Group during 6 March 2025 (date of incorporation) to 31 December 2025 were non-director, with emoluments during the Relevant Period are as follows:

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
Salaries, wages and other benefits	435
Retirement benefits scheme contributions	32
Other social security costs and other employee benefits	31
	<hr/>
	498
	<hr/> <hr/>

The number of highest paid employees whose emoluments fell within the following band:

	Number of individuals 2025
RMBnil to RMB1,000,000	5
	<hr/> <hr/>

The Target Group is operating in the PRC participated in defined contribution retirement schemes organised by the relevant local government authorities in the PRC. All PRC employees are entitled to an annual pension equal to a fixed portion of their basic salaries at their retirement dates. The Target Group is required to contribute a certain percentage of its PRC employees' basic salaries and wages to the central pension scheme to fund the retirement benefits and have no further obligation for post-retirement benefits beyond the annual contributions made.

During the period from 6 March 2025 (date of incorporation) to 31 December 2025, the Target Group made contributions to the retirement benefits schemes amounting to RMB157,000.

9. INCOME TAX CREDIT

Income on tax assessable profits in the Mainland China have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the PRC Corporate Income Tax Law (the "PRC Tax Law") effective on 1 January 2008, the PRC corporate income tax rate during the Relevant Period was 25% of their taxable profits. Under the relevant regulations of the PRC Tax Law, one of the subsidiaries in the PRC of the Target Group is qualified as small enterprises as earning low profits in the PRC and is subject to a reduction of income tax rate by 20%.

Certain research and development costs of one of the subsidiaries in the PRC of the Target Group are qualified for 100% additional deduction for tax purpose.

The income tax credit is as follows:

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
Over-provision of current tax in prior period – PRC	(26)
Deferred tax	(2,100)
	<hr/>
Income tax credit	(2,126)
	<hr/> <hr/>

The income tax credit for the Relevant Period can be reconciled to the loss before taxation per consolidated statements of profit or loss and other comprehensive income as follows:

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
Loss before taxation	(5,217)
Tax on loss before taxation at tax rate of 25%	(1,304)
Effect of additional deduction on research and development costs	(147)
Tax effect of non-taxable income	(1,483)
Tax effect of non-deductible expenses	2,555
Effect of preferential tax	(1,737)
Over-provision of current tax in prior period	26
Others	(36)
Income tax credit	(2,126)

10. DIVIDENDS

No dividend has been declared or paid by the Target Company in respect of the Relevant Period.

11. LOSS PER SHARE

No loss per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

12. EQUIPMENT

	<i>RMB'000</i>
COST	
At date of incorporation	–
Acquisition of a subsidiary (<i>Note 20</i>)	7
Addition	23
At 31 December 2025	30
ACCUMULATED DEPRECIATION	
At date of incorporation	–
Provided for	2
At 31 December 2025	2
NET CARRYING AMOUNT	
At 31 December 2025	28

13. INTANGIBLE ASSET

	<i>RMB'000</i>
COST	
At the date of incorporation	–
Acquisition of a subsidiary (<i>Note 20</i>)	153,021
	153,021
At 31 December 2025	153,021
ACCUMULATED AMORTISATION	
At the date of incorporation	–
Acquisition of a subsidiary (<i>Note 20</i>)	10,202
	10,202
At 31 December 2025	10,202
NET CARRYING AMOUNT	
At 31 December 2025	142,819

The intangible asset represents customer relationship acquired through business combination (Note 20). Customer relationship acquired in a business combination is recognised at fair value initially at the acquisition date. The fair value is determined using the discounted cash flow method. Subsequently, the customer relationship is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method over the estimated useful life of 5 years for the customer relationship.

A valuation was performed by an independent professional valuer to determine the amount of the customer relationship recognised by the Target Group as at the acquisition date. Methods and key assumptions in determining the fair value of the customer relationship as at respective acquisition dates are disclosed as follows:

	Valuation technique	Discount rate	Expected life of the intangible assets
Customer relationship	Discounted cash flows	14.65%	5 years

Impairment assessment of intangible asset

At 31 December 2025, the sole director of the Target Company conducted an assessment of the recoverable amount of the intangible asset with reference to a valuation performed by an independent professional valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the “Valuer”), based on a value in use calculation using cash flow projection on a five-year forecast approved by the management. The discount rate applied to the cash flow projection is 22.6%. The growth rates used for the five-year period and to extrapolate the cash flows of the business beyond the five-year period is 30.4% and 2% respectively. Based on the assessment, in the opinion of the sole director of the Target Company, the estimated recoverable amount of the intangible asset is higher than its corresponding carrying amount and therefore, no impairment of intangible asset was provided during the Relevant Period.

14. OTHER RECEIVABLES AND PREPAYMENTS

	<i>Notes</i>	31 December 2025 <i>RMB'000</i>
Other receivables	<i>a</i>	16,879
Less: loss allowances	<i>b</i>	(10,055)
		6,824
		6,824

Notes:

- (a) As at 31 December 2025, other receivables were mainly include (i) advance to one of the former shareholders of approximately RMB10,055,000. The balance was non-trade in nature, interest-free, unsecured and no fixed term of repayment. With the financial position of the former shareholder has deteriorated severity, the management of the Target Company has considered that the credit risk of the debtor has significant increase since initial recognition due to the in the progress of deregistration or liquidation by the counterparty, and the recovery of the balance was considered as not probable and therefore considered as credit-impaired and full impairment loss has been provided as at the end of the reporting period; (ii) approximately RMB2,083,000 representing advance to an independent third party, the balance was interest-free and repayable in accordance with the repayment terms in accordance with the settlement arrangement and guaranteed by one of the director of the subsidiary; (iii) while approximately RMB4,673,000 representing advances to shareholders and former shareholders of the subsidiary, the balances were unsecured, interest-free and repayable on demand.
- (b) The movement in the loss allowance for other receivables measured individually is as follows:

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
At date of incorporation	–
Impairment loss recognised	10,055
	<hr/>
At the end of the period	10,055
	<hr/> <hr/>

Details of impairment assessment of other receivables are set out in Note 22.

15. BANK BALANCES AND CASH

Bank balances carried interests at prevailing market interest rate. Details of impairment assessment of bank balances are set out in Note 22.

16. OTHER PAYABLES AND ACCRUALS

	31 December 2025 <i>RMB'000</i>
Other payables (<i>Note</i>)	1,723
VAT tax payables	143
Accrued expenses	10
	<hr/>
	1,876
	<hr/> <hr/>

Note:

As at 31 December 2025, included in other payables were mainly consist of approximately RMB1,600,000 advance from an independent third party. The balance was non-trade in nature, unsecured, interest-free, and repayable within one year.

17. CONTRACT LIABILITIES

Contract liabilities mainly represented advances from customers related to the AI data services. The related obligations were expected to be performed with corresponding revenue recognised within one year.

	<i>Note</i>	31 December 2025 <i>RMB'000</i>
AI data services		<u>12,561</u>

Note: The contract liabilities represented the advance receipt from customers for the doctors' digital asset custodian services under AI data services, the service is provided on a subscription basis. Subscription fee is paid in advance over the contractual period. Revenue is recognised over time on a straight-line basis over the service period.

Movement in contract liabilities during the Relevant Period are as below:

	From 6 March 2025 (date of incorporation) to 31 December 2025 <i>RMB'000</i>
At date of incorporation	–
Acquisition of a subsidiary (<i>Note 20</i>)	16,934
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(45,802)
Increase in contract liabilities as a result of receiving deposits during the period	<u>41,429</u>
At the end of the period	<u>12,561</u>

18. DEFERRED TAX LIABILITY

The movements in deferred tax assets/(liabilities) during the Relevant Period are as follows:

	Fair value of intangible asset <i>RMB'000</i>	Other deductible temporary differences <i>RMB'000</i>	Total <i>RMB'000</i>
At date of incorporation	–	–	–
Acquisition of a subsidiary (<i>Note 20</i>)	(38,255)	1,395	(36,860)
Credit (charge) to profit or loss (<i>Note 9</i>)	<u>2,550</u>	<u>(450)</u>	<u>2,100</u>
At 31 December 2025	<u>(35,705)</u>	<u>945</u>	<u>(34,760)</u>

At the end of the reporting period, the Target Group has recognised all of the deductible temporary differences of approximately RMB18,880,000 related to timing differences of revenue recognition.

19. SHARE CAPITAL

Details of the Target Company's shares are disclosed as follows:

	<i>RMB'000</i>
At date of incorporation	–
Share issued and allotted	10
	<hr/>
At 31 December 2025	10
	<hr/> <hr/>

Nature and purpose of reserves**(i) Statutory reserve**

As stipulated by regulations in the PRC, the Target Group is required to appropriate 10% of their after-tax profit (after offsetting prior year losses) as determined in accordance with the PRC accounting rules and regulations, to the statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of profits to parent companies. The statutory reserve can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase capital of the Target Group, provided that the balance after such issue is not less than 25% of its registered capital.

(ii) Capital reserve

The capital reserve represents the difference between shareholders' portion of actual paid-in capital excess the subscribed registered capital by the shareholders.

20. ACQUISITION OF SUBSIDIARY

On 2 September 2025 (the "**Acquisition Date**"), the equity transfer was legally completed whereby Beijing Huanyu was registered as a shareholder of Yuanyu Dingcheng. A total consideration of RMB425,000 was duly settled to the selling shareholder upon completion of the transfer.

