

## SUMMARY

*This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full Document. You should read this Document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set forth in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].*

## OVERVIEW

We are the largest hematology healthcare services provider in China in terms of 2022 revenue, with a market share of 6.4%, according to F&S. As of December 31, 2022, we also had the largest number of registered beds for hematology patients and HSCT (hematopoietic stem cell transplantation, 造血幹細胞移植) wards. According to the same source, we are the second largest HSCT performer in China by number of HSCT cases in 2022 with a market share of 6.6%, and in China’s HSCT services market, we are the largest allo-HSCT (allogeneic HSCT, 異基因造血幹細胞移植) performer with a market share of 9.4% and second largest haplo-HSCT (HLA haploidentical HSCT, 半相合造血幹細胞移植) performer with a market share of 10.2% in 2022. We are also the third largest hematology esoteric testing services provider in China in terms of 2022 revenue derived from such services, with a market share of 7.8%.

Our hospital network currently comprises Hebei Yanda LDP Hospital, our first flagship hematology hospital, and Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital, which commenced operations in 2018 and 2020, respectively, in response to the vast patient demand and leveraging the standardized and productive operation systems developed by Hebei Yanda LDP Hospital. Hebei Yanda LDP Hospital was recognized as a Medical Insurance Designated Medical Institution in January 2017 and contributed a majority of our total revenue during the Track Record Period. Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital were recognized as Medical Insurance Designated Medical Institutions in January 2021 and December 2020, respectively, and experienced rapid business growth as a result. We expect to further expand our hospital network by opening our new Shanghai LDP Hospital in December 2023 and relocating Hebei Yanda LDP Hospital with elevated service capacity by 2025.

We have built full-cycle hematology specialty service capabilities by integrating various treatments such as HSCTs, chemotherapy, targeted therapy, immunotherapy and a combination of these, and offering hematology esoteric testing throughout the whole diagnosis and treatment course. Starting from hematology esoteric testing, we have built on our ability to diagnose, subtype and assess prognosis of various blood disorders in an accurate and timely manner, and this enables us to provide a precision and personalized diagnosis in-house. We then offer, based on patients’ individual conditions, a professional and adaptive treatment solution, most often HSCT-centered solutions, considering a substantial majority of patients visiting us seek HSCTs as their potential cure or last treatment resort. A HSCT is a procedure that transplants healthy multipotent hematopoietic stem cells derived from bone marrow, peripheral blood or umbilical cord blood, into a patient’s body to replace his or her damaged or diseased stem cells, and to rebuild hematopoietic functions (and in certain cases also immune functions), which in turn kill the diseased cells. A HSCT can use hematopoietic stem cells from the patient’s own body (i.e., auto-HSCT) or from a donor (i.e., allo-HSCT). Haplo-HSCT is a type of allo-HSCT with the highest donor availability, which only requires stem cells from a half-matched donor in human leukocyte antigens (HLA, 人類白細胞抗原). HLA are proteins on most cells in human bodies and vary from person to person, and play an important part in the body’s immune response to foreign substances. From April 2012 after LDP Biotechnology was established up to April 30, 2023, LDP Team performed 8,340 cases of HSCTs, of which 99.0% were allo-HSCTs and 71.6% were haplo-HSCTs despite the higher technique barriers, while only 69.2% and 45.1% of China’s total HSCTs in 2022 were allo-HSCTs and haplo-HSCTs, respectively. As of the same date, LDP Team achieved higher post-allo-HSCT five-year OS rates (overall survival rates,

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存活率) than industry average for major indications. Despite commonly higher risks of GVHD (graft-versus-host disease, 移植物抗宿主病), a potential serious post-transplantation complication, as well as other post-transplantation complications associated with haplo-HSCTs, benefiting from the GIAC protocol, an accredited industry haplo-HSCT performance approach developed under the leadership of Dr. Daopei LU that has been widely used in clinical practice worldwide to control post-transplantation GVHD and other complications, LDP Team achieved post-haplo-HSCT five-year OS rates similar to that of its HLA-matched allo-HSCTs based on MSDs (HLA-matched sibling donors) and URDs (unrelated donors).

Our revenue continued to grow during the Track Record Period despite the impact of the COVID-19 pandemic. Our revenue increased at a CAGR of 20.2% from RMB1,161.6 million in 2020 to RMB1,677.3 million in 2022, and increased by 15.9% from RMB524.4 million in the four months ended April 30, 2022 to RMB607.8 million in the same period in 2023. In 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023, we recorded gross profit of RMB240.4 million, RMB166.6 million, RMB236.7 million, RMB71.2 million and RMB103.5 million, respectively. For the same periods, we had net losses of RMB121.7 million, RMB408.3 million, RMB547.3 million, RMB186.8 million and RMB56.7 million, respectively, attributable primarily to the impact of changes in the carrying amount of financial instruments issued to investors. Our adjusted EBITDA (non-IFRS measure) was RMB189.7 million, RMB76.1 million, RMB144.7 million, RMB43.0 million and RMB72.5 million in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023, respectively.

## HEMATOLOGY HEALTHCARE SERVICES MARKET AND MARKET COMPETITION IN CHINA

China has a large and growing hematology healthcare services market. Approximately 21.9 million patients were diagnosed with and treated for hematologic diseases in China in 2022, of which the blood cancers and non-cancerous R/R hematologic diseases (e.g. AA and MDS) often require higher healthcare expenditure and generally seek HSCTs as a cure or frequently last treatment resort. Yet, China’s hematology healthcare services market is significantly underserved. Despite the fact that HSCT is a few-and-far-between curative treatment and often the last resort for various blood cancers and non-cancerous R/R hematologic diseases, China’s penetration rate of HSCTs (calculated by dividing the number of patients receiving HSCTs by the number of patients requiring HSCTs) was only 22.6% in 2022, indicating a large demand-supply gap. F&S estimates that by revenue contribution, from 2022 to 2030, allo-HSCTs have and are expected to account for over 80% of China’s HSCT services market, and haplo-HSCTs have and will continue to dominate the allo-HSCT services market with an over 70% share, which have been our long-term focus and expertise. In addition, most hospitals offer limited hematology esoteric testing, resulting in unwanted delays in disease screening and treatment monitor, which could be fatal to patients with blood cancers and non-cancerous R/R hematologic diseases. Such significant unmet medical needs coupled with the growing patient base, are expected to drive a tremendous growth of China’s hematology healthcare services market. China’s hematology healthcare services market will grow from RMB26.4 billion in 2022 to RMB80.9 billion in 2030 at a CAGR of 15.0%. For the same period, China’s HSCT services market is expected to grow from RMB9,192 million to RMB27,160 million at a CAGR of 14.5%.

China’s hematology healthcare services market is highly competitive and fragmented with a large number of market participants, which are mainly hospitals offering hematology healthcare services that comprise general hospitals with hematology departments and hematology specialty hospitals, amounting to approximately 20,400 and 22 by the end of 2022, respectively. We primarily compete with large-scale Class III public general hospitals. As China’s hematology healthcare services market is relatively fragmented, the top five market players by revenue (including us) accounted for a 16.2% market share in aggregate in 2022, in which we took up over one third, or a 6.4% market share; and the top five market players by number of HSCT cases (including us) accounted for a 24.0% market share, in which we took up over one fourth, or a 6.6% market share.

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In addition, China’s hematology esoteric testing services market is expected to further increase to RMB5,212.9 million in 2026 at a CAGR of 12.4% from 2022, and to RMB8,238.6 million in 2030 at a CAGR of 12.1% from 2026. The hematology esoteric testing services market in China is competitive and relatively fragmented with over 100 market players, of which the top four market players accounted for a 47.3% market share in aggregate in 2022, in which we took 7.8% as the third largest services provider in terms of 2022 testing revenue.

## OUR BUSINESS MODEL

At each of our hematology hospital, our full-cycle hematology healthcare services include (i) general hospital services primarily related to various treatments in the form of either inpatient services or outpatient services, depending on the treatment process through which the patients receive the relevant treatments, and (ii) hematology esoteric testing services. We generate revenue from (i) general hospital services comprising inpatient services and outpatient services; and (ii) hematology esoteric testing services.

## OUR HEMATOLOGY HOSPITAL NETWORK

The following table sets forth a summary of information about our hematology hospitals in operation as of April 30, 2023:

Hospital	Location	GFA	Hospital nature and class	Time of commencement of operations	Number of HSCT wards	Number of registered beds	Time of being recognized as a Medical Insurance Designated Medical Institution
Hebei Yanda LDP Hospital . . . . .	Yanjiao National High-Tech Industrial Development Zone, Hebei province	40,147.47 sq.m. (located on leased properties with a current lease term of five years expiring in December 2024 <sup>(1)</sup> )	Private for-profit Class III hospital	August 2015	54	460	January 2017
Beijing Yizhuang LDP Hospital . . . . .	Yizhuang Economic and Technological Development Area, Beijing	27,932.97 sq.m. (located on leased properties with a current lease term of ten years plus four months expiring in March 2025 <sup>(2)</sup> )	Private for-profit Class III hospital	July 2018	47	200	January 2021
Beijing Shunyi LDP Hospital . . . . .	Shunyi District, Beijing	31,000 sq.m. (located on lease properties with a current lease term of 20 years plus six months expiring in August 2035 <sup>(2)</sup> )	Private for-profit Class III hospital	June 2020	27	200	December 2020

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*Notes:*

- (1) The lease for Hebei Yanda LDP Hospital was entered into with the holding company of Hebei Yanda Hospital (which also provides us property management related services for relevant leased properties) and will expire in December 2024, and we are entitled to the preemptive right of renewal under the same conditions by a notice to the lessor three months prior to the expiration. We plan to relocate Hebei Yanda LDP Hospital to our self-owned properties (currently under construction) by 2025. In addition, in light of our long-term stable relationship and our communications with the lessor, we do not expect any undue difficulty to extend the lease for any transition period before relocation completion if needed.
- (2) The leases for Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital will expire in March 2025 and August 2035, respectively, and for each lease, we are entitled to the preemptive right of renewal under the same conditions by a written notice to the lessor 60 days prior to the expiration. We are not in the process of lease renewal yet but as of the Latest Practicable Date and we do not anticipate any undue difficulty in renewing such leases upon expiration.