Pursuant to the Acting in Concert Arrangement (the "**Arrangement**") as approved by the board of directors of the Target Company, the sole director and ultimate shareholder of the Target Company has undertaken to act in concert with a director and shareholder of Yuanyu Dingcheng. By virtue of the Arrangement, the Target Group is able to effectively control 2 out of 3 board seats of Yuanyu Dingcheng and exercise majority voting rights at board meetings, thereby having the power to direct the relevant activities of Yuanyu Dingcheng.

In accordance with HKFRS 10 *Consolidated Financial Statements*, the directors of the Target Company are of the view that the Target Group has attained de facto control over Yuanyu Dingcheng with effect from the Acquisition Date. Yuanyu Dingcheng has accordingly been consolidated as a subsidiary of the Target Group from that date, and the acquisition has been accounted for as a business combination in accordance with HKFRS 3 *Business Combinations*.

The principal activities of Yuanyu Dingcheng are providing AI technology services for clinical intelligence and blockchain digital infrastructure, including the development and sale of proprietary AI models to pharmaceutical and medical device companies globally, operating in Beijing, the PRC.

Fair value of identifiable assets and liabilities of Yuanyu Dingcheng at the Acquisition Date was as follows:

	<i>RMB'000</i>
Equipment	7
Intangible asset	153,021
Trade receivables	1,276
Other receivables, deposits and prepayments	30,148
Bank balances and cash	513
Trade payables	(18,268)
Other payables and accruals	(2,576)
Contract liabilities	(16,934)
Borrowing	(4,000)
Income tax payable	(120)
Deferred tax liability	(36,860)
	<hr/>
Net assets acquired	106,207
	<hr/>
Fair value of net assets acquired	106,207
Less: non-controlling interests	(99,850)
	<hr/>
Net identifiable assets attributable to owners of the Target Company	6,357
Gain on bargain purchase	(5,932)
	<hr/>
Total consideration	425
	<hr/> <hr/>
Net cash inflow arising on acquisition	88
	<hr/> <hr/>

At the Acquisition Date, the Target Company has acquired approximately 33.77% of registered capital of Yuanyu Dingcheng, consist of RMB425,000 paid up capital of Yuanyu Dingcheng and RMB3,000,000 unpaid registered capital which representing the Target Group's proportionate capital contribution obligation to Yuanyu Dingcheng in accordance with its articles of association. Such unpaid capital constitutes a capital commitment of the shareholder to the subsidiary and does not represent a liability of Yuanyu Dingcheng at the Acquisition Date. Accordingly, the unpaid registered capital does not form part of the consideration transferred under HKFRS 3.

The consideration transferred comprised solely the cash consideration of RMB425,000 paid to the selling shareholders.

The fair value of the identifiable assets and liabilities of approximately RMB106,207,000 as at the Acquisition Date was determined by an independent qualified professional valuer. Details are disclosed in note 13. The valuation was primarily based on the income approach using discounted cash flow methodology.

After re-assessment by the management of Yuanyu Dingcheng, the fair value of the identifiable net assets exceeded the consideration transferred, a gain on bargain purchase of approximately RMB5,932,000 was recognised in profit or loss for the period.

The directors of the Target Group reassessed the identification and measurement of the acquiree's identifiable assets and liabilities and confirmed that the gain on bargain purchase was appropriately recognised in accordance with HKFRS 3.

Non-controlling interests are measured based on the proportionate of paid-up capital of fair value of the identifiable net assets of the acquired subsidiary at the Acquisition Date.

Since the Acquisition Date, Yuanyu Dingcheng contributed a loss of approximately RMB1,355,000 and generated revenue of approximate RMB50,818,000 for the Relevant Period of the Target Group's consolidated statement of profit or loss and other comprehensive income.

Had the combination taken place at the beginning of the period, the revenue of the Target Group and the loss of the Target Group for the period from 6 March 2025 (date of incorporation) to 31 December 2025 would have been approximately RMB151,359,000 and approximately RMB5,369,000, respectively.

Subsequent to the Acquisition Date, the Target Group has acquired additional equity interests from certain independent non-controlling shareholders of Yuanyu Dingcheng , and also , the shareholders of Yuanyu Dingcheng passed a capital injection resolution, pursuant to which the Target Company will make additional cash contribution of RMB4,661,000 as new registered capital in cash into the Yuanyu Dingcheng by 2030.

Following the completion of transfer of the equity interest from non-controlling shareholders, the approval of the capital injection and the registration of the increased registered capital on 16 December 2025, as at 31 December 2025, the paid up capital contributed by the Target Group as RMB3,709,000 while the unpaid capital by the Target Group as RMB4,377,000.

Yuanyu Dingcheng remain as a subsidiary of the Target Company, and its financial results will continue to be consolidated in the Target Group's accounts. Therefore, it has led to an equity transfer of approximately RMB34,046,000 from non-controlling interests to the Target Company's capital reserve upon deemed acquisition of additional shareholdings.

21. NON-CONTROLLING INTERESTS

Details of the Target Group's subsidiary, Yuanyu Dingcheng that have material non-controlling interests are set out below:

	31 December 2025 <i>RMB'000</i>
Loss for the period allocated to non-controlling interests	(8,467)
Accumulated balances of non-controlling interests at the end of the period	<u>56,803</u>

The following tables illustrate the summarises of financial information of the above subsidiaries. The amount disclosed are before any inter-company eliminations:

	For the period from the Acquisition Date to 31 December 2025 <i>RMB'000</i>
Revenue	50,818
Loss for the period	<u>(9,007)</u>
Non-current assets	142,847
Current assets	6,385
Current liabilities	(14,522)
Non-current liabilities	(34,760)
Net assets	<u>99,950</u>
Net cash generated used in operating activities	(901)
Net cash generated from investing activities	8,659
Net cash generated used in financing activities	<u>(4,039)</u>

22. FINANCIAL RISK MANAGEMENT

a. Categories of financial instruments

	31 December 2025 <i>RMB '000</i>
Financial assets at amortised costs	
Other receivables	6,824
Bank balances and cash	5,844
	12,668
 Financial liabilities at amortised costs	
Other payables and accruals	1,733

b. Financial risk management objectives and policies

The Target Group's financial instruments include other receivables and bank balances and cash and other payables and accruals. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (i.e. interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Target Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

*Market risk**Interest rate risk*

The Target Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Target Group currently does not have policy on cash flow hedges of interest rate risk. However, the management of the Target Group monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

The sole director of the Target Company considers the exposure of the bank balances to cash flow interest rate risk is not significant as the interest rate fluctuation on bank balances is minimal. No sensitivity analysis is performed as the sole director of the Target Company considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

Credit risk management and impairment assessment

Credit risk refers to the risk that the Target Group's counterparties default on their contractual obligations resulting in financial losses to the Target Group. The Target Group's credit risk exposures are primarily attributable to other receivables and bank balances.

The Target Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets. Information about the Target Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, is summarised below.

Other receivables

The Target Group performs impairment assessment under ECL model on other receivables individually. The management of the Target Group makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Except for the balances as disclosed in Note 14(a), the management of the Target Group considers that the credit risk of the balances has not increased significantly since initial recognition as there is no significant change in credit profile of the counterparties, as such, the Target Group assesses the balances for impairment based on 12m ECL, through a thorough evaluation of counterparty financial ability and settlement history, no additional impairment loss recognised for the remaining other receivables for the Relevant Period.

Bank balances

Credit risk on bank balances is limited because the counterparties are banks with good reputation and credit profile. The management of the Target Group considers that the credit risk of the amount has not increased significantly since initial recognition considering external credit ratings of the banks. As such, the Target Group assesses the balances for impairment based on 12m ECL. No impairment loss is recognised during the period from 6 March 2025 (date of incorporation) to 31 December 2025 as the ECL is assessed to be insignificant.

The Target Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch List	Debtors frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Target Company has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Target Group's financial assets which are subject to ECL assessment:

Financial assets at amortised cost	External credit rating	Internal credit rating	Lifetime or 12m ECL	Gross carrying amounts 2025 RMB'000
Other receivables	N/A	Loss	Lifetime ECL	10,055
Other receivables	N/A	Low risk	12m ECL	6,824
Bank balances	Aa3	N/A	12m ECL	5,844

The following table shows the movement in lifetime ECL that has been recognised for other receivables which is measured under 12m ECL:

	Other receivables Lifetime – credit-impaired RMB'000
At date of incorporation	–
Impairment losses provided	10,055
	<hr/>
At 31 December 2025	10,055
	<hr/> <hr/>

Liquidity risk management

In the management of the liquidity risk, the Target Group relies on borrowing and operating funds as significant sources of liquidity. The management of the Target Group also monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Target Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Target Group's contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Group can be required to pay.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

As at 31 December 2025

	Weighted average interest rate %	On demand or less than 3 months RMB'000	3 months to 1 year RMB'000	Total undiscounted cash flows RMB'000	Carrying amounts RMB'000
Other payables and accruals	–	1,733	–	1,733	1,733
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Fair value measurements of financial instruments

The management of the Target Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost at the respective end of the reporting period approximate their fair values.

23. CAPITAL RISK MANAGEMENT

The Target Group manages its capital to ensure that the Target Group will be able to continue as a going concern while maximising the return to shareholders and benefits for other stakeholders through optimisation of the debt and equity balance. The Target Group's overall strategy remains unchanged through the Relevant Period.

The capital structure of the Target Group consists of equity, comprising issued share capital and reserves.

The management of the Target Group reviews the capital structure on a regular basis. As part of this review, the management of the Target Group considers the cost of capital and the risks associated with the capital. Based on the recommendation of the management of the Target Group, the Target Group will balance its overall capital structure through issue of shares, new debt or the redemption of existing debt.

The Target Group did not subject to externally imposed capital requirements.

24. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

The table below details changes in the Target Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Target Group's statement of cash flows from financing activities.

	Other payable RMB'000	Borrowing RMB'000	Total RMB'000
At date of incorporation <i>Non-cash transaction</i>	–	–	–
Acquisition of a subsidiary	500	4,000	4,500
Interest expense	–	39	39
Interest paid	–	(39)	(39)
Advance from an independent third party	1,100	–	1,100
Repayment of borrowing	–	(4,000)	(4,000)
	<u>1,600</u>	<u>–</u>	<u>1,600</u>
At 31 December 2025	<u>1,600</u>	<u>–</u>	<u>1,600</u>

(b) Major non-cash transactions

During the Relevant Period, the non-controlling shareholders have capitalised its other payables of RMB1,300,000 as capital contribution to Yuanyu Dingcheng.

25. RELATED PARTIES TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Target Group entered into the following related party transactions:

a. Transactions with related parties:

	<i>Note</i>	From 6 March 2025 (date of incorporation) to 31 December 2025 RMB'000
Transaction with shareholders –		
Revenue arisen from AI data services		<u>882</u>

Notes:

- (i) Transactions rendered to or by the related parties above are carried out according to the terms of the related agreements and in the ordinary and usual course of the Target Group's business.

b. Key management personnel remuneration

	<i>Note</i>	From 6 March 2025 (date of incorporation) to 31 December 2025 RMB'000
Short-term employee benefits		216
Post-employment benefits		<u>35</u>

Total remuneration is included in "staff costs" (see Note 8).

26. COMMITMENT

As at 31 December 2025, the unpaid registered capital for the subsidiary amounted to approximately RMB4,377,000. The Target Group did not have other material capital commitments.

27. CONTINGENT LIABILITIES

As at 31 December 2025, the Target Group did not have any contingent liabilities.

Set out below is the management discussion and analysis of the Target Group for the period from 6 March 2025 (date of incorporation of the Target Company) to 31 December 2025, which is prepared based on the financial information of the Target Group as set out in Appendix II to this circular.

BUSINESS OVERVIEW

The Target Company was established on 6 March 2025 while Beijing Huanyu was established on 24 June 2025. Beijing Huanyu became the controlling shareholder of Yuanyu Dingcheng on 2 September 2025 through the acquisition of interest from the then existing shareholders. During the Reporting Period, the Yuanyu Dingcheng is the major operating subsidiary of the Target Group. Yuanyu Dingcheng derived revenue from the sales of AI proprietary models, provision of AI data services which consists of doctor's digital asset custodian services and AI data transformation services and other services.

FINANCIAL REVIEW

Set forth below is the management discussion and analysis of the Target Group for the period from 6 March 2025 (date of incorporation of the Target Company) to 31 December 2025 (“**Reporting Period**”) based on the financial information of the Target Group set out in Appendix II to this circular.

(a) Financial Performance***Revenue***

During the Reporting Period, the revenue of the Target Group was approximately RMB50.82 million. The revenue of Target Group for the period represents sales of AI proprietary models, provision of AI data services which consists of doctor's digital asset custodian services and AI data transformation services and other services contributed by Yuanyu Dingcheng.

Cost of Sales

The cost of revenue of the Target Group for the Reporting Period was approximately RMB33.92 million.

Gross Profit and Gross Profit Margin

The gross profit of the Target Group for the Reporting Period was approximately RMB16.90 million. The gross profit margin was 33.26%.

Research and Development Expenses

The research and development expenses of the Target Group for the Reporting Period was approximately RMB6.29 million.

Selling Expenses

For the Reporting Period, the selling expenses of the Target Group was approximately RMB0.37 million.

Administrative Expenses

For the Reporting Period, the administrative expenses of the Target Group was approximately RMB11.32 million.

Loss

For the Reporting Period, the Target Group reported one-off gain on bargain purchase of approximately RMB5.93 million in relation to the acquisition of interest in Yuanyu Dingcheng.

Notwithstanding the above bargain gain, for the Reporting Period, the Target Group reported loss before and after taxation of approximately RMB5.22 million and approximately RMB3.09 million respectively. The loss before taxation of the Target Group for the period were mainly attributable to (i) research and development expense; (ii) amortisation of intangible asset; (iii) one-off impairment losses on other receivables; and (iv) netting off with one-off gain on bargain purchase arising from acquisition of Yuanyu Dingcheng during the Reporting Period. The loss after taxation of the Target Group for the Reporting Period was due to deferred income tax.

(b) Liquidity and Financial Resources

The Target Group's daily operations were primarily funded with the capital contribution from its shareholders. As at 31 December 2025, the Target Group has no interest-bearing borrowings.

(c) Cash and Bank Balance

As at 31 December 2025, the cash and bank balance of the Target Group was approximately RMB5.84 million. The cash and bank balance is denominated in RMB.

(d) Gearing Ratio

The gearing ratios of the Target Group as at 31 December 2025, which represents the ratio of interest-bearing borrowings to the total equity, were nil.

(e) Contingent Liabilities

The Target Group did not have any contingent liabilities as at 31 December 2025.

(f) Foreign Exchange Exposure

For the Reporting Period, the Target Group was mainly exposed to credit and liquidity risks arising in the normal course of business.

During the Reporting Period, as the majority of business transactions, assets and liabilities of the Target Group are denominated in RMB, it has no significant exposure to foreign currency risk. Accordingly, during the Reporting Period, the Target Group did not have a formal hedging policies and no financial instrument was used for hedging purposes.

(g) Funding and Treasury Policy

The Target Group has adopted a prudent financial management approach towards its treasury policy. The Target Group closely monitored its liquidity position to ensure that the liquidity structure of its assets, liabilities, and other commitments can meet its funding requirements.

(h) Significant Investment, Material Acquisition and Disposal

Save for the acquisitions of an aggregate of 33.77% equity interest in Yuanyu Dingcheng on 2 September 2025, and increase to 67.01% through further acquisition from its existing shareholders and capital injection to Yuanyu Dingcheng, the Target Group did not have any significant investments, material acquisition and disposal of subsidiaries, associates or joint venture during the Reporting Period. As at 31 December 2025, the unpaid registered capital for Yuanyu Dingcheng amounted to approximately RMB4,377,000. The Target Group did not have other material capital commitments.

(i) Charge of Assets

As at 31 December 2025, there was no charges of assets of Target Group.

(j) Employees and Remuneration Policy

The Target Group had 14 employees as at 31 December 2025. The Target Group periodically evaluates the performance of its employees and provides them with training to enhance their performance.

The Target Group recruited, employed, promoted and remunerated its employees based on their experiences, qualifications, skills, performances and contributions. Remuneration was also determined with reference to, among others, the market trend.

(k) Future Plans and Prospects

Following the Acquisition, the strategic focus of the Target Group will be on consolidating its core business. The Target Group will leverage on its technological strengths and utilize the business network advantages of the Group, aligning with the Group's future development blueprint to establish a diversified and sustainable revenue structure. This aims to broaden revenue sources, mitigate risks, and drive sustainable growth.

For the Group's development plan after completion, please refer to the section entitled "IV. FUTURE PLAN OF THE GROUP AFTER COMPLETION" in the Letter from the Board.

The information set out in this appendix is for illustrative purposes only and this appendix should be read in conjunction with other financial information included elsewhere in this circular.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

In connection with the proposed acquisition of the 100% issued share capital of the Target Company (as defined in Circular) (the “**Proposed Acquisition**”) by the Company, the unaudited pro forma financial information of the Enlarged Group (as defined in Circular) has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Proposed Acquisition on the Group’s financial position as at 31 December 2025 as if the Proposed Acquisition had taken place on 31 December 2025.

The unaudited pro forma consolidated statement of assets and liabilities as at 31 December 2025 and related notes (hereinafter collectively referred to as the “**Unaudited Pro Forma Financial Information**”) of the Enlarged Group are prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2025 as extracted from the published annual report of the Company for the year ended 31 December 2025 and the audited consolidated statement of financial position of the Target Group as at 31 December 2025, which has been derived from the historical financial information included in the accountant’s report as set out in Appendix II to this Circular after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments of the Proposed Acquisition that are (i) directly attributable to the Proposed Acquisition; and (ii) factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the Unaudited Pro Forma Financial Information of the Enlarged Group may not give a true picture of the assets and liabilities of the Enlarged Group would have been if the Proposed Acquisition had been completed on 31 December 2025 or any future date.

The Unaudited Pro forma Financial Information of the Enlarged Group should be read in conjunction with the financial information of the Group as set out in Appendix I to this Circular and the historical financial information of the Target Group as set out in Appendix II to this Circular or annual report of the Group published on 22 April 2021 and other financial information included elsewhere in this Circular.