The following table sets forth the estimated details of our intended plan for our pipeline Shanghai LDP Hospital and the relocation of Hebei Yanda LDP Hospital:

<b>Project</b>	<b>Location</b>	<b>Current status</b>	<b>Hospital nature and expected class</b>	<b>Estimated scale</b>	<b>Leased/Self-owned property and current lease</b>	<b>Expected timing of operation commencement</b>
New Hospital: Shanghai LDP Hospital	Minhang district, Shanghai	In process of obtaining required regulatory approvals	Private for-profit Class III hospital	<ul style="list-style-type: none"> <li>– GFA: approximately 23,700 sq.m.</li> <li>– 260 to 280 registered beds</li> <li>– 20 to 30 HSCT wards</li> </ul>	<ul style="list-style-type: none"> <li>– Leased property</li> <li>– Current lease term of ten years expiring in February 2031</li> </ul>	December 2023
Relocation of Hebei Yanda LDP Hospital with elevated service capacity	Yanjiao National High-Tech Industrial Development Zone, Hebei province	In the process of on-site construction	Private for-profit Class IIIA hospital	<ul style="list-style-type: none"> <li>– GFA: 239,000 sq.m.</li> <li>– at least 800 registered beds</li> <li>– 70-80 HSCT wards</li> </ul>	<ul style="list-style-type: none"> <li>– Self-owned property</li> </ul>	2025

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### OUR HEMATOLOGY HEALTHCARE SERVICES

At each hematology hospital, we offer various treatment options to patients, depending on their individual medical history and conditions, such as HSCTs, chemotherapy, targeted therapy, immunotherapy or a combination of these. By effectively utilizing the GIAC protocol, an accredited industry haplo-HSCT performance approach developed under the leadership of Dr. Daopei LU that has been widely used in clinical practice worldwide to control post-transplantation GVHD and other complications, HSCTs have been our long-term focus and expertise. From April 2012 after LDP Biotechnology was established up to April 30, 2023, 99.0% (8,259 cases) and 71.6% (5,975 cases) of an accumulative record of HSCTs performed by LDP Team (8,340 cases) were allo-HSCTs and haplo-HSCTs, respectively, and AML (acute myeloid leukemia, 急性髓細胞白血病), ALL (acute lymphoblastic leukemia, 急性淋巴細胞白血病), AA (aplastic anemia, 再生障礙性貧血), MDS (myelodysplastic syndromes, 骨髓增生異常綜合症) and lymphoma are the top five indications. The following table sets forth the details of HSCT cases performed by LDP Team as of April 30, 2023 by indication and industry data on post-allo-HSCT five-year OS rate for comparison:

HSCT performed by LDP Team as of April 30, 2023 <sup>(1)</sup>							Industry post-allo-HSCT five-year OS rate <sup>(2)</sup>		
Indication		No. of HSCT cases	Post-HSCT five-year OS rate	No. of allo-HSCT cases	Post-allo-HSCT five-year OS rate	No. of haplo-HSCT cases	Post-haplo-HSCT five-year OS rate	Industry average in China <sup>(3)</sup>	Industry average in U.S. <sup>(3)</sup>
AML . . .	<18	1,300	72.5%	1,300	72.5%	1,048	71.0%	60.0%	65.0%
	≥18	1,996	68.3%	1,996	68.3%	1,474	67.7%	55.0%	75.0%
ALL . . . .	<18	1,748	72.6%	1,748	72.6%	1,357	70.7%	43.0%	65.0%
	≥18	1,119	67.6%	1,119	67.6%	790	66.5%	47.0%	49.0%
AA . . . . .		859	84.4%	859	84.4%	433	80.0%	70.0%	75.0%
								to 71.5%	to 85.0%
MDS . . . . .		433	69.8%	433	69.8%	302	68.4%	59.6%	65.0%
Lymphoma . . . . .		272	64.1%	222	61.6%	167	60.4%	50.0%	55.0%
Others <sup>(4)</sup> . . . . .		613	N/A	582	N/A	404	N/A	N/A	N/A
<b>Total . . . . .</b>		<b>8,340</b>	<b>71.8%</b>	<b>8,259</b>	<b>71.7%</b>	<b>5,975</b>	<b>69.9%</b>	<b>N/A</b>	<b>N/A</b>

**Notes:**

- (1) For each indication, this refers to accumulative cases of allo-HSCTs conducted from April 2012 after LDP Biotechnology was established up to April 30, 2023 (i) at our operating hematology hospitals; and (ii) by the LDP Team pursuant to historical cooperation between LDP Biotechnology and Hebei Yanda Hospital. See “History, Reorganization and Corporate Structure.”
- (2) As advised by F&S, for each indication, neither the industry average of (i) post-haplo-HSCT five-year OS rate nor (ii) the post-HSCT five-year OS rate is available after exhausting all publicly available sources.
- (3) The industry post-allo-HSCT five-year OS rates are derived from primary and secondary research using a variety of resources by F&S. The corresponding parameters such as patient sample size, patient conditions and mix at the beginning of the treatment, prior treatment, overall follow-up period and median follow-up period, and data cut-off dates used by F&S are different from the statistics used by LDP Team. As such, the comparisons on the post-allo-HSCT five-year OS rates of the LDP Team and the industry average provided by F&S are not head-to-head comparisons. As advised by F&S, the industry post-haplo-HSCT five-year OS rate by indication is generally lower than industry post-allo-HSCT five-year OS rate for each indication, because the post-allo-HSCT OS rate is a blended rate of both haplo-HSCTs and HLA-matched allo-HSCTs, and HLA-matched allo-HSCTs generally have lower complication risks and therefore higher OS rates than haplo-HSCTs, which in turn increase the overall post-allo-HSCT OS rates.
- (4) Primarily including MAL (mixed-lineage acute leukemia 急性混合細胞性白血病), MM (multiple myeloma, 多發性骨髓瘤), CML (chronic myelogenous leukemia, 慢性髓細胞性白血病), HLH (hemophagocytic lymphohistiocytosis, 噬血細胞綜合症), among others.

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The following table sets forth HSCTs of LDP Team by age group as of April 30, 2023 and industry data on post-allo-HSCT five-year OS rate for comparison:

Age group	HSCT performed by LDP Team as of April 30, 2023 <sup>(1)</sup>			Industry post- allo-HSCT five-year OS rate <sup>(2)</sup>
	Case number	% of total cases	Post-HSCT five-year OS rate	
Patients <3 . . . . .	317	3.8%	75.3%	35%
3 ≤Patients <18 . . . . .	3,745	44.9%	74.2%	60%
18 ≤patients <55 . . . . .	3,926	47.1%	69.5%	65%
Patients ≥ 55 . . . . .	352	4.2%	66.1%	45%
<b>All age groups . . . . .</b>	<b>8,340</b>	<b>100.0%</b>	<b>71.8%</b>	<b>N/A</b>

*Note:*

- (1) For each age group, this refers to accumulative cases of allo-HSCTs conducted from April 2012 after LDP Biotechnology was established up to April 30, 2023 (i) at our operating hematology hospitals; and (ii) by the LDP Team pursuant to historical cooperation between LDP Biotechnology and Hebei Yanda Hospital. See “History, Reorganization and Corporate Structure.”
- (2) As advised by F&S, for each age group, the industry average of (i) post-haplo-HSCT five-year OS rate or (ii) post-HSCT five-year OS rate is not available after exhausting all publicly available sources.

Our comprehensive hematology esoteric testing services are supported by advanced testing technologies, ranging from morphology, flow cytometry, chromosome analysis, molecular biology analyses, clinical pharmacology, tissue matching to pathology. Those testing technologies, in combination with our extensive testing know-how and advanced laboratories and equipment, enable us to offer full-spectrum sample analysis covering morphological, cellular, chromosomal, genetic, protein and other molecular levels.

## OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiate us from our competitors, and will continue to drive our success:

- China’s largest hematology healthcare services provider with leading-edge full-cycle service capabilities;
- well positioned to address the significant unmet medical needs in China’s fast-growing hematology healthcare services market;
- industry-leading hematology healthcare service capabilities with strong focus on haplo-HSCTs, hematology esoteric testing, and precision diagnosis and treatment systems;
- a high-caliber and stable team of medical professionals supported by systemic training and collaborations with renowned medical institutions;
- standardized, productive and replicable operation systems to support business expansion with consistent high quality and realizing synergies; and
- visionary and experienced management team with in-depth industry expertise and strong support from renowned investors.



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### OUR STRATEGIES

The key elements of our strategies are to:

- continue to expand our hematology hospital network in China;
- continue to strengthen our service capabilities and further enhance our brand awareness;
- further expand our business by seeking collaboration and investment opportunities; and
- continue to attract, retain and develop quality medical professionals.

### OUR CUSTOMERS AND SUPPLIERS

#### Our Customers

Our customers primarily include individual patients that receive hematology healthcare services at our hospitals. To a less extent, during the Track Record Period, our customers also included external third parties to which we provided hematology esoteric testing services, primarily third-party hospitals and laboratories that outsourced certain of their hematology esoteric tests to us. None of the individual customers and institution customers accounted for more than 1% of our total revenue in each year/period of our Track Record Period.

#### Our Suppliers

During the Track Record Period, our major suppliers primarily consisted of suppliers of pharmaceuticals and medical consumables. We also had suppliers of construction services. For 2020, 2021, 2022 and the four months ended April 30, 2023, purchases from our five largest suppliers represented 56.3%, 46.8%, 45.0% and 51.4%, respectively, of our total purchases for the respective periods. For 2020, 2021, 2022 and the four months ended April 30, 2023, purchases from our single largest supplier in each year/period during the Track Record Period represented 18.6%, 15.4%, 15.5% and 14.9%, respectively, of our total purchases for the respective periods. During the Track Record Period, none of our Directors or any Shareholders who, to the knowledge of our Directors, owns more than 5% of our issued share capital immediately following the completion of the [REDACTED] (but without taking into account the exercise of the [REDACTED]) had any interest in any of our five largest suppliers.

#### Pricing

Pursuant to the applicable PRC laws and regulations, a private for-profit medical institution is generally entitled to set the prices of its services at its own discretion, subject to pricing guidelines set by the relevant local healthcare administrative authorities for services covered by the public medical insurance programs. We price our hematology healthcare services based on a number of factors, including complexity of the treatment, operating costs, local market conditions and competitors’ pricing of similar services. We have adjusted and may continue to adjust our pricing on certain service items, such as bed charges and anesthesia charges, from time to time in accordance with the changes in pricing guidelines set by respective local healthcare administrative authorities and to respond to market demand as well as our competitor’s pricing strategy. As all our hospitals are Medical Insurance Designated Medical Institutions, we are required to set the prices for services, pharmaceuticals and medical consumables covered by the public medical insurance programs in accordance with the pricing guidelines set by respective local healthcare administrative authorities. If additional healthcare services, pharmaceuticals or medical consumables are subject to price controls and/or public medical insurance reimbursement limits, we may

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need to adjust our own pricing where appropriate in order to maintain our competitiveness in the market. See “Risk Factors—Risks Relating to Our Business and Industry—Government’s price control of healthcare services may affect the pricing of our services. Certain of our medical services, pharmaceuticals and medical consumables are effectively subject to regulatory price controls, which may reduce and limit our profitability.” During the Track Record Period, there was no material change in the overall pricing of our services.

### Medical Fees Payment

Each of Hebei Yanda LDP Hospital, Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital has been a Medical Insurance Designated Medical Institution since January 2017, January 2021 and December 2020, respectively. Patients who are covered by the local public medical insurance programs under which our operating hospitals are included may rely on public medical insurance programs to pay for all or a part of their healthcare services, and the amount that will be covered will depend on the reimbursement coverage for such healthcare services and reimbursement percentages of the total cost. Generally, medical expenses covered by the local public medical insurance programs will be settled directly by the local public medical insurance authorities with us and medical expenses not covered will be paid by the patients to us. In 2020, 2021, 2022 and the four months ended April 30, 2023, revenue derived from settlement through public medical insurance programs accounted for 26.7%, 29.2%, 38.3% and 37.1% of our total revenue, respectively.

### OUR CONTROLLING SHAREHOLDERS

Mr. Tyler LU (through Tyler Lu Limited) and Ms. Yi ZHAO (through Z Yi Holdings) hold 61.90% and 6.82% of the issued share capital of Hospital Management Holding, respectively. Hospital Management Holding controls the exercise of voting rights attached to 33.21% of the issued share capital of our Company as of the Latest Practicable Date, and will control the exercise of voting rights attached to [REDACTED] of the issued share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Accordingly, Mr. Tyler LU, Tyler Lu Limited, Ms. Yi ZHAO, Z Yi Holdings and Hospital Management Holding are regarded as a group of Controlling Shareholders of our Company under the Listing Rules. For details, see “Relationship with Our Controlling Shareholders.”

### PRE-[REDACTED] INVESTORS

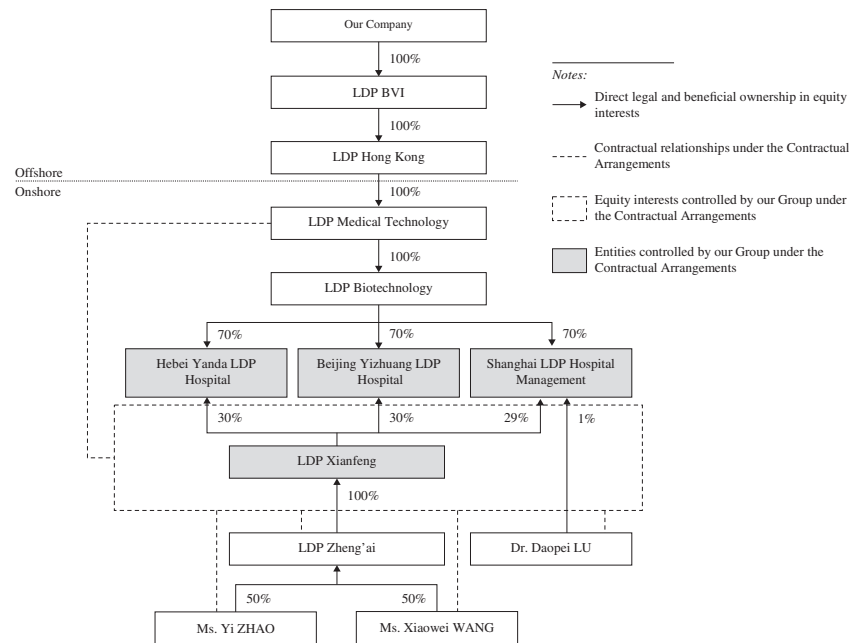
We have received several rounds of Pre-[REDACTED] Investments from the Pre-[REDACTED] Investors. For details of the background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Reorganization and Corporate Structure—Pre-[REDACTED] Investments.”



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### CONTRACTUAL ARRANGEMENTS

Due to foreign ownership restrictions in the PRC, we cannot directly or indirectly hold more than 70% equity interest in any medical institution in the PRC. In light of such restriction and in order to maintain maximum control over and to obtain all economic benefits derived from the operations of the VIE Hospitals, we entered into the Contractual Arrangements. The following simplified diagram illustrates the contractual relationships under the Contractual Arrangements. For details, see “Contractual Arrangements.”



### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth certain summary financial data from our consolidated financial information for the Track Record Period extracted from the Accountants’ Report set out in Appendix I to this Document. See “Financial Information” for the detailed discussions on our results of operations, consolidated statements of financial position and cash flows.

#### Summary of Consolidated Statements of Profit or Loss

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
(RMB’000, except for percentages)										
(unaudited)										
Revenue . . . . .	1,161,550	100.0	1,370,329	100.0	1,677,276	100.0	524,447	100.0	607,797	100.0
Cost of sales . . . . .	(921,113)	(79.3)	(1,203,713)	(87.8)	(1,440,534)	(85.9)	(453,239)	(86.4)	(504,254)	(83.0)
Gross profit . . . . .	240,437	20.7	166,616	12.2	236,742	14.1	71,208	13.6	103,543	17.0
Other income and loss . . . . .	15,529	1.3	9,997	0.7	7,380	0.4	2,097	0.4	2,249	0.4
Selling expenses . . . . .	(10,506)	(0.9)	(19,474)	(1.4)	(14,897)	(0.9)	(5,288)	(1.0)	(4,976)	(0.8)
General and administrative expenses . . . . .	(184,670)	(15.9)	(252,977)	(18.5)	(259,526)	(15.5)	(83,399)	(15.9)	(89,880)	(14.8)
Net impairment reversal/(losses) on financial assets . . . . .	1,081	0.1	(4,804)	(0.4)	(466)	*	(344)	(0.1)	1	*

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	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
(RMB'000, except for percentages) (unaudited)										
<b>Profit/(loss) from operations</b>	61,871	5.3	(100,642)	(7.3)	(30,767)	(1.8)	(15,726)	(3.0)	10,937	1.8
Change in the carrying amount of financial instruments issued to investors	(137,686)	(11.9)	(287,000)	(20.9)	(489,000)	(29.2)	(163,000)	(31.1)	(53,000)	(8.7)
Finance costs	(27,872)	(2.4)	(33,927)	(2.5)	(28,122)	(1.7)	(10,125)	(1.9)	(8,215)	(1.4)
<b>Loss before taxation</b>	(103,687)	(8.9)	(421,569)	(30.8)	(547,889)	(32.7)	(188,851)	(36.0)	(50,278)	(8.3)
Income tax	(18,026)	(1.6)	13,264	1.0	542	*	2,047	0.4	(6,425)	(1.0)
<b>Loss for the year/period</b>	<u>(121,713)</u>	<u>(10.5)</u>	<u>(408,305)</u>	<u>(29.8)</u>	<u>(547,347)</u>	<u>(32.6)</u>	<u>(186,804)</u>	<u>(35.6)</u>	<u>(56,703)</u>	<u>(9.3)</u>
<b>Attributable to:</b>										
Equity shareholders of the Company	(104,503)	(9.0)	(376,855)	(27.5)	(521,498)	(31.1)	(176,502)	(33.6)	(49,891)	(8.2)
Non-controlling interests	(17,210)	(1.5)	(31,450)	(2.3)	(25,849)	(1.5)	(10,302)	(2.0)	(6,812)	(1.1)

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
(RMB'000, except for percentages)										
<b>Non-IFRS Measure Adjusted EBITDA<sup>(1)</sup></b>	189,737	16.3	76,087	5.6	144,721	8.6	42,965	8.2	72,452	11.9

*Notes:*

\* Less than 0.1%.