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE ENLARGED GROUP**
Unaudited Pro forma consolidated statement of assets and liabilities of the Enlarged Group
As at 31 December 2025

	MediAI Technology Development Limited (the “Target Company”)		Proforma adjustments			Pro forma of the Enlarged Group as at	
	The Group as at 31 December 2025	and its subsidiaries (the “Target Group”) 2025				31 December 2025	
	RMB’000 (Note 1)	RMB’000 (Note 2)	RMB’000 (Note 3)	RMB’000 (Note 4)	RMB’000 (Note 5)	RMB’000 (Note 6)	RMB’000
NON-CURRENT ASSETS							
Investment in subsidiaries	–	–					–
Property, plant and equipment	2,034	28					2,062
Right-of-use assets	6,424	–					6,424
Equity instruments at fair value through other comprehensive income	15,393	–	(1,994)	(1,185)			12,214
Intangible assets	9,262	142,819		1,895			153,976
Goodwill	–	–		59,295			59,295
Deposits	1,259	–					1,259
Total non-current assets	34,372	142,847					235,230
CURRENT ASSETS							
Trade receivables	29,425	–					29,425
Contract assets	21,229	–				(12,561)	8,668
Prepayments, deposits and other receivables	6,143	6,824					12,967
Bank balances and cash	99,318	5,844		2,809			107,971
Total current assets	156,115	12,668					159,031
CURRENT LIABILITIES							
Trade payables	13,148	–					13,148
Contract liabilities	12,113	12,561				(12,561)	12,113
Other payables and accruals	5,378	1,876		42,240	2,311		51,805
Lease liabilities	4,329	–					4,329
Borrowings	47,618	–					47,618
Income tax payables	–	94					94
Total current liabilities	82,586	14,531					129,107
NET CURRENT ASSETS (LIABILITIES)	73,529	(1,863)					29,924
TOTAL ASSETS LESS CURRENT LIABILITIES	107,901	140,984					265,154
NON-CURRENT LIABILITIES							
Deferred tax liabilities	–	34,760		(13,053)			21,707
Lease liabilities	2,522	–					2,522
Total non-current liabilities	2,522	34,760					24,229
NET ASSETS	105,379	106,224					240,925

Notes:

- (1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2025 as set out in the published annual report of the Group.
- (2) The audited consolidated statement of assets and liabilities of the Target Group as at 31 December 2025 are extracted from the Accountants' Report of the Target Group as set out in Appendix II to this Circular.
- (3) The adjustment represents the remeasurement of the Group's previously held 0.68% equity interest in Yuanyu Dingcheng, an underlying subsidiary of the Target Group, at its fair value of approximately RMB1,185,000, as at the Acquisition Completion in accordance with HKFRS 3 *Business Combinations*.

As the equity interest of Yuanyu Dingcheng held by the Group was previously designated as a financial asset at fair value through other comprehensive income, the difference between its fair value of approximately RMB1,185,000 and carrying amount of approximately RMB3,179,000 as at the Acquisition Completion and as at 31 December 2025 respectively is recognised in other comprehensive income.

Upon the Group obtaining control of the Target Group, the cumulative gain or loss previously recognised in the fair value reserve is transferred directly to accumulated losses and is not reclassified to profit or loss. The acquisition-date fair value of this previously held equity interest forms part of the total consideration for the purpose of calculating goodwill arising from the Acquisition.

- (4) (i) The Acquisition represents the acquisition of the Target Company by the Company, which will be satisfied by total consideration of approximately HK\$139,773,000 (equivalent to RMB123,000,000 at the closing exchange rate as at 31 March 2026 of HK\$1 to RMB0.88) to the Vendors. The consideration of the Acquisition comprises:
- (a) HK\$48,000,000 (equivalent to approximately RMB42,240,000) by issuance of promissory note by the Company to Vendor A (as defined in Circular); and
- (b) approximately HK\$91,773,000 (equivalent to approximately RMB80,760,000) in cash, which is intended to be funded by the net proceeds from the placing of up to 65,000,000 new shares of the Company at a placing price of HK\$1.50 per share.
- (ii) The acquisition of the Target Group is considered as a business combination under HKFRS 3 (revised) *Business Combinations* ("HKFRS 3") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of the Unaudited Pro Forma Financial Information, the Company has identified and recognised the individual identifiable assets acquired and liabilities assumed at fair value. The cost of the Acquisition shall be allocated to individual identifiable assets and liabilities of the Target Group on the basis of their respective fair values at the date of the Acquisition, as follows:

	<i>RMB'000</i>	Fair value adjustments	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	28	–		28
Intangible asset	142,819	1,895		144,714
Other receivables and deposits	6,824	–		6,824
Bank balances and cash	5,844	–		5,844
Other payables and accruals	(1,876)	–		(1,876)
Contract liabilities	(12,561)	–		(12,561)
Income tax payables	(94)	–		(94)
Deferred tax liability	(34,760)	13,053		(21,707)
	<u>106,224</u>	<u>14,948</u>		<u>121,172</u>

(iii) Reconciliation of goodwill as per below:

	<i>RMB'000</i>
Consideration for the Acquisition:	123,000
Add: fair value of the Group's previously held equity interest in Yuanyu Dingcheng:	1,185
Add: fair value of non-controlling interests:	56,282
less: fair value of identifiable net assets acquired:	(121,172)
	<hr/>
Goodwill arising from the acquisition	<u>59,295</u>

Note:

- (a) For the purpose of this Unaudited Pro Forma Financial Information, the Company has assessed if there is any impairment loss on the goodwill and intangible assets arising from the Acquisition in accordance with Hong Kong Accounting Standard 36 ("**HKAS 36**") *Impairment of Assets* which is consistent with the Company's accounting policies. The directors of the Company have taken into consideration of the historical financial performance of the Target Group and synergy effect to the business of the Enlarged Group as key parameters for the assessment. The directors of the Company are of the view that, after performing the impairment assessment, there is no indications that the goodwill and intangible assets arising from the Acquisition as set out in the Unaudited Pro Forma Financial Information are subject to impairment loss.

Upon completion of the Acquisition and at the end of each reporting period, the Group will adopt consistent accounting policies, principal assumptions and methodology of impairment assessment (as used in the Unaudited Pro Forma Financial Information) to assess the impairment of the Enlarged Group's goodwill, property, plant and equipment, right-of-use assets and intangible assets.

- (iv) The net proceeds received from placing of approximately HK\$3,192,000 (equivalent to approximately RMB2,809,000) is derived from the proceeds from placing of shares of HK\$97,500,000 (equivalent to approximately RMB85,800,000) (assuming that it is fully placed), net off with settlement of the commission in relation to placing of approximately HK\$2,535,000 (equivalent to approximately RMB2,231,000) (Note (5)) and the settlement of the Consideration of HK\$91,773,000 (equivalent to approximately RMB80,760,000) (Note (4)).
- (5) The adjustment represents the estimated amounts regarding the legal and professional fees and other expenses incurred for the Acquisition and placing of new shares of approximately RMB4,542,000 of which amounting to approximately RMB2,231,000 has been settled by net proceeds received from placing directly while approximately RMB2,311,000 was settled subsequently.
- (6) The adjustment represents elimination of balances between the Group and the Target Group as of the Acquisition Completion.
- (7) Apart from the above, no adjustments have been made to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 December 2025. The above adjustments are not expected to have a continuing effect on the Unaudited Pro Forma Financial Information of the Enlarged Group.

The following is the text of a report received from the independent reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this circular.



B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Mediwelcome Healthcare Management & Technology Inc.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Mediwelcome Healthcare Management & Technology Inc. (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated assets and liabilities of the Enlarged Group as at 31 December 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages IV-5 to IV-7 of the Company's circular dated 8 May 2026 (the "**Circular**"), in connection with the proposed acquisition of 100% of the equity interest of MediAI Technology Development Limited (the "**Proposed Acquisition**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-5 to IV-7 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Acquisition on the Group's financial position as at 31 December 2025 as if the Proposed Acquisition had taken place at 31 December 2025. As part of this process, information about the Group's consolidated statement of financial position has been extracted by the directors of the Company from the Group's consolidated financial statements for the year ended 31 December 2025, on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition as at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29 of the Listing Rules.

Rongcheng (Hong Kong) CPA Limited

Certified Public Accountants

Hong Kong, 8 May 2026

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

The following is the text of the Valuation Report, prepared for the purpose of incorporation in this circular, received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its opinion of values of the 100% equity in the Target Company as at 18 March 2026.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
Tel +852 2846 5000 Fax +852 2169 6001
Company Licence No.: C-030171

8 May 2026

The Board of Directors
Mediwelcome Healthcare Management & Technology Inc.
Unit 1218, 12/F Corporation Square,
No.8 Lam Lok Street, Kowloon Bay,
Kowloon, Hong Kong

Dear Sirs,

In accordance with the instructions from Mediwelcome Healthcare Management & Technology Inc. (the “**Company**” or “**Client**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has undertaken a valuation exercise which requires us to express an independent opinion on the market value of 100% equity interest in MediAI Technology Development Limited (the “**Target Company**”) as at 18 March 2026 (the “**Valuation Date**”). The report which follows is dated 8 May 2026 (the “**Report Date**”). The purpose of this valuation is to express an independent opinion for the Company’s internal reference.

Our valuation was carried out on a market value basis. According to the International Valuation Standards (the “**IVS**”) issued by the International Valuation Standards Council (the “**IVSC**”), market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

BACKGROUND

The Target Company is a company incorporated in Hong Kong with limited liability on 6 March 2025. It is an investment holding company whose sole asset is its 100% equity interest in 北京寰宇醫誠智能科技發展有限公司 (transliterated as Beijing Huanyu YiCheng AI Technology Development (Beijing) Co., Ltd, hereinafter referred to as “**Beijing Huanyu**”).

Beijing Huanyu is an investment holding company established in the People’s Republic of China (the “**PRC**”) on 24 June 2025. Through Beijing Huanyu, the Target Company indirectly holds a 67.01% equity interest in 元宇鼎誠科技發展(北京)有限公司 (transliterated as Yuanyu Dingcheng Technology Development (Beijing) Co., Limited, “**Yuanyu Dingcheng**”). Apart from equity interest in Yuanyu Dingcheng, neither the Target Company nor Beijing Huanyu has carried out any business operations or held any other assets or investments.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

Yuanyu Dingcheng is a company established in the PRC on 23 December 2021. The principal activity of Yuanyu Dingcheng is providing artificial intelligence (“AI”) technology to clinical intelligence and blockchain digital infrastructure services including development and sales proprietary AI models to pharmaceutical and medical device companies in the PRC.