(1) For a reconciliation of loss for the year/period to adjusted EBITDA, see “—Non-IFRS Measure.”

During the Track Record Period, our results of operations were largely driven by our hospital network expansion and ramp-up development, as well as the inclusion of our relatively new hospitals in the public medical insurance programs. Our other income decreased by RMB5.5 million from 2020 to 2021, primarily due to a decrease in research service income as we undertook and completed less research projects from third parties in 2021. Our general and administrative expenses increased by RMB68.3 million from 2020 to 2021, primarily due to (i) an increase in staff cost in connection with our business ramp up and the cessation of social security insurance exemption for the relief of COVID-19 negative impacts in 2021; (ii) an increase in professional service fees mainly in connection with the [REDACTED]; and (iii) an increase in depreciation and amortization primarily associated with Beijing Shunyi LDP Hospital for its first full-year operations in 2021 as compared to the half-year operations in 2020. Our adjusted EBITDA (non-IFRS measure) decreased by RMB113.6 million from 2020 to 2021, primarily due to the change from profit from operations of RMB61.9 million in 2020 to loss from operations of RMB100.6 million in 2021 attributable to the increases in cost of sales as well as general and administrative expenses despite the revenue growth during the same periods.

## SUMMARY

### NON-IFRS MEASURE

To supplement our consolidated statements of profit or loss which are presented in accordance with IFRS, we also use EBITDA and adjusted EBITDA as non-IFRS measures, which are not required by, or presented in accordance with, IFRS.

We define adjusted EBITDA as EBITDA (which refers to loss for the year/period plus income tax, depreciation of property, plant and equipment, amortization of long-term deferred expenses, amortization of intangible assets, depreciation of right-of-use assets and net finance cost) for the year/period adjusted by adding back (i) [REDACTED] expenses related to the [REDACTED]; and (ii) change in the carrying amount of financial instruments issued to investors.

The following table shows our EBITDA and adjusted EBITDA for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
	(RMB'000, except for percentages)				
<b>Loss for the year/period</b> . . . . .	(121,713)	(408,305)	(547,347)	(186,804)	(56,703)
Add:					
Income tax . . . . .	18,026	(13,264)	(542)	(2,047)	6,425
Depreciation of property, plant and equipment <sup>(4)</sup> . . . . .	13,533	15,666	19,109	6,121	6,933
Amortization of long-term deferred expenses <sup>(4)</sup> . . . . .	52,956	65,636	68,525	22,367	22,446
Amortization of intangible assets . . . . .	874	1,254	1,767	828	571
Depreciation of right-of-use assets <sup>(4)</sup> . . . . .	60,519	74,802	66,350	22,341	21,429
Finance costs—net <sup>(4)</sup> . . . . .	27,733	33,768	27,961	10,083	8,165
<b>EBITDA (non-IFRS measure)</b> . . . . .	51,928	(230,443)	(364,177)	(127,111)	9,266
Add:					
[REDACTED] expenses <sup>(1)</sup> . . . . .	123	19,530	19,898	7,076	10,186
Change in the carrying amount of financial instruments issued to investors <sup>(2)</sup> . . . . .	137,686	287,000	489,000	163,000	53,000
<b>Adjusted EBITDA (non-IFRS measure)</b> . . . . .	189,737	76,087	144,721	42,965	72,452
<b>Adjusted EBITDA margin (non-IFRS measure)<sup>(3)</sup></b> . . . . .	16.3%	5.6%	8.6%	8.2%	11.9%

*Notes:*

- (1) [REDACTED] expenses mainly include [REDACTED], legal and other professional fees paid and payable to professional parties, and printing and other expenses for their services rendered in relation to the [REDACTED] and the [REDACTED].
- (2) Change in the carrying amount of financial instruments issued to investors represents changes in the carrying amount of the financial liabilities arising out of the Preferred Shares. It relates to changes in the equity value of our Company. Such carrying amount will automatically and irrevocably be reclassified into equity upon the [REDACTED], after which we do not expect to recognize any further change in the carrying amount of financial instruments issued to investors. Change in the carrying amount of financial instruments issued to investors is not directly related to our ability to generate revenue from our daily operations and is a non-cash item.
- (3) Adjusted EBITDA margin (non-IFRS measure) equals adjusted EBITDA (non-IFRS measure) divided by revenue and multiplied by 100%.
- (4) Depreciation of property, plant and equipment excludes depreciation of leasehold improvements; Amortization of long-term deferred expenses is equal to depreciation of leasehold improvements; The amounts of depreciation of right-of-use assets exclude the amounts capitalised into construction in progress and leasehold improvements; Finance costs—net include finance costs and finance income.

## SUMMARY

### Revenue

During the Track Record Period, we generated revenue from providing full-cycle hematology healthcare services, including (i) general hospital services comprising inpatient services and outpatient services, and (ii) hematology esoteric testing services, through three private for-profit hospitals in operation, namely Hebei Yanda LDP Hospital, Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital. Among the services we provide, hematology esoteric testing services are primarily offered to our patients at our hospitals and to a lesser extent, to third parties who commission us for such services.

Our revenue increased at a CAGR of 20.2% from RMB1,161.6 million in 2020 to RMB1,677.3 million in 2022, and increased by 15.9% from RMB524.4 million in the four months ended April 30, 2022 to RMB607.8 million in the same period in 2023, primarily driven by our hospital network expansion and operation ramp-up, as well as the inclusion of our two relatively new hospitals in the public medical insurance programs.

### Revenue by Nature of Services

The following table sets forth our revenue by nature of services for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue	Amount	% of revenue
(RMB'000, except for percentages)										
(unaudited)										
<b>General hospital services</b>										
Inpatient services <sup>(1)</sup>	900,639	77.5	1,068,588	78.0	1,288,907	76.9	406,655	77.5	454,005	74.7
Outpatient services <sup>(2)</sup>	63,190	5.5	65,146	4.7	114,554	6.8	30,153	5.8	56,950	9.4
<b>Subtotal</b>	<b>963,829</b>	<b>83.0</b>	<b>1,133,734</b>	<b>82.7</b>	<b>1,403,461</b>	<b>83.7</b>	<b>436,808</b>	<b>83.3</b>	<b>510,955</b>	<b>84.1</b>
<b>Hematology esoteric testing services<sup>(3)</sup></b>	<b>197,721</b>	<b>17.0</b>	<b>236,595</b>	<b>17.3</b>	<b>273,815</b>	<b>16.3</b>	<b>87,639</b>	<b>16.7</b>	<b>96,842</b>	<b>15.9</b>
<b>Total</b>	<b>1,161,550</b>	<b>100.0</b>	<b>1,370,329</b>	<b>100.0</b>	<b>1,677,276</b>	<b>100.0</b>	<b>524,447</b>	<b>100.0</b>	<b>607,797</b>	<b>100.0</b>

#### Notes:

- (1) Inpatients refer to patients who complete hospitalization procedures (住院手續) at our hospitals.
- (2) Outpatients refer to patients who complete registration procedures (掛號手續) at our hospitals for outpatient services.
- (3) Our hematology esoteric testing services were primarily provided to patients of our hospitals and, to a lesser extent, third parties who commissioned us to conduct hematology esoteric tests, which contributed 2.3%, 2.0%, 1.9%, 2.3% and 2.2% of our total revenue in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023, respectively. We also recorded revenue generated from COVID-19 nucleic acid tests required by local governments under hematology esoteric testing services, accounting for 0.3%, 1.4%, 1.1%, 1.6% and 0.1% of our total revenue in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023, respectively.

## SUMMARY

### Revenue by Hospital

The following table sets forth our revenue by hospital with certain key operation data of our hospitals for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
<b>Hebei Yanda LDP Hospital</b>					
<i>General hospital services</i>					
Number of patients <sup>(1)</sup> . . . . .	9,192	9,094	10,456	2,837	3,319
Revenue from general hospital services (RMB'000) . . . . .	868,386	856,576	869,250	285,551	299,572
<i>Inpatient services</i>					
Utilization rate of registered beds (%) <sup>(2)</sup> . . . . .	140.3% <sup>(8)</sup>	127.4% <sup>(8)</sup>	105.6% <sup>(8)</sup>	104.9% <sup>(8)</sup>	102.1% <sup>(8)</sup>
Number of HSCTs performed . . . . .	752	731	767	241	252
Inpatient bed-days <sup>(3)</sup> . . . . .	179,774	179,858	177,314	57,918	56,368
Average inpatient spending per bed-day (RMB) <sup>(4)(10)</sup> . . . . .	4,489.6	4,430.0	4,412.2	4,504.4	4,596.2
Inpatient visits <sup>(11)</sup> . . . . .	16,682	18,013	17,280	5,403	5,931
Average inpatient spending per visit (RMB) <sup>(12)</sup> . . . . .	48,765.1	44,584.4	45,306.5	48,285.0	43,681.7
ALOS (days) <sup>(13)</sup> . . . . .	10.8	10.0	10.3	10.7	9.5
Inpatient services revenue (RMB'000) <sup>(10)</sup> . . . . .	807,112	796,767	782,353	260,884	259,076
<i>Outpatient services</i>					
Outpatient visits <sup>(5)</sup> . . . . .	89,284	92,849	112,091	34,226	30,385
Average outpatient spending per visit (RMB) <sup>(6)</sup> . . . . .	686.3	644.2	775.2	720.7	1,332.8
Outpatient services revenue (RMB'000) . . . . .	61,274	59,809	86,897	24,667	40,496
<i>Hematology esoteric testing services</i>					
Revenue from hematology esoteric testing services (RMB'000) . . . . .	191,792	213,376	230,461	74,216	75,158
<i>Hematology esoteric testing services (excluding COVID-19 nucleic acid tests)</i>					
Number of hematology esoteric tests . . . . .	311,190	367,644	416,063	140,887	143,812
Average spending per hematology esoteric test (RMB) <sup>(14)</sup> . . . . .	607.8	543.1	517.4	487.3	519.3
Revenue from hematology esoteric testing services (RMB'000) . . . . .	189,138	199,649	215,287	68,661	74,675

## SUMMARY

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
<i>COVID-19 nucleic acid testing services</i>					
Revenue from COVID-19 nucleic acid testing services (RMB'000) . . .	2,654	13,727	15,174	5,555	483
<b>Revenue from Hebei Yanda LDP Hospital (RMB'000)<sup>(7)</sup> . . . . .</b>					
	1,060,178	1,069,952	1,099,711	359,767	374,730
	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
<b>Beijing Yizhuang LDP Hospital</b>					
<i>General hospital services</i>					
Number of patients <sup>(1)</sup> . . . . .	1,843	3,448	4,725	674	938
Revenue from general hospital services (RMB'000) . . . . .	95,375	189,623	317,436	86,777	128,152
<i>Inpatient services</i>					
Utilization rate of registered beds (%) <sup>(2)</sup> . . . . .	36.1%	61.9%	90.6%	83.4%	95.4%
Number of HSCTs performed . . . . .	225	309	438	131	145
Inpatient bed-days <sup>(3)</sup> . . . . .	26,444	45,186	66,153	20,011	22,905
Average inpatient spending per bed-day (RMB) <sup>(4)</sup> . . . . .	3,534.4	4,116.6	4,542.5	4,202.0	5,102.0
Inpatient visits <sup>(11)</sup> . . . . .	3,180	3,428	4,498	1,402	1,829
Average inpatient spending per visit (RMB) <sup>(12)</sup> . . . . .	29,391.3	54,263.1	66,808.2	59,976.5	63,893.9
ALOS (days) <sup>(13)</sup> . . . . .	8.3	13.2	14.7	14.3	12.5
Inpatient services revenue (RMB'000) . . . . .	93,464	186,014	300,503	84,087	116,862
<i>Outpatient services</i>					
Outpatient visits <sup>(5)</sup> . . . . .	6,331	8,372	15,322	3,947	6,524
Average outpatient spending per visit (RMB) <sup>(6)</sup> . . . . .	301.8	431.1	1,105.1	681.6	1,730.5
Outpatient services revenue (RMB'000) . . . . .	1,911	3,609	16,933	2,690	11,290
<i>Hematology esoteric testing services</i>					
Revenue from hematology esoteric testing services (RMB'000) . . . . .	7,702	35,278	61,653	20,083	23,737
<i>Hematology esoteric testing services (excluding COVID-19 nucleic acid tests)</i>					
Number of hematology esoteric tests . . . . .	15,561	51,849	107,323	33,723	43,131
Average spending per hematology esoteric test (RMB) <sup>(14)</sup> . . . . .	464.5	570.5	541.9	518.4	549.8
Revenue from hematology esoteric testing services (RMB'000) . . . . .	7,228	29,582	58,160	17,482	23,712



## SUMMARY

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
<i>COVID-19 nucleic acid testing services</i>					
Revenue from COVID-19 nucleic acid testing services (RMB'000) . .	474	5,696	3,493	2,601	25
<b>Revenue from Beijing Yizhuang LDP Hospital (RMB'000)<sup>(7)</sup> . . . .</b>	<b>103,077</b>	<b>224,901</b>	<b>379,089</b>	<b>106,860</b>	<b>151,889</b>

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
<b>Beijing Shunyi LDP Hospital</b>					
<i>General hospital services</i>					
Number of patients <sup>(1)</sup> . . . . .	129	943	1,989	400	584
Revenue from general hospital services (RMB'000) . . . . .	68	88,235	217,202	64,588	83,524
<i>Inpatient services</i>					
Utilization rate of registered beds (%) <sup>(2)</sup> . . . . .	0.1%	26.8%	56.3%	51.8%	67.6%
Number of HSCTs performed . .	—	131 <sup>(9)</sup>	252 <sup>(9)</sup>	77 <sup>(9)</sup>	91 <sup>(9)</sup>
Inpatient bed-days <sup>(3)</sup> . . . . .	93	19,536	41,088	12,425	16,235
Average inpatient spending per bed-day (RMB) <sup>(4)</sup> . . . . .	677.7	4,392.3	5,014.9	4,964.4	4,808.6
Inpatient visits <sup>(11)</sup> . . . . .	93	1,423	2,903	766	1,240
Average inpatient spending per visit (RMB) <sup>(12)</sup> . . . . .	677.7	60,300.4	71,027.5	80,526.4	62,957.4
ALOS (days) <sup>(13)</sup> . . . . .	1.0	13.7	14.2	16.2	13.1
Inpatient services revenue (RMB'000). . . . .	63	85,807	206,051	61,684	78,067
<i>Outpatient services</i>					
Outpatient visits <sup>(5)</sup> . . . . .	126	5,102	14,316	3,686	5,992
Average outpatient spending per visit (RMB) <sup>(6)</sup> . . . . .	42.6	476.0	778.9	787.7	910.8
Outpatient services revenue (RMB'000). . . . .	5	2,428	11,151	2,904	5,457

<i>Hematology esoteric testing services</i>					
Revenue from hematology esoteric testing services (RMB'000) . . . . .	431	8,869	21,867	6,029	9,443

*Hematology esoteric testing services (excluding COVID-19 nucleic acid tests)*

## SUMMARY

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022	2022	2023
Number of hematology esoteric tests . . . . .	480	20,801	52,358	14,295	15,774
Average spending per hematology esoteric test (RMB) <sup>(14)</sup> . . . . .	898.3	426.4	416.0	421.7	598.7
Revenue from hematology esoteric testing services (RMB'000) . . . . .	431	8,869	21,779	6,029	9,443
<i>COVID-19 nucleic acid testing services</i>					
Revenue from COVID-19 nucleic acid testing services (RMB'000) . . . . .	—	—	88	—	—
<b>Revenue from Beijing Shunyi LDP Hospital (RMB'000)<sup>(7)</sup> .</b>	<b>499</b>	<b>97,104</b>	<b>239,069</b>	<b>70,617</b>	<b>92,967</b>

*Notes:*

- (1) Represents the number of patients who visited the hospital during the given period. The number of patients may be less than the number of total patient visits, as one patient may make more than one visit, and make both outpatient visit(s) and inpatient visit(s) in the given period.
- (2) Represents the percentage of registered beds in operation occupied by inpatients during the given period, as an indicator of the utilization of beds in operation, calculated as the inpatient bed-days in the given period divided by the total number of registered beds for inpatients on each day aggregated over the course of the same period, multiplied by 100%.
- (3) Represents the actual number of beds occupied by inpatients on each day aggregated over the course of the given period.
- (4) Calculated as inpatient services revenue divided by the number of inpatient bed-days for the same period.
- (5) Represents the total instances of outpatient registration at each hospital over the course of the given period.
- (6) Calculated as outpatient services revenue divided by the number of outpatient visits for the same period.
- (7) During the Track Record Period and up to the Latest Practicable Date, for better operational efficiency and economies of scale, (i) Beijing Shunyi LDP Hospital, which had not established its own laboratories for hematology esoteric testing as a newly established hospital in June 2020 with limited esoteric testing demand, outsourced all its hematology esoteric testing to the other two LDP hospitals in its close proximity, with a substantial majority conducted by Hebei Yanda LDP Hospital; Beijing Yizhuang LDP Hospital, which was in the business ramp-up stage and had relatively lower testing volume, outsourced certain of its hematology esoteric testing to Hebei Yanda LDP Hospital, which, in the aggregate, resulted in an intra-group revenue of RMB2.2 million, RMB20.9 million, RMB40.2 million, RMB12.7 million and RMB11.5 million, respectively, in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023; and (ii) Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital outsourced certain of their laboratory testing related to outpatient services to Hebei Yanda LDP Hospital, which resulted in an intra-group revenue of nil, RMB0.7 million, RMB0.4 million, RMB0.1 million and RMB0.3 million, respectively, in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023. See “Business—Management and Operation of Our Hematology Hospital Network—Synergies among Our Hematology Hospitals.” Such intra-group transactions are eliminated in full in preparing our consolidated financial statements. For the reconciliation between revenue by nature of services and revenue by hospital during the Track Record Period, see “Financial Information—Description of Key Consolidated Statements of Profit or Loss Items—Revenue—Revenue by Hospital.”