Key business of Yuanyu Dingcheng includes: Disease-Specific AI Model Development & Deployment, AI-Powered Medical Content Production & provide intelligent solutions for pharmaceutical research and development (R&D), post-marketing surveillance (PMS) and for professional training of doctors.

The Subject of this valuation is the 100% equity interest in the Target Company and its subsidiaries Beijing Huanyu and Yuanyu Dingcheng (the “**Subject**”).

FINANCIAL PERFORMANCE OF YUANYU DINGCHENG

Key financial information of the Yuanyu Dingcheng for the latest three financial years ended 31 December is set out as below:

Reporting Period	2023	2024	2025
	(Audited)	(Audited)	(Audited)
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	2,588	105,209	176,693
Gross Profit	2,384	34,961	74,143
Net Profit	(245)	(12,847)	(7,248)

The Yuanyu Dingcheng’s revenue was approximately RMB2,588,000, RMB105,209,000 and RMB176,693,000 in 2023, 2024 and 2025 respectively. As a development-stage enterprise, the Yuanyu Dingcheng typically exhibits high revenue growth but operates at a net loss, consistent with its heavy investment in R&D and commercialization. The increase in revenue over the period from 2023 to 2025 was primarily driven by the sales of AI proprietary model and AI data services to the Company.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

FINANCIAL INFORMATION OF THE TARGET COMPANY, BEIJING HUANYU AND YUANYU DINGCHENG

Key financial information of the Target Company and its subsidiaries as of 31 December 2025 is set out as below:

As of 31 December 2025	Target Company <i>RMB</i>	Beijing Huanyu <i>RMB</i>	Yuanyu Dingcheng <i>RMB</i>
Non-Current Assets			
Property, plant and equipment	–	–	27,959
Investment in subsidiaries	–	3,709,000 ¹	–
Deferred tax assets	–	–	945,356
Sub-total	–	3,709,000	973,315
Current Assets			
Other receivables, deposits and prepayments	9,999,022	4,673,000	2,151,854
Bank balances and cash	–	1,610,072	4,233,547
Sub-total	9,999,022	6,283,072	6,385,401
Current Liabilities			
Other payables and accruals	(9,200)	(10,000,000)	(1,867,264)
Contract liabilities	–	–	(12,561,343)
Income tax payables	–	–	(93,506)
Sub-total	(9,200)	(10,000,000)	(14,522,113)
Net Current Assets (Liabilities)	9,989,822	(3,716,928)	(8,136,712)
Net Asset (Liabilities) Value	9,989,822	(7,928)	(7,163,397)
Intercompany adjustments	(10,000,000)	10,000,000	–
Investment in subsidiaries adjustments	–	(3,709,000)	–
Adjusted Net Asset (Liabilities) Value	(10,178)	6,283,072	(7,163,397)

Note 1: The investment in subsidiaries represents the investment in Yuanyu Dingcheng.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

SOURCES OF INFORMATION

In conducting our valuation of the Subject, we have reviewed information including, but not limited to:

- Background of the Target Company;
- Historical information of the Target Company and Beijing Huanyu as of 31 December 2025;
- Historical financial information of Yuanyu Dingcheng from year 2023 to year 2025; and
- Other operation and market information in relation to the business of the Target Company.

We have held discussions with management of the Company and conducted market research from public sources to assess the reasonableness and fairness of information provided. We assumed such information to be reliable and legitimate, and we have relied to a considerable extent on the information provided in arriving at our conclusion of value.

BASIS OF OPINION

We have conducted our valuation in accordance with the IVS. The valuation procedures employed include a review of legal status and economic condition of the Target Company and an assessment of key assumptions, estimates and representations made by the proprietor or the operator of the Target Company. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report (the “**Report**”).

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and history of the operation concerned;
- The financial condition of the Target Company;
- Market-driven investment returns of companies engaged in similar lines of business;
- Financial and business risk of the business;
- Consideration and analysis on the micro and macro economy affecting the business of the Target Company;
- Analysis on tactical planning, management standard and synergy of the Target Company; and
- Assessment of the leverage of the Subject.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the valuation of the Subject.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

To select the most appropriate approach, we have considered the purpose of the valuation and the resulting basis of value as well as the availability and reliability of information provided to us to form perform an analysis. We have also considered the relative advantages and disadvantages of each approach to the nature and circumstances of this Subject. In our opinion, the cost approach is inappropriate for valuing the Subject, as it does not directly incorporate information about the economic benefits contributed by the Subject. The income approach is not applicable as this approach require detailed operational information and long-term financial projection of the Target Company but such information with substantial objective supporting data is not available to us. The market approach relies on market data from comparable companies or transactions, reflecting what investors are currently willing to pay for similar equity interests. Given that there are sufficient publicly listed companies that are comparable to the Target Company in terms of industry relevance and geographic focus, we have adopted the market approach in this valuation.

There are two common methods under market approach, namely, guideline public company method and guideline transaction method. Guideline public companies method requires identifying suitable guideline public companies and selection of appropriate trading multiples, while guideline transaction method takes reference to recent mergers and acquisitions transaction between unrelated parties and ratio of transaction price to target company's financial parameters.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

In this valuation exercise, the market value of the 100% equity interest of the Target Company was developed through the guideline public company method. The guideline transaction method is not adopted due to lack of recent market transactions with similar nature as the Target Company. The guideline public company method requires the research of comparable companies' benchmark multiples and selection of an appropriate multiple.

In this valuation, we have considered the following commonly used benchmark multiples:

- Price-to-earnings multiple (the **"P/E Multiple"**), which is computed as share price dividend by earning per share, is the most commonly used multiple since investors want to know how profitable a company is, hence earnings are important for valuing a company's stock. This multiple has the limitations that it cannot be used to value loss-making companies, and fail to overcome the distortions caused by different accounting policies and capital structures.
- Price-to-book multiple (the **"P/B Multiple"**), which is computed as the proportion of share price to book value per share, is common to value companies within asset intensive industries. However, since book value captures only the tangible assets of a company, a company's intangible assets as well as company-specific competencies and advantages are not captured in the P/B Multiple.
- Price-to-sales multiple (the **"P/S Multiple"**), which is estimated by dividing share price by sales per shares, is commonly used to value early-stage or loss-making companies. A shortcoming of this multiple is that it ignores the cost structure and hence the profitability of a company.
- A firm's enterprise value is equal to its equity value plus its debt less any cash. Enterprise value to earning before interest, tax, depreciation and amortization multiple (the **"EV/EBITDA Multiple"**), which is estimated by dividing enterprise value by earning before interest, tax, depreciation and amortization, allows direct comparison of firms regardless of their difference in capital structure. Compared to the P/E Multiple, the EV/EBITDA Multiple is considered to be less affected by difference in accounting treatment. Yet, since the EV/EBITDA Multiple excludes depreciation and amortization expenses, which measure how much the company needs to spend on capital expenditure to maintain its business growth, the multiple does not account for cost of debt capital or its tax effect.
- Similar to other enterprise value multiples, enterprise value-to-earnings before interest and tax multiple (the **"EV/EBIT Multiple"**) is considered to be less affected by difference in accounting treatment as other price multiples. Different from the enterprise value-to-earnings before interest, tax, depreciation and amortization multiple, this multiple includes depreciation and amortization expenses, hence it is more commonly used for capital-intensive business in which case depreciation expense contribute to a significant portion of economic cost.
- Like the other enterprise value multiples, enterprise value-to-sales multiple (the **"EV/Sales Multiple"**) is considered to be less affected by difference in accounting treatment as other price multiples. Similar to the price-to-sales multiple, it is commonly used to value early-stage or loss-making companies. Yet, enterprise value-to-sales has the benefits over price-to-sales multiple that it takes into account a company's debt load.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

The following benchmark multiples are not adopted due to the following consideration:

- Price based multiples including P/E Multiple, P/B Multiple and P/S Multiple are not adopted as they are more likely to be distorted when companies are having different capital structures.
- Considering the Target Company is a development stage company and has negative net profit, the earning-based multiples including EV/EBIT and EV/EBITDA are not applicable in this case.

We have taken into consideration the business cycle and profitability of the Target Company where the Target Company is a development stage company focusing on growth and research and development and is generating negative profit. Early-stage companies often having relatively larger and volatile operating expenses, while revenue is relatively more stable by contrast, reflecting customer demand and sales execution. It is considered that the EV/Sales Multiple is the most appropriate multiple and hence it is being adopted in this valuation.

MAJOR ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value. The following key assumptions in determining the market value of the Subject have been made:

- We assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued;
- We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company;
- We have assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- We have been provided with copies of the operating licenses and company incorporation documents. We have assumed such information to be reliable and legitimate;
- We have assumed the accuracy of the financial and operational information such as management accounts, contractual agreements and manufacturing capabilities, provided to us by the Company. We have relied to a considerable extent on such information in arriving at our opinion of value; and
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

MARKET MULTIPLE

In determining the market multiple, a list of comparable companies was identified. The selection criteria include the followings:

- The comparable companies are publicly listed;
- The comparable companies are searchable in Capital IQ database;
- The comparable companies operate in the Health Care Technology industry in PRC;
- The business of the comparable companies involves artificial intelligence or medical information systems;
- The companies derive over 50% of their revenues from the same industry of the Target Company, i.e. artificial intelligence and data driven health care products and/or medical information systems; and
- Sufficient data, including the EV/Sales Multiples as at the Valuation Date of the comparable companies, is available.