## SUMMARY

- (8) Utilization rate of registered beds exceeded 100% due to the addition of temporary beds to satisfy demand, which we believe was in line with our hospitals’ social responsibilities. We have consulted with the Division of Medical and Drug Administration and Management under the NHC counterpart in Langfang city of Hebei province (廊坊市衛生健康委員會醫政藥政醫管科), the competent local healthcare administrative authority as advised by our PRC Legal Advisor, the competent authority has advised us that (i) it has been informed of our overutilization of registered beds, and (ii) it did not and would not impose any administrative penalty on or take administrative actions against us for the overutilization of registered beds.
- (9) All cases of HSCTs at Beijing Shunyi LDP Hospital were performed pursuant to the Joint Ward Collaboration Arrangement. See “Business—Summary Information of Hematology Hospitals in Operation—Beijing Shunyi LDP Hospital.”
- (10) Revenue from inpatient services of Hebei Yanda LDP Hospital decreased by 1.3% from RMB807.1 million in 2020 to RMB796.8 million in 2021, primarily due to (i) decreased number of HSCT cases performed in 2021 due to stringent COVID-19 containment measures adopted in Hebei province back then; and (ii) reduced pharmaceuticals prices charged to patients as a result of various price control measures on pharmaceuticals by the PRC government to promote accessible public medical services. As a result, average inpatient spending per bed-day at Hebei Yanda LDP Hospital decreased from RMB4,489.6 in 2020 to RMB4,430.0 in 2021. Revenue from inpatient services of Hebei Yanda LDP Hospital decreased by 1.8% from RMB796.8 million in 2021 to RMB782.4 million in 2022, primarily due to a slight decrease in number of inpatient bed-days from 179,858 in 2021 to 177,314 in 2022. The average inpatient spending per bed-day at Hebei Yanda LDP Hospital remained relatively stable at RMB4,430.0 in 2021 and RMB4,412.2 in 2022. Revenue from inpatient services of Hebei Yanda LDP Hospital remained relatively stable at RMB260.9 million and RMB259.1 million in the four months ended April 30, 2022 and 2023, respectively.
- (11) Represents the total number of inpatients (with hospital stay) at each hospital over the course of the given period.
- (12) Calculated as inpatient services revenue divided by the number of inpatient visits for the same period.
- (13) Represents the average length of stay (ALOS) of an inpatient, and calculated as the inpatient bed-days divided by the number of inpatient visits for the same period.
- (14) Calculated as revenue from hematology esoteric testing services (excluding COVID-19 nucleic acid tests) divided by the number of hematology esoteric tests (excluding COVID-19 nucleic acid tests) for the same period.

The average utilization rate of registered beds of our hospitals, calculated as inpatient bed-days of our three hospitals in operation in the given period divided by the arithmetic sum of the total number of registered beds for inpatients on each day aggregated in each hospital over the course of the same period then multiplied by 100%, achieved rapid growth during the Track Record Period. In 2020, 2021, 2022 and the four months ended April 30, 2023, the average utilization rate of registered beds of our hospitals was 75.2%, 85.2%, 90.7% and 92.5%, respectively.

## Cost of Sales

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(RMB'000, except for percentages)										
Cost of										
pharmaceuticals . . . . .	466,559	50.7	582,843	48.4	717,204	49.8	224,759	49.6	259,416	51.5
Staff cost . . . . .	191,130	20.7	258,508	21.5	291,755	20.2	96,188	21.2	93,647	18.6
Cost of medical										
reagents and										
consumables . . . . .	100,242	10.9	149,235	12.4	186,618	13.0	55,930	12.3	60,195	11.9

## SUMMARY

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
(RMB'000, except for percentages)										
Depreciation and amortization . . . .	77,426	8.4	90,631	7.5	95,129	6.6	31,620	7.0	32,370	6.4
Clinical blood charges . . . . .	36,722	4.0	46,716	3.9	55,106	3.8	16,527	3.7	20,944	4.2
Outsourcing cost . . .	26,762	2.9	31,259	2.6	44,301	3.1	12,251	2.7	19,312	3.8
Others <sup>(1)</sup> . . . . .	22,272	2.4	44,521	3.7	50,421	3.5	15,964	3.5	18,370	3.6
<b>Total . . . . .</b>	<b>921,113</b>	<b>100.0</b>	<b>1,203,713</b>	<b>100.0</b>	<b>1,440,534</b>	<b>100.0</b>	<b>453,239</b>	<b>100.0</b>	<b>504,254</b>	<b>100.0</b>

Note:

- (1) Others primarily comprise utilities expenses, office property management expenses, maintenance and repair expenses and services fees paid to third parties we collaborated with.

## Gross Profit and Gross Margin

### Gross Profit and Gross Margin by Nature of Services

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

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin	Gross Profit	Gross Margin
(RMB'000, except for percentages)										
General hospital services . . . . .	134,858	14.0%	51,918	4.6%	109,101	7.8%	28,613	6.6%	56,709	11.1%
Hematology esoteric testing services . . . . .	105,579	53.4%	114,698	48.5%	127,641	46.6%	42,595	48.6%	46,834	48.4%
<b>Total . . . . .</b>	<b>240,437</b>	<b>20.7%</b>	<b>166,616</b>	<b>12.2%</b>	<b>236,742</b>	<b>14.1%</b>	<b>71,208</b>	<b>13.6%</b>	<b>103,543</b>	<b>17.0%</b>

During the Track Record Period, our overall profitability varied due to the mix of service offering and considerable differences in profit contribution and gross margin level between general hospital services and hematology esoteric testing services. Our general hospital services contributed the substantial majority of our total revenue and had a relatively lower gross margin compared to our hematology esoteric testing services.

## SUMMARY

### *Gross Profit and Gross Margin by Hospital*

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

	Year ended December 31,						Four months ended April 30,			
	2020		2021		2022		2022		2023	
	Gross Profit/(Loss)	Gross Margin	Gross Profit/(Loss)	Gross Margin	Gross Profit/(Loss)	Gross Margin	Gross Profit/(Loss)	Gross Margin	Gross Profit/(Loss)	Gross Margin
(RMB'000, except for percentages)										
Hebei Yanda LDP Hospital . . . .	302,333	28.5%	232,928	21.8%	238,372	21.7%	80,514	22.4%	90,270	24.1%
Beijing Yizhuang LDP Hospital . .	(46,786)	(45.4)%	(28,841)	(12.8)%	14,130	3.7%	(910)	(0.9)%	12,156	8.0%
Beijing Shunyi LDP Hospital . .	(16,927)	(3,388.1)%	(39,979)	(41.2)%	(19,267)	(8.1)%	(9,586)	(13.6)%	(297)	(0.3)%

During the Track Record Period, our overall profitability was affected by the different financial performance of three hematology hospitals in operation associated with their respective development stage. Hebei Yanda LDP Hospital reached profit breakeven prior to the Track Record Period. In 2020, 2021, 2022 and the four months ended April 30, 2023, we continued to record gross profit and gross margin from Hebei Yanda LDP Hospital, being a mature hospital within our hospital network and contributing a majority of our total revenue. Beijing Yizhuang LDP Hospital, our second largest revenue contributor, started to generate gross profit and positive gross margin in 2022 (approximately four years after it commenced operations in July 2018), compared to gross loss and negative gross margin recorded in 2020 and 2021. Beijing Shunyi LDP Hospital, having commenced operations in June 2020 as a new hospital with a relatively short operating track record, had not started to record gross profit. However, its gross loss margin significantly decreased from 2020 to the four months ended April 30, 2023. For the four months ended April 30, 2023, we resumed to generate profit from operations at the amount of RMB10.9 million, which marked a turning point of our position of loss from operations in 2021 and 2022 primarily as a result of our hospital network expansion.

Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital recorded continued improvement in gross margins during the Track Record Period. Gross margin of Hebei Yanda LDP Hospital decreased from 28.5% in 2020 to 21.8% in 2021, primarily due to the cessation of certain preferential treatments that were offered to us amidst the COVID-19 pandemic in 2020, including the social security insurance exemption offered by the government amounting to RMB6.3 million and rental expenses reduction by landlords amounting to RMB10.8 million. In addition, its gross margin in 2021 was also negatively affected by several other factors, such as increased staff cost associated with additional hiring and increased average salary and employee benefits, increased purchase of pharmaceuticals, medical reagents and consumables to uphold the hospital's quality service, ensure timely medical supplies and address regular epidemic prevention and control measures, which did not result in increased revenue proportionally for the same year.

## SUMMARY

### Summary of Consolidated Statements of Financial Position

	As of December 31,			As of April 30,
	2020	2021	2022	2023
	(RMB'000)			
Total non-current assets . . . . .	1,135,809	1,548,558	1,624,190	1,679,537
Total current assets . . . . .	717,175	368,649	343,198	391,191
Total current liabilities . . . . .	2,236,533	2,626,904	3,249,967	3,373,126
Net current liabilities . . . . .	(1,519,358)	(2,258,255)	(2,906,769)	(2,981,935)
Total assets less current liabilities . . . . .	(383,549)	(709,697)	(1,282,579)	(1,302,398)
Total non-current liabilities . . . . .	526,482	608,139	590,261	619,970
Net Liabilities . . . . .	(910,031)	(1,317,836)	(1,872,840)	(1,922,368)

We recorded net current liabilities and net liabilities during the Track Record Period. Our net current liabilities increased by RMB738.9 million from December 31, 2020 to December 31, 2021, primarily due to (i) an increase of RMB287.0 million in financial instruments issued to investors; (ii) an increase of RMB124.0 million in trade and other payables, which was mainly attributable to increased procurement of Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital, along with the ramping up of their business; (iii) a decrease of RMB269.3 million in financial assets at FVPL due to disposal of certain wealth management products; and (iv) a decrease of RMB103.9 million in loans to related parties due to repayments from related parties. Our net current liabilities further increased by RMB648.5 million to RMB2,906.8 million as of December 31, 2022, primarily due to (i) an increase of RMB489.0 million in financial instruments issued to investors; and (ii) an increase of RMB143.0 million in trade and other payables, which was mainly in connection with the increased procurement of pharmaceuticals by Beijing Shunyi LDP Hospital and Beijing Yizhuang LDP Hospital in line with their business growth. We had net current liabilities of RMB2,981.9 million as of April 30, 2023, representing an increase of RMB75.2 million from December 31, 2022, which was primarily due to (i) an increase of RMB53.0 million in financial instruments issued to investors; (ii) an increase of RMB34.1 million in trade and other payables, mainly attributable to increased procurement of pharmaceuticals driven by the continued business growth of our hospitals in operation and stocking up for the public holiday in May; and (iii) an increase of RMB49.3 million in cash and cash equivalents.