As sourced from Capital IQ, an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis. The details of the comparable companies are listed below:

Ticker	Company Name	Principal Business Location	Company Description
SEHK:2158	Yidu Tech Inc.	China	Yidu Tech Inc., an investment holding company, provides healthcare solutions built on big data and artificial intelligence (AI) technologies in the People's Republic of China, Brunei, Singapore, and internationally. The company serves healthcare industry participants, including hospitals, research institutions, insurance companies, doctors, patients, and regulators and policy makers, as well as pharmaceutical, biotech, and medical device companies. Yidu Tech Inc. was incorporated in 2014 and is headquartered in Beijing, China.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

Ticker	Company Name	Principal Business Location	Company Description
SEHK:2361	Sinohealth Technology Holdings Limited	China	<p>Sinohealth Technology Holdings Limited provides healthcare solutions for sales and marketing needs of medical product manufacturer clients in Mainland China, the Netherland, England, Hong Kong, Singapore, and internationally. It engages in the research and development, and provision of data insight solutions, data-driven publications and events, and software as a service (SaaS) products; research and development, and operation of Smart Medical Cloud under the business line of SaaS products; management of marketing and promotion services of medicine; operation of SaaS products; provision of internet information and internet data center services; production and publication of videos; and foreign-related market research business. It serves various fields, such as pharmaceutical industry, retail pharmacies, and physical examination and hospitals. The company was founded in 2007 and is headquartered in Guangzhou, China.</p>
SEHK:2506	Xunfei Healthcare Technology Co., Ltd.	China	<p>Xunfei Healthcare Technology Co., Ltd. provides healthcare AI solutions in the People's Republic of China. The company offers PHC services, including a general practice clinical decision support system (CDSS) and chronic disease management, which provides screening, risk categorization, and grading, follow-ups, personalized health education, and lifestyle interventions. Founded in 2016, it is headquartered in Beijing, the People's Republic of China.</p>

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

Ticker	Company Name	Principal Business Location	Company Description
SZSE:300253	Winning Health Technology Group Co., Ltd.	China	Winning Health Technology Group Co., Ltd., together with its subsidiaries, provides digital health services for medical and health institutions in China. The company offers WiNEX, a digital health platform; internet and health care; smart hospital; smart regional healthcare; and WinCloud solutions. Its solutions are used in smart hospitals, regional health, primary health, medical insurance, health services, and other fields. Winning Health Technology Group Co., Ltd. was founded in 1994 and is headquartered in Shanghai, China.
SZSE:300451	B-SOFT Co., Ltd.	China	B-SOFT Co., Ltd. operates in the medical and health informatization industry in China. The company provides smart hospital services, including outpatient registration and appointment center, medical technology appointment center, inpatient and outpatient services, and internet + hospital cloud platform. B-SOFT Co., Ltd. was founded in 1997 and is based in Hangzhou, China.
SZSE:300550	Heren Health Co., Ltd.	China	Heren Health Co., Ltd. provides medical solutions to hospitals and governments in China. It offers hospital clinical informatization, hospital clinical data scenario, urban smart medical cloud platform, medical community platform, and other solutions. Heren Health Co., Ltd. was incorporated in 2010 and is headquartered in Hangzhou, China.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

Ticker	Company Name	Principal Business Location	Company Description
SHSE:688246	Goodwill E-Health Info Co., Ltd.	China	Goodwill E-Health Info Co., Ltd. engages in the research and development of medical information software in China. The company offers comprehensive electronic medical records, specialist electronic medical records, hospital data centers, smart medical product systems, internet medical product systems, hospital evaluation solutions, county medical community solutions, medical research solutions, cloud HIS platform, and smart elderly care solutions. The company was founded in 2006 and is based in Beijing, China.

Some key financial information of the comparable companies is listed below, as presented in millions of Renminbi (“RMB”):

Company Name	Market Capitalization as at the Valuation Date <i>(in RMB Million)</i>	Enterprise Value as at the Valuation Date <i>(in RMB Million)</i>	Revenue for Last Twelve-month Period <i>(in RMB Million)</i>	Net Operating Profit after Tax for Last Twelve-month Period <i>(in RMB Million)</i>
Yidu Tech Inc.	5,130.14	3,078.81	743.64	(88.94)
Sinohealth Holdings Limited	1,748.51	1,086.41	392.12	93.72
Xunfei Healthcare Technology Co., Ltd.	8,126.44	7,942.36	803.33	(77.03)
Winning Health Technology Group Co., Ltd.	20,229.69	20,104.94	2,164.73	(308.12)
B-S OFT Co., Ltd.	7,783.91	7,142.42	1,115.71	(348.50)
Heren Health Co., Ltd.	3,518.31	3,133.92	405.15	51.31
Goodwill E-Health Info Co., Ltd.	3,066.78	3,189.39	407.67	(252.78)

As the businesses of the comparable companies operates in the same geographical region, no adjustments have been made in terms of geographical location. Moreover, the comparable companies are often of different size from the Target Company. Larger companies generally have lower expected returns that translate into higher values. On the other hand, small companies are generally perceived as riskier in relation to business operation and financial performance, and therefore the expected returns are higher and resulting in lower multiples. Therefore, the base multiples were adjusted to reflect the difference in natures between the comparable companies and Target Company.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

We referred to a formula in a widely-adopted textbook “Financial Valuation – Applications and Model, 2017” by James R. Hitchner, a renowned valuation expert in the United States, for the benchmark multiple adjustments:

The adjustment on the EV/Sales Multiple is calculated using the following formula:

$$\text{Adjusted EV/Sales Multiple} = 1 / ((1 / M) + \theta \times (E/EV) \times (S/NOPAT))$$

where:

M	=	The EV/Sales Multiple without adjustment
θ	=	Required adjustment in the difference in size, country and other specific risks
E	=	Market capitalization
EV	=	Enterprise value
S	=	Sales / Revenue
NOPAT	=	Net operating profit after tax

The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. In this valuation, the reciprocal of the base EV/Sales multiple represents a capitalization rate of the enterprise value.

For the parameter θ , it was used as a desired adjustment to reflect the difference in natures between the comparable companies and the Subject. With reference to Cost of Capital Navigator 2024, depending on the market capitalization of each of the comparable companies, size premium differentials were adopted to capture the size difference between the comparable companies and the Target Company. The Cost of Capital Navigator is a data analytics platform providing market data and estimates on cost of capital by Kroll, a global independent financial and risk advisory firm.

We are given to understand the Target Company’s revenue is heavily concentrated, with a significant majority derived from the Company. This high degree of customer concentration presents a material business risk, as it limits revenue diversification and increases vulnerability to client-specific volatility or termination. With reference to “The Adjusted Capital Asset Pricing Model for Developing Capitalization Rates: An Extension of Previous ‘Build-Up’ Methodologies Based Upon the Capital Asset Pricing Model” published by Z. Christopher Mercer, a premium of up to 5% may be applied to reflect elevated specific risk associated with insufficient customer diversification. Consistent with this framework, a premium of 5% has been incorporated into the analysis to capture the risk arising from the Target Company’s reliance on a single revenue source.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

The ratio of the market capitalization to enterprise value E/EV was adopted as a weighting factor. As aforesaid, the logic behind this formula is that a pricing multiple is the reciprocal of the capitalization rate. In the case of an enterprise value multiple, the capitalization rate is driven by the weighted average cost of capital (the “WACC”) of the valuation subject. Since the size and specific risk premium differentials “ θ ” are applicable only to the equity portion (for a listed company, market capitalization represents the market value of its equity) but not to the debt portion of the WACC, we shall only adjust the equity portion of the capitalization rate in this pricing multiple adjustment formula. The ratio E/EV was used to apply an appropriate weighting on the parameter θ so that the capitalization rate was adjusted only to the extent of its equity portion. In other words, the ratio E/EV takes into account of the varying capital structures among the comparable companies.

The ratio of Sales to NOPAT was used as a scale factor, which is applied in the adjustment of the EV/Sales multiple. It is considered that the base measure of the benefits for enterprise value to be NOPAT (Hitchner, R., 2017), which is a financial measure that shows how well a company performed through its core operations net of taxes and it excludes tax savings from existing debt and one-time losses or charges.

After the aforesaid adjustment on the EV/Sales Multiple, the Adjusted EV/Sales multiples of the comparable companies are listed as below:

Ticker	Market Capitalization (USD Million)	EV/Sales Multiple	Required adjustment in the difference in size and specific risk premium (θ)	Adjusted EV/Sales Multiple
SEHK:2158	746.44	4.14	11.54%	0.71
SEHK:2361	254.41	2.77	9.36%	1.01
SEHK:2506	1,182.40	9.89	11.54%	1.23
SZSE:300253	2,943.42	9.29	11.42%	1.25
SZSE:300451	1,132.56	6.40	11.54%	1.09
SZSE:300550	511.91	7.74	10.69%	0.93
SHSE:688246	446.22	7.82	10.69%	1.34
Median				1.09

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Discount for Lack of Marketability (the “DLOM”)

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

We have assessed the DLOM of this interest using a put option method. The concept is that when comparing a public share and a private share, the holder of a public share has the ability to sell the shares (i.e. a put option) to the stock market right away. As the time to a liquidity event becomes shorter, the degree of the DLOM becomes smaller.

We have adopted Black Scholes Option Pricing Model with the following parameters to estimate the DLOM.

Parameter	Input	Source	Remark
Option Type	European Put		
Spot Price	RMB1.00		Assumed
Exercise Price	RMB1.00		Assumed
Risk Free Rate	1.26%	Capital IQ	Based on 1-year China bond yield
Maturity Period	1 year		Assumed
Volatility	54.20%	Capital IQ	Based on historical 1-year volatility of comparable companies
Implied DLOM	20.61%		Calculated

Control Premium (“CP”)

Control premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest a business enterprise that reflects the power of a control. It recognizes that control owners have rights that minority owners do not and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and to what economic benefits, cause a differential in the per-share value of a control ownership block versus a minority ownership block.

We have made reference to the Quarterly Control Premium Study (4th quarter 2025) published by FactSet Mergerstat, LLC. In the valuation, we adopted the median control premium of 21.00%.

CALCULATION OF VALUATION RESULT

Under the guideline public company method, the market value of the Subject is estimated based on the financial information of the Target Company and the market multiples of the comparable companies derived from Capital IQ as at the Valuation Date, additionally the marketability discount and control premium.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

The calculation of the market value of 100% equity interest of the Target Company as at the Valuation Date is as follows:

Parameter	Unit	Input
Sales of Yuanyu Dingcheng during the Financial Period ¹	RMB	176,693,000
Median Adjusted EV/Sales Multiple of the Comparable Companies		1.09
<hr/>		
Enterprise Value of Yuanyu Dingcheng	RMB	192,931,220
Add: Cash ¹	RMB	4,233,547
<hr/>		
100% Equity Value of Yuanyu Dingcheng	RMB	197,164,767
67.01% Equity Value of Yuanyu Dingcheng	RMB	132,120,111
Add: Adjusted Net Asset Value of Beijing Huanyu ²	RMB	(10,178)
Add: Adjusted Net Asset Value of Target Company ³	RMB	6,283,072
<hr/>		
100% Equity Value of the Target Company before CP and DLOM as at the Valuation Date	RMB	138,393,005
Add: Control Premium (21.0%)	RMB	29,062,531
<hr/>		
100% Equity Value of the Target Company before DLOM as at the Valuation Date	RMB	167,455,536
Less: Discount for lack of marketability (20.61%)	RMB	(34,506,727)
<hr/>		
100% Equity Value of the Target Company after control premium and discount for lack of marketability as at the Valuation Date	RMB	132,948,809
100% Equity Value of the Target Company (Rounded)	RMB	132,950,000

Note:

1. Figures as of 31 December 2025 based on audited figures.
2. Adjusted for intercompany balances
3. Adjusted for intercompany balances and investment in subsidiary

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, the Company and JLL.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This Report is issued subject to our Limiting Conditions as attached.

INDEPENDENCE DECLARATION

We confirm that to the best of our knowledge and belief, we are independent of the Company and the Target Company, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of 100% equity interest in MediAI Technology Development Limited as at the Valuation Date are reasonably stated at the amount of RMB132,950,000.

Yours faithfully,
For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan

Executive Director

Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 30 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

LIMITING CONDITIONS

1. In the preparation of this Report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client/Target Company and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our Report was used as part of the analysis of the Client/Target Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Client.
2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
4. The board of directors and the management of Client/Target Company have reviewed this Report and agreed and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.
6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.
7. The use of and/or the validity of the Report is subject to the terms of the service agreement between JLL and the Client and the full settlement of the fees and all the expenses.
8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.
9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client/Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

10. This Report has been prepared solely for internal use purpose. The Report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.
11. This Report is confidential to the Client and the calculation of values expressed herein is valid only for the purpose stated in the service agreement between JLL and the Client as at the Valuation Date. In accordance with our standard practice, we must state that this Report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.
12. Where a distinct and definite representation has been made to us by parties interested in the Subject, we are entitled to rely on that representation without further investigation into the veracity of the representation.
13. The Client/Target Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.
14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.
15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Client/Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

APPENDIX V VALUATION REPORT OF THE TARGET COMPANY

16. This Report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the Report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Client/Target Company and other sources. Actual transactions involving the Subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time. The transaction amount does not need to be close to the result as estimated in this report.

17. The board of directors, management, staff, and representatives of the Client/Target Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client/Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the “**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Nature of Interest	Number of Shares	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding
Mr. Shi Wei	Beneficial owner	1,950,000 (L)	107,269,000 ⁽³⁾	38.31%
	Interest in a controlled corporation	40,651,000 (L)		
	Interest held jointly with another person	64,668,000 (L) ⁽²⁾		
Mr. Yang Weimin	Interest in a controlled corporation	25,415,000 (L)	107,269,000 ⁽⁴⁾	38.31%
	Interest held jointly with another person	81,854,000 (L) ⁽²⁾		

Name of Director	Nature of Interest	Number of Shares	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding
Mr. Wang Liang	Beneficial owner	1,800,000 (L)	107,269,000 ⁽⁵⁾	38.31%
	Interest in a controlled corporation	12,038,000 (L)		
	Interest held jointly with another person	93,431,000 (L) ⁽²⁾		

Notes:

1. The Letter “L” denotes the person’s long position in the Shares. The percentage of shareholding was calculated based on Company’s total issued shares of 280,000,000 Shares as at the Latest Practicable Date.
2. The Company’s ultimate controlling Shareholders, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang, are parties acting in concert and on 13 October 2019, they entered into written agreement to, among others, confirm their acting-in-concert arrangement. Please refer to the section headed “History and Reorganization – Parties Acting in Concert” in the prospectus of the Company dated 31 December 2020 for further details. By virtue of the SFO, each of them is deemed to be interested in the Shares beneficially owned by the other parties to such acting-in-concert arrangement.
3. Mr. Shi Wei was deemed to be interested in 107,269,000 Shares, among which 40,651,000 Shares were held by Ji Ze Investment Management Company Limited, 1,950,000 Shares were held in his own capacity and 64,668,000 Shares were held jointly with another person as stated in Note (2).
4. Mr. Yang Weimin was deemed to be interested in 107,269,000 Shares, among which 25,415,000 Shares were held by Shun Jia Investment Management Company Limited and 81,854,000 Shares were held jointly with another person as stated in Note (2).
5. Mr. Wang Liang was deemed to be interested in 107,269,000 Shares, among which 12,038,000 Shares were held by Tai Zhi Feng Investment Management Company Limited, 1,800,000 Shares were held in his own capacity and 93,431,000 Shares were held jointly with another person as stated in Note (2).

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of Interest	Number of Shares ⁽¹⁾	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽¹⁾
Ji Ze Investment Management Company Limited (“ Ji Ze Investment ”) ⁽²⁾⁽³⁾	Beneficial interest	40,651,000 (L)	103,519,000 (L)	36.97%
	Interest held jointly with another person	62,868,000 (L)		
Shun Jia Investment Management Company Limited (“ Shun Jia Investment ”) ⁽²⁾⁽⁴⁾	Beneficial interest	25,415,000 (L)	103,519,000 (L)	36.97%
	Interest held jointly with another person	78,104,000 (L)		
Tai Zhi Feng Investment Management Company Limited (“ Tai Zhi Feng Investment ”) ⁽²⁾⁽⁵⁾	Beneficial interest	12,038,000 (L)	103,519,000 (L)	36.97%
	Interest held jointly with another person	91,481,000 (L)		
He Hui Wan Yi Investment Management Company Limited (“ He Hui Wan Yi Investment ”) ⁽²⁾⁽⁶⁾	Beneficial interest	25,415,000 (L)	103,519,000 (L)	36.97%
	Interest held jointly with another person	78,104,000 (L)		
Ms. Zhang Yitao ⁽²⁾⁽⁶⁾	Interest in a controlled corporation	25,415,000 (L)	107,269,000 (L)	38.31%
	Interest held jointly with another person	81,854,000 (L)		
Deep Blue Fund SPC-Apollo SP ⁽⁷⁾	Beneficial owner	40,480,000 (L)		14.46%

Name of Shareholder	Nature of Interest	Number of Shares ⁽¹⁾	Total Number of Shares ⁽¹⁾	Approximate Percentage of Shareholding ⁽¹⁾
Hong Kong International Capital Management Limited ⁽⁷⁾	Investment manager	40,480,000 (L)		14.46%
Hong Kong Financial Services Holding Limited ⁽⁷⁾	Interest in a controlled corporation	40,480,000 (L)		14.46%
The Core Trust Company Limited ⁽⁸⁾	Trustee	15,819,933 (L)		5.65%
TCT (BVI) Limited ⁽⁸⁾	Other	15,819,933 (L)		5.65%
Great Insight Global Limited ⁽⁸⁾	Nominee for another person (other than a bare trustee)	15,819,933 (L)		5.65%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares. The percentage of shareholding was calculated based on Company’s total issued Shares of 280,000,000 Shares as at the Latest Practicable Date.
- (2) The Company’s ultimate controlling Shareholders, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao and Mr. Wang Liang, are parties acting in concert and on 13 October 2019, they entered into written agreement to, among others, confirm their acting-in-concert arrangement. Please refer to the section headed “History and Reorganization – Parties Acting in Concert” on pages 167 to 168 in the prospectus of the Company dated 31 December 2020 for further details. By virtue of the SFO, each controlling Shareholder is deemed to be interested in the Shares beneficially owned by other controlling Shareholders.
- (3) Ji Ze Investment is wholly-owned by Mr. Shi Wei. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Shun Jia Investment, He Hui Wan Yi Investment and Tai Zhi Feng Investment are deemed to be interested in the Shares held by Ji Ze Investment.
- (4) Shun Jia Investment is wholly-owned by Mr. Yang Weimin. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Ji Ze Investment, He Hui Wan Yi Investment and Tai Zhi Feng Investment are deemed to be interested in the Shares held by Shun Jia Investment.
- (5) Tai Zhi Feng Investment is wholly-owned by Mr. Wang Liang. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Ji Ze Investment, Shun Jia Investment and He Hui Wan Yi Investment are deemed to be interested in the Shares held by Tai Zhi Feng Investment.
- (6) He Hui Wan Yi Investment is wholly-owned by Ms. Zhang Yitao. By virtue of the SFO, Mr. Shi Wei, Mr. Yang Weimin, Ms. Zhang Yitao, Mr. Wang Liang, Ji Ze Investment, Shun Jia Investment and Tai Zhi Feng Investment are deemed to be interested in the Shares held by He Hui Wan Yi Investment.
- (7) Deep Blue Fund SPC – Apollo SP, is a segregated portfolio of Deep Blue Fund SPC. Deep Blue Fund SPC is a segregated portfolio company incorporated in the Cayman Islands operating as a private investment fund. Hong Kong International Capital Management Limited, a corporation licensed under the SFO permitted to engage in Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, is appointed as the investment manager of Deep Blue Fund SPC – Apollo SP. Hong Kong International Capital Management Limited is wholly-owned by Hong Kong Financial Services Holding Limited.