We had net liabilities of RMB910.0 million as of December 31, 2020, reflecting a net liabilities position of RMB517.0 million as of January 1, 2020 which was further affected by recognition of financial instruments to investors as current liabilities of RMB421.3 million, issuance of financial instruments to investors of RMB150.0 million and loss for the year of RMB121.7 million in 2020. Our net liabilities increased to RMB1,317.8 million as of December 31, 2021 and further increased to RMB1,872.8 million as of December 31, 2022, reflecting primarily loss for the year of RMB408.3 million in 2021 and RMB547.3 million in 2022. We had net liabilities of RMB1,922.4 million as of April 30, 2023, representing an increase of RMB49.5 million from December 31, 2022, which reflected loss for the period of RMB56.7 million and capital injection of RMB7.2 million in the four months ended April 30, 2023.



## SUMMARY

### Summary of Consolidated Statements of Cash Flow

	Year ended December 31,			Four months ended April 30,	
	2020	2021	2022 (RMB'000)	2022 (unaudited)	2023
Net cash generated from operating activities . . . . .	84,105	63,028	272,622	82,604	116,074
Net cash used in investing activities . . . . .	(96,875)	(20,229)	(161,705)	(38,322)	(104,687)
Net cash generated from/(used in) financing activities . . . . .	67,937	(80,516)	(63,521)	(52,970)	37,869
Net increase/(decrease) in cash and cash equivalents . . . . .	55,167	(37,717)	47,396	(8,688)	49,256
Cash and cash equivalents at the beginning of the year/period . .	14,966	70,133	32,416	32,416	79,812
Effect of movements in exchange rates on cash held . . . . .	—	—	—	—	(3)
<b>Cash and cash equivalents at end of the year/period . . . . .</b>	<b>70,133</b>	<b>32,416</b>	<b>79,812</b>	<b>23,728</b>	<b>129,065</b>

Our cash and cash equivalents decreased from RMB70.1 million as of December 31, 2020 to RMB32.4 million as of December 31, 2021, primarily because we recorded net cash generated from financing activities of RMB67.9 million in 2020 as a result of the issuance of financial instruments to investors, compared to net cash used in financing activities of RMB80.5 million recorded in 2021. In 2022, we had net cash generated from operating activities of RMB272.6 million, which was mainly because our loss before taxation of RMB547.9 million was adjusted to reflect primarily (i) non-cash items of change in the carrying amount of financial instruments issued to investors of RMB489.0 million, as well as depreciation of property, plant and equipment and right-of-use assets of RMB154.0 million; and (ii) working capital adjustments for an increase in trade and other payables of RMB164.3 million, mainly attributable to an increase in trade payables in connection with the increased procurement of pharmaceuticals by Beijing Shunyi LDP Hospital and Beijing Yizhuang LDP Hospital in line with their business growth. Our net cash used in investing activities of RMB161.7 million in 2022 was primarily attributable to payment for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB220.1 million in connection with our hospital network expansion and upgrade. In the four months ended April 30, 2023, our net cash used in investing activities was RMB104.7 million, primarily due to payment for purchase of property, plant and equipment, intangible assets and other non-current assets to support our business expansion; and our net cash generated from financing activities was RMB37.9 million mainly attributable to the drawdowns under the bank facility agreement we entered into in August 2022. Compared to the net decrease in cash and cash equivalents recorded in the four months ended April 30, 2022, we recorded net increase in cash and cash equivalents in the same period in 2023 and our cash and cash equivalents increased from RMB23.7 million as of April 30, 2022 to RMB129.1 million as of April 30, 2023.

### Key Financial Ratios

The following table sets forth certain of our key financial ratios as of the dates or for the periods indicated:

	Year ended/As of December 31,			Four months ended/ As of April 30,	
	2020	2021	2022	2022	2023
<b>Profitability ratios</b>					
Gross margin <sup>(1)</sup> . . . . .	20.7%	12.2%	14.1	13.6%	17.0%
Net margin <sup>(2)</sup> . . . . .	(10.5)%	(29.8)%	(32.6)%	(35.6)%	(9.3)%

## SUMMARY

	Year ended/As of December 31,			Four months ended/ As of April 30,	
	2020	2021	2022	2022	2023
<b>Non-IFRS Measure</b>					
Adjusted EBITDA margin <sup>(3)</sup> . . .	16.3%	5.6%	8.6%	8.2%	11.9%
<b>Liquidity ratios</b>					
Current ratio <sup>(4)</sup> . . . . .	0.32	0.14	0.11	N/A	0.12
Quick ratio <sup>(5)</sup> . . . . .	0.30	0.12	0.08	N/A	0.09

*Notes:*

- (1) Gross margin equals gross profit for the year/period divided by revenue and multiplied by 100%.
- (2) Net margin equals loss for the year/period divided by revenue and multiplied by 100%.
- (3) Adjusted EBITDA margin, a non-IFRS measure, equals adjusted EBITDA for the year/period divided by revenue and multiplied by 100%. See “—Non-IFRS Measure” for a reconciliation of loss for the year/period to adjusted EBITDA.
- (4) Current ratio equals total current assets divided by total current liabilities of the same date.
- (5) Quick ratio equals total current assets less inventories divided by total current liabilities of the same date.

As a market leader in China’s hematology healthcare services market, we have achieved sustainable business growth since our founding. Hebei Yanda LDP Hospital, our first flagship hematology hospital, has become a mature hospital and achieved profitability throughout the Track Record Period. As a result, we have a proven track record in achieving sustainable profitability by establishing and operating hematology hospitals.

We are committed to driving long-term and sustainable growth of our business with a vision to benefit more patients suffering from hematologic diseases. As such, strategically, we have been investing significantly to expand our hematology hospital network and business scale before and during the Track Record Period, including Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital, which commenced operations in July 2018 and June 2020, respectively, and the pipeline Shanghai LDP Hospital and relocation of Hebei Yanda LDP Hospital with expanded service capacity, which are expected to be launched in 2023 and 2025, respectively. We believe such investments are critical for our continued business growth to capture the significant market opportunities of China’s hematology healthcare services market.

We recorded loss from operations of RMB100.6 million and RMB30.8 million in 2021 and 2022, respectively, primarily because we incurred significant staff costs due to recruiting new medical professionals and supportive staff as well as depreciation and amortization expenses associated with new property leases and medical equipment in the ramping up of Beijing Yizhuang LDP Hospital and the establishment and ramping up of Beijing Shunyi LDP Hospital, both of which have yet to generate the type of returns normally experienced by a mature hospital. This is because, these two hospitals are still at the initial and ramping up phase and it will take time for them to establish a large enough patient base to achieve business scale and operating efficiency to generate profits after offsetting operating costs and expenses of the initial investments. It should be noted that our net losses during the Track Record Period was also attributable to the increase in the total equity valuation of our Preferred Shares, which resulted in recording significant losses from changes in the carrying amount of financial instruments issued to investors of RMB137.7 million, RMB287.0 million, RMB489.0 million, RMB163.0 million and RMB53.0 million in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023, respectively. We recorded adjusted EBITDA (non-IFRS measure) of RMB189.7 million, RMB76.1 million, RMB144.7 million, RMB43.0 million and RMB72.5 million in 2020, 2021, 2022 and the four months ended April 30, 2022 and 2023, respectively. Further, after the first full-year operation in 2021 of Beijing Shunyi LDP Hospital and increased business synergies especially in hematology esoteric testing services among our three

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## SUMMARY

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hospitals, our overall gross margin increased from 12.2% in 2021 to 14.1% in 2022 and further to 17.0% in the four months ended April 30, 2023. In particular, we recorded loss from operations of RMB30.8 million in 2022 while the loss from operations in 2021 was RMB100.6 million, and resumed to generate profit from operations of RMB10.9 million in the four months ended April 30, 2023, which marked a turning point of our position of loss from operations.

Our net liability position and net current liability position as of December 31, 2020, 2021 and 2022 and April 30, 2023, respectively are further discussed in “Financial Information—Discussion of Selected Items from Consolidated Statements of Financial Position” and “Financial Information—Liquidity and Capital Resources—Net Current Liabilities.”

We expect to further improve our financial performance and achieve and maintain sustainable profitability primarily through (i) continuous revenue growth to be contributed by recouping significant initial investments for Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital, continuously widening service offering and patient base by further expansion of our hematology hospital network; and (ii) making continuous efforts to reduce costs of sales and operating expenses as a percentage of revenue and to improve cost and operation efficiency. In addition, upon [REDACTED], our Preferred Shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares, which is critical to our long-term profitability and also net current assets/net assets positions. Subsequent to the conversion, it is expected that we will turn into a net assets position from a net liabilities position.

Based on the foregoing, our Directors are of the view that our business is sustainable despite the short-term loss-making position. For details, see “Financial Information—Business Sustainability.”

### IMPACT OF COVID-19 PANDEMIC

Since the outbreak of COVID-19 in early 2020, China has implemented measures to contain its spread and has been adjusting such measures in response to the changing landscape of the COVID-19 pandemic. The outbreak of COVID-19 has affected our business operations as well. During the early outbreak of COVID-19, there was a temporary decline in the patient visits and medical services provided at our hospitals due to uncertainties regarding the nature and epidemiology of the new disease and the corresponding strict preventive measures. For example, we performed only 195 HSCT cases in the aggregate at Hebei Yanda LDP Hospital and Beijing Yizhuang LDP Hospital in the first quarter of 2020, which was the lowest quarterly number of HSCTs performed at our operating hospitals during the Track Record Period. In addition, the opening and operation commencement of our Beijing Shunyi LDP Hospital was delayed, because certain prerequisite inspection to Beijing Shunyi LDP Hospital by the relevant authorities in Beijing before issuing the Practicing License of Medical Institution was suspended in the first half of 2020 to contain the spread of COVID-19 pandemic. The delay in the opening and operation commencement of Beijing Shunyi LDP Hospital had a short-term negative impact on its financial performance in the first half of 2020, including delay in generating revenue and accumulation of fixed cost incurred, such as staff cost and rental expenses. Furthermore, we were offered certain preferential treatments in 2020 to relieve the general negative impacts from the COVID-19 pandemic, including the social security insurance exemption offered by the government and rental expenses reduction by landlords, which were not available from 2021.

Due to the significant unmet medical needs for HSCTs and treatment of blood cancers and other R/R hematologic diseases in the PRC, there continued to be significant demand for our services during the pandemic. In addition, given hematologic diseases typically involve severe symptoms if untreated and require regular monitoring, patients usually seek doctor consultation or resume treatment as soon as they can. The response measures implemented in our hospitals, such as the establishment of a specialized committee in each of our three operating hospital to coordinate the hospital’s response to COVID-19 and the preparation and implementation of guidelines relating to certain specific issues, are also key to

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## SUMMARY

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ensuring normal operations at our hospitals, and enabling Beijing Yizhuang LDP Hospital and Beijing Shunyi LDP Hospital to ramp up operations after they were recognized as Medical Insurance Designated Medical Institutions in January 2021 and December 2020, respectively. During the Track Record Period and up to the Latest Practicable Date, there was no temporary closure of our operating hospitals and our operations had not been materially adversely affected by the COVID-19 pandemic. For example, our revenue increased at a CAGR of 20.2% from RMB1,161.6 million in 2020 to RMB1,677.3 million in 2022. In 2020, 2021 and 2022, the number of HSCTs performed at our hospitals was 977, 1,171 and 1,457, respectively. For the same period, 752, 731 and 767 cases were performed at Hebei Yanda LDP Hospital, with the quarter-on-quarter fluctuations (按季度同比波動) from 2019 to 2022 below 10%.

Since early December 2022, the PRC government has lifted a series of COVID-19 prevention measures on a nationwide basis, as an active optimization of epidemic prevention and control policies of the government. Furthermore, the World Health Organization declared on May 5, 2023 that COVID-19 is now an established and ongoing health issue which no longer constitutes a public health emergency of international concern. With the lifting of preventative restrictions since the end of 2022, there was a surge in COVID-19 cases at the end of 2022 and the beginning of 2023 which temporarily affected the outpatient visits for the four months ended April 30, 2023. There remains risk that any worsening of the COVID-19 pandemic may materially and adversely affect the operation of our Group in the future. See “Risk Factors—Risks Relating to Our Business and Industry—An occurrence of a natural disaster, widespread health epidemic or other outbreaks, such as the outbreak of COVID-19, could have a material adverse effect on our results of operations.”

### RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Despite the resurgence and the evolution of government policies towards the COVID-19 pandemic, we continued to offer undisrupted hematology healthcare services to our patients after the Track Record Period, and continued with our hospital network expansion plan.

We expect to record net loss and our adjusted net loss (being net loss excluding [REDACTED] expenses and change in the carry amount of financial instruments issued to investors) is expected to increase for the year ending December 31, 2023, which are primarily attributable to our continued efforts to expand our hematology hospital network and business scale, including continued ramp-up of Beijing Shunyi LDP Hospital and opening of Shanghai LDP Hospital in December 2023. As we are committed to driving long-term and sustainable growth of our business with a view to benefit more patients suffering from hematologic diseases, our Directors are of the view that our business is sustainable despite the short-term loss-making position. For details, see “Financial Information—Business Sustainability.”

Our Directors confirm that, there had been no material adverse change in our financial, operational or trading position since April 30, 2023, being the latest date of our consolidated financial statements as set out in “Appendix I—Accountants’ Report” of this Document, and up to the date of this Document.

### APPLICATION FOR [REDACTED] ON THE HONG KONG STOCK EXCHANGE

We are applying for the [REDACTED] under Rule 8.05(3) of the Listing Rules and we satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenues for the year ended December 31, 2022, being RMB1,677.3 million, which is significantly over HK\$500 million required by Rule 8.05(3); and (ii) our expected [REDACTED] at the time of [REDACTED], which, based on the low end of the indicative [REDACTED] range of [REDACTED] per Share, significantly exceeds HK\$4 billion required by Rule 8.05(3).

## SUMMARY

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[REDACTED]

### DIVIDENDS

During the Track Record Period, we did not declare or paid any dividend. We do not have a specific dividend policy or a predetermined dividend payout ratio. As advised by our Cayman Islands counsel, notwithstanding that our Company may have accumulated losses, the existence of accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders. Subject to the Companies Act and the Articles, our Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorize payment of the dividends or distributions out of the funds of our Company lawfully available therefor, provided that this would not result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

See “Financial Information—Dividends.”

### [REDACTED] EXPENSES

Our [REDACTED] expenses mainly include [REDACTED], legal and other professional fees paid and payable to professional parties, and printing and other expenses for their services rendered in relation to the [REDACTED] and the [REDACTED]. We expect to incur a total of approximately [REDACTED] of [REDACTED] expenses in connection with the [REDACTED], representing approximately [REDACTED] of the gross [REDACTED] from the [REDACTED] (based on an [REDACTED] of [REDACTED] per Share, being the mid-point of our indicative [REDACTED] range for the [REDACTED], and assuming that the [REDACTED] is not exercised), among which (a) [REDACTED]-related expenses, including [REDACTED] and other expenses, are expected to be

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## SUMMARY

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approximately [REDACTED] and (b) non-[REDACTED]-related expenses are expected to be approximately [REDACTED], comprising (1) fees and expenses of legal advisors and accountants of approximately [REDACTED] and (2) other fees and expenses of approximately [REDACTED].

During the Track Record Period, we incurred [REDACTED] expenses of RMB58.4 million, of which RMB49.7 million was charged to the consolidated statements of comprehensive income in 2020, 2021, 2022 and the four months ended April 30, 2023, as general and administrative expenses and RMB8.7 million was recognized as trade and other receivables in the consolidated statements of financial position as of April 30, 2023 and to be deducted from equity upon successful [REDACTED]. We expect to incur additional [REDACTED] expenses of approximately [REDACTED], of which approximately [REDACTED] is expected to be recognized as general and administrative expenses and approximately [REDACTED] is expected to be recognized as a deduction in equity directly upon the [REDACTED].

The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

### USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately [REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming an [REDACTED] of [REDACTED] per Share, which is the mid-point of the indicative [REDACTED] range stated in this Document.

Assuming an [REDACTED] at the mid-point of the indicative [REDACTED] range, we currently intend to apply these net [REDACTED] for the following purposes:

- approximately 55%, or [REDACTED], will be allocated to the expansion and relocation of Hebei Yanda LDP Hospital and the opening of Shanghai LDP Hospital;
- approximately 25%, or [REDACTED], will be allocated to the potential business collaboration and acquisition opportunities in hematology healthcare services;
- approximately 7%, or [REDACTED], will be allocated to the continuous enhancement and strengthening of our competitive advantages in providing hematology healthcare services;
- approximately 5%, or [REDACTED], will be allocated to the development of our hematology esoteric testing services business, to enrich our hematology esoteric testing menu and optimize the MICM testing system, as well as to strengthen our capability in providing hematology esoteric testing services; and
- approximately 8%, or [REDACTED], will be used for our working capital and general corporate purposes.

For further details, see “Future Plans and Use of [REDACTED]—Use of [REDACTED].”



## SUMMARY

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### RISK FACTORS

Our business and the [REDACTED] involve certain risks and uncertainties, including those set out in the section headed “Risk Factors,” some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. Major risks we face include, among others, (a) the industry we operate in is heavily regulated; any failure to comply with relevant laws and regulations, including failure to obtain or renew the various licenses, permits, approvals and certificates, may adversely affect our business, results of operations and financial condition; (b) newly opened hospitals may not achieve normal operation as anticipated, and we may not be able to achieve and maintain an optimal balance between our business expansion and profitability; (c) government’s price control of healthcare services may affect the pricing of our services; (d) we have incurred net losses, net liabilities and net current liabilities in the past and may not be able to achieve or maintain profitability, net assets or net operating cash inflow in the foreseeable future; (e) a portion of our revenue is from patients with public medical insurance coverage in China; any non-payment or delayed payment under such public medical insurance programs as a result of disputes, changes in insurance policies, administrative obstacles or any other reason, could affect our results of operations and financial condition; (f) if our hospitals are unable to attract and retain sufficient qualified doctors and other medical professionals, our business and results of operations could be materially and adversely affected; and (g) we may experience patient complaints, significant liability claims and legal proceedings in the course of our operations, all of which could result in costs and severely damage our reputation and materially and adversely affect our results of operations and prospects.