- (8) The Core Trust Company Limited, as a trustee, holds 15,819,933 Shares on trust under the RSU Scheme through Great Insight Global Limited (the “Nominee”). The Nominee is wholly-owned by TCT (BVI) Limited, which is in turn wholly-owned by The Core Trust Company Limited.

So far as was known to the Directors, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

4. DIRECTORS’ INTERESTS IN ASSETS, CONTRACTS AND OTHER INTERESTS

(a) Directors’ interests in contracts

There is no contract or arrangement entered into by any member of the Enlarged Group subsisting as at the Latest Practicable Date in which any Director is materially interested and which is significant to the business of the Enlarged Group.

(b) Directors’ interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Enlarged Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

(c) Competing business

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors, and their respective close associates were interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

5. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, no litigation or claim which may be of material importance is known to the Directors to be pending or threatened against any member of the Enlarged Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date on which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Enlarged Group within the two years before the date of this circular and up to and including the Latest Practicable Date:

- (a) the capital reduction resolutions dated 13 June 2025 of Beijing Haice Culture Communication Co., Ltd* (北京海策文化傳播有限公司) approved by its then existing shareholders, including Mr. Sun Jian (孫健) and Ms. Duan Lili (段麗麗) and Beijing Medi Healthcare Management Consulting Co., Ltd.* (北京麥迪康健管理諮詢有限公司), an indirectly non wholly-owned subsidiary of the Company, at the total consideration of RMB7.0 million;
- (b) the conditional placing agreement dated 13 June 2025 entered into between the Company and Wanhai Securities (HK) Limited in relation to the placing of 40,000,000 Shares under general mandate, on a best effort basis at the placing price of HK\$0.40 per placing Share;
- (c) the conditional placing agreement dated 14 July 2025 entered into between the Company and Wanhai Securities (HK) Limited in relation to the placing of 40,000,000 Shares under general mandate, on a best effort basis at the placing price of HK\$0.55 per placing Share;
- (d) the equity transfer agreements dated 20 August 2025 entered into between Beijing Huanyu and each of Tianjin Huixin Zhicheng Enterprise Management Consulting Partnership (Limited Partnership)* (天津滙信致誠企業管理諮詢合伙企業(有限合伙)), Tianjin Huizhi Zhicheng Enterprise Management Consulting Partnership (Limited Partnership)* (天津滙智致誠企業管理諮詢合伙企業(有限合伙)) and Hainan Qingyan Jiayun Investment Partnership (Limited Partnership)* (海南青岩嘉昀投資合伙企業(有限合伙)) in relation to the transfer of an aggregate of RMB3,425,000 of equity interest in Yuanyu Dingcheng, representing approximately 33.77% equity interest in Yuanyu Dingcheng, to Beijing Huanyu;
- (e) the equity transfer agreements dated 5 November 2025 entered into between Beijing Huanyu and each of Cai Jian Chun* (蔡劍春) and Cao Shu Na* (曹書娜) in relation to the transfer of an aggregate of RMB1,834,000 of equity interest in Yuanyu Dingcheng, representing approximately 18.08% equity interest in Yuanyu Dingcheng, to Beijing Huanyu;
- (f) the shareholder resolutions of Yuanyu Dingcheng dated 16 December 2025 in relation to the proposed increase in registered capital contribution of RMB4,661,000 in Yuanyu Dingcheng by Beijing Huanyu;
- (g) the Acquisition Agreement;
- (h) the Placing Agreement; and

- (i) the Supplemental Placing Agreement.

9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualifications
Rongcheng (Hong Kong) CPA Limited	Certified public accountants
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Valuer

As at the Latest Practicable Date, each of the above experts had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, opinion, logo and qualifications, in the form and context in which they appear.

As at the Latest Practicable Date, the above experts:

1. did not have any direct or indirect, interest in any assets which have been since 31 December 2025 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Enlarged Group; and
2. did not have any shareholding, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MISCELLANEOUS

1. The registered office of the Company is situated at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. The principal place of business in Hong Kong of the Company is situated at 2408, 24/F., World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong.
2. The company secretary of the Company is Ms. Chen Ming Mei Josephine.

Ms. Chen Ming Mei Josephine is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

3. The authorised representatives of the Company are Ms. Deng Chengying and Ms. Chen Ming Mei Josephine.

4. The Company's principal share registrar and transfer office is Campbells Corporate Services Limited at Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands. The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
5. This circular has been printed in English and Chinese; in the event of inconsistency, the English version shall prevail.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on (i) the website of the Company (www.mediwelcome.com); and (ii) the website of the Stock Exchange (www.hkexnews.hk) during the period of 14 days from the date of this circular:

- (a) the Acquisition Agreement;
- (b) the Placing Agreement;
- (c) the Supplemental Placing Agreement;
- (d) the accountants' report of the Target Group prepared by Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix II to this circular;
- (e) the report on the unaudited pro forma financial information of the Enlarged Group from Rongcheng (Hong Kong) CPA Limited, the text of which is set out in Appendix IV to this circular;
- (f) the valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix V to this circular; and
- (g) the written consents referred to in the paragraph headed "9. Experts and Consents" in this appendix.

NOTICE OF EGM



Mediwelcome Healthcare Management & Technology Inc. 麥迪衛康健康醫療管理科技股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2159)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**EGM**”) of Mediwelcome Healthcare Management & Technology Inc. (the “**Company**”) will be held at Area C, 3rd Floor, Building B2, Digital Technology Park, Nanshan District, Shenzhen, PRC, at 4:30 p.m. on Thursday, 28 May 2026, to consider and, if thought fit, to pass with or without amendments, the following resolutions:

ORDINARY RESOLUTIONS

1. (a) The acquisition agreement (the “**Acquisition Agreement**”) dated 30 March 2026 and entered into between Mediwelcome Investment Management Company Limited, a direct wholly-owned subsidiary of the Company, as purchaser and Mr. Mei Weiyi, Mr. Gao Chong and Enlight Growth Partners, L.P., as vendors in relation to the acquisition of an aggregate of 100% interest in MediAI Technology Development Limited and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company (the “**Director**”) be and is hereby authorized to sign, execute and deliver or authorize the signing, execution and delivery of all such documents and to do all such things as he or she may in his or her absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the Acquisition Agreement and the transactions contemplated thereunder and he/she be authorized to agree with such variation(s), amendment(s) or waiver(s) as, in the opinion of the directors of the Company, is/are in the interests of the Company and its shareholders (the “**Shareholder(s)**”) as a whole.

2. (a) the conditional placing agreement (the “**Placing Agreement**”) dated 30 March 2026 and the supplemental placing agreement dated 5 May 2026 (the “**Supplemental Placing Agreement**”) and entered into between the Company as issuer and Wanhai Securities (HK) Limited as the placing agent in relation to the placing of up to 65,000,000 shares of the Company (the “**Placing Shares**”) at the revised placing price of HK\$1.50 per Placing Share, and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Placing Shares) be and are hereby approved, confirmed and ratified;

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- (b) the board of Directors (the “**Board**”) be and is hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Placing Shares, subject to and in accordance with the terms and conditions of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement); and
- (c) any one Director be and is hereby authorized to sign, execute and deliver or authorize the signing, execution and delivery of all such documents and to do all such things as he or she may in his or her absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreement) and the transactions contemplated thereunder and he/she be authorized to agree with such variation(s), amendment(s) or waiver(s) as, in the opinion of the Directors, is/are in the interests of the Company and its Shareholders as a whole.

By Order of the Board
Mediwelcome Healthcare Management & Technology Inc.
Shi Wei
Chairman and Executive Director

Hong Kong, 8 May 2026

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution to be voted by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint a proxy, or if a Shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to attend and vote instead of him/her/it. A proxy needs not be a Shareholder. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every Shareholder present in person or by proxy shall be entitled to one vote for each share of the Company held by him/her/it.
3. In order to be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 4:30 p.m. on Tuesday, 26 May 2026) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 22 May 2026 to Thursday, 28 May 2026, both dates inclusive, during which period no transfer of share(s) of the Company will be registered. In order to be eligible to attend and vote at the EGM, unregistered holder(s) of share(s) of the Company shall ensure that all transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 May 2026.
5. References to time and dates in the Notice are to Hong Kong time and dates.

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As at the date of this notice, the Board comprises four executive Directors, namely Mr. Shi Wei, Mr. Yang Weimin, Mr. Wang Liang and Ms. Deng Chengying; one non-executive Director, namely Mr. Liu Xia; and three independent non-executive Directors, namely Mr. Song Ruilin, Mr. David Zheng Wang and Mr. Chen Huilin